



LOCAL GOVERNMENT 101

August 17, 2023





State of California



58 counties



482 incorporated cities



121 charter cities
(authority over
municipal affairs)



361 general law cities
(bound by the
state's general law)



e.g. San Jose
& Gilroy



GOVERNMENT

WHO TAKES CARE OF WHAT?

Your food is safe. Your state has roads and schools. Your community has parks and police. Government makes these things happen... and more.



FEDERAL

 **Safe travels!** The Federal Aviation Administration (FAA) ensures that flying is safe.

 **How much?** The U.S. mint manufactures and distributes the coins we use. The Bureau of Engraving and Printing prints our paper money.

 **Ensuring national security.** The Department of Defense provides the military forces needed to prevent war and keep our country safe.

 **Protecting plants and animals.** U.S. Fish and Wildlife focuses on protecting endangered species.

 **To your health!** The Food and Drug Administration (FDA) approves all medicines and sets food safety standards.

 **Learning more on your behalf.** The National Institute of Health (NIH) supports research into the causes and cure of diseases.

 **FEDERAL AND STATE**

 **How green it is!** National and state governments create and maintain about 300 million acres of parks and forests.

 **Correctional facilities** – prisons – house people who have been convicted of a crime.

 **FEDERAL, STATE AND LOCAL**

 **Road trip!** About 4 million miles of roads criss-cross the U.S.

 **Safe and sound.** Community police, state troopers, the National Guard, and the FBI (Federal Bureau of Investigation) work to fight crime.

 **Vote!** The Constitution establishes how national elections are held. Local governments, with State oversight, arrange for polling places where people cast their vote.

 **911** Quick, call 9-1-1! Your community's first responders – firefighters, police, and EMTs (Emergency Medical Technicians) – are there in minutes.

 **Read, play, enjoy.** If you like libraries, sports fields, parks, and other recreation facilities in your community, say thank-you to your local government.

 **Bumpety-bump.** Without your local government to repair the roads and fix potholes, you may end up with a rough ride.

STATE

 **Behind the wheel.** Every state has a Department of Motor Vehicles. When you're old enough to get a driver's license, that's where you'll go.

 **Go fish!** But first you'll need a state-issued fishing license. The same goes for hunting.

 **Tests to pass.** Lawyers and other professionals must pass a state licensing exam in the state where they plan to work.

 **Ratify!** Any amendment to our Constitution must be approved, or ratified, by 38 states.

 **Getting well.** A state controls all the hospitals within its borders and exerts direct control over specific facilities.

 **Electing our President.** Every state chooses electors for the Electoral College. Electors cast votes for whichever candidate gets the majority of votes in the state.

 **STATE AND LOCAL**

 **Your teachers, your schools.** Local communities hire teachers, build schools, and provide transportation to and from school. What gets taught is the state's responsibility.

 **Electricity, natural gas, and water** are necessities to be managed and distributed. Local communities are in charge.

 **P-U!** That's what you might say without the garbage collection provided by your community's sanitation department.

LOCAL



About Morgan Hill



- Incorporated November 10, 1906
- Population= 47,374
- 13 square miles
- 138.9 miles of roads
- 22 parks
- 4 recreation centers
- Number of full-time equivalents (FTE's) = 203.75
- Number of part-time teammates = 200 +/-
- Full-Service City



What's Included in Full-Service City



- Police
- Fire
- Water/Wastewater
- Streets
- Parks
- Recreation
- Housing
- Economic Development
- Development Services

Private Sector/Public Sector



Shareholders



Residents

Board of
Directors



City Council

CEO



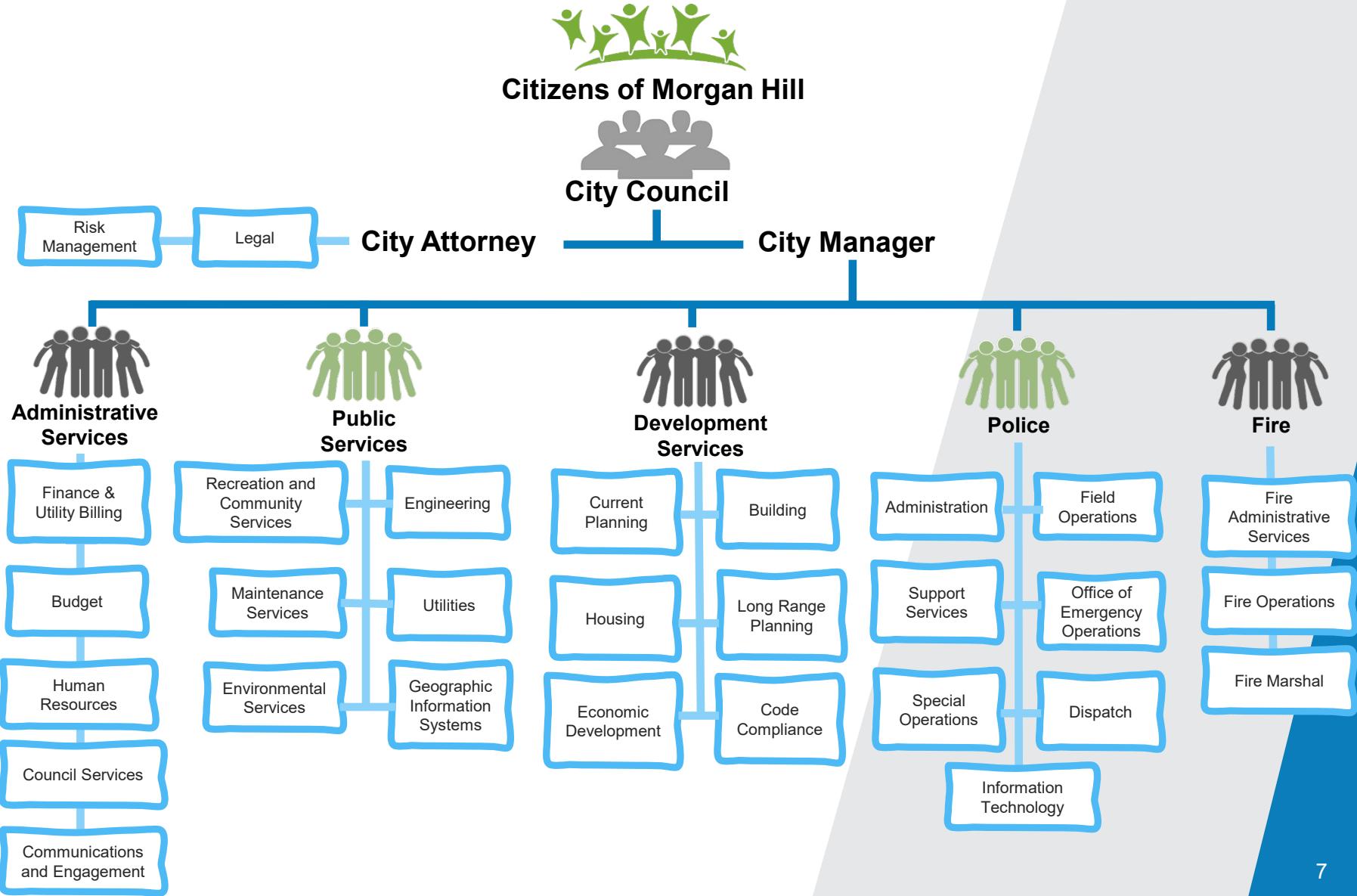
City
Manager

Corporate
Counsel

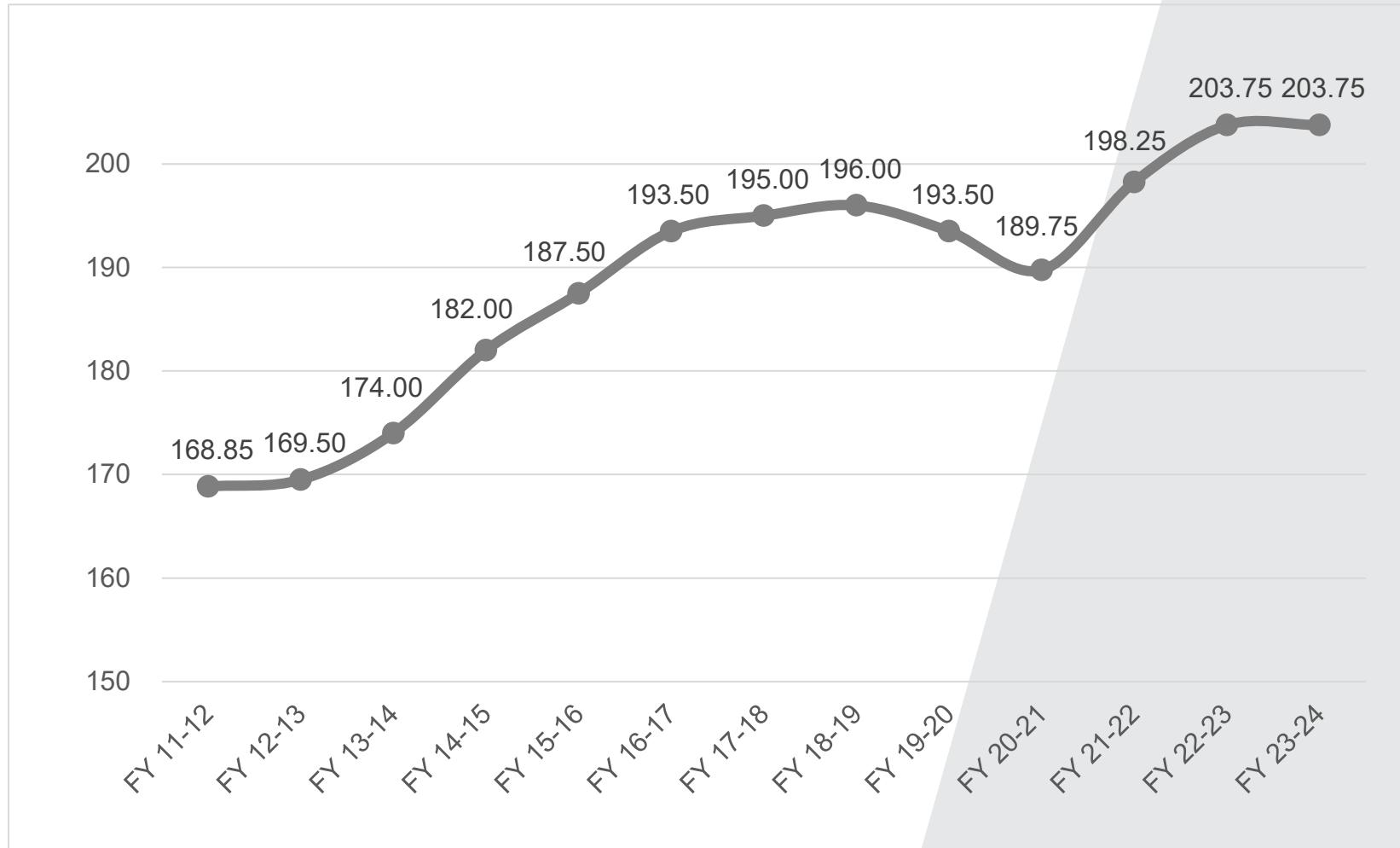


City
Attorney

Organizational Chart



History of Full-Time Equivalents (FTE)





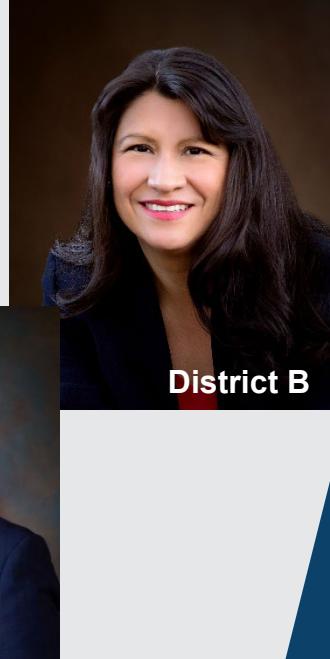
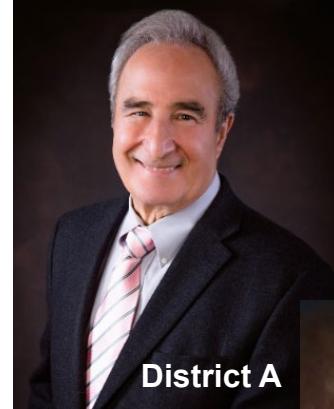
partnership history
keeps both short &
long term costs down



Morgan Hill City Council



- Mayor - 2-year term
- Council Members - 4-year terms
- Every 2 years, 3 seats are up for election
- District Elections
- Council meetings are held on the 1st, 3rd, & 4th Wednesdays of the month



Roles & Responsibilities of City Council



- ✓ Elected by Citizens of Morgan Hill
- ✓ Hires and provides direction to City Manager and City Attorney
- ✓ Serves as the policy making legislative body
- ✓ Establishes priorities and goals
- ✓ Adopts budget, enacts ordinances, approves major contracts
- ✓ Serves on Council Committees and Appointments to Outside Agencies
- ✓ Appoints City Commissions

Private Sector / Public Sector



Shareholders



Residents

Board of
Directors



City Council

CEO



City Manager

Corporate
Counsel



City Attorney

SUSTAINABLE MORGAN HILL



Vision

To sustain a safe, inclusive, socially responsible, environmentally conscious, and economically sound community.

Choose Morgan Hill

The City of Morgan Hill is the best community for people to live, work, visit, and operate their businesses.

City Council Ongoing Priorities

- Enhancing Public Safety and Quality of Life
- Protecting the Environment and Preserving Open Space and Agricultural Land
- Maintaining and Enhancing Infrastructure
- Supporting our Youth, Seniors, and Entire Community
- Fostering a Positive Organizational Culture
- Preserving and Cultivating Public Trust
- Preserving our Community History
- Enhancing Diversity and Inclusiveness
- Advocating for Local, Regional, and State Legislative Initiatives

2022-2023 Strategic Priorities

- Fiscal Sustainability
- Affordable Housing and Homelessness
- Community Outreach, Engagement, and Messaging
- Economic Development
- Transportation

These strategic priorities were established prior to the COVID-19 pandemic. In light of recent events, we recognize that all of these goals and priorities will be viewed through the lens of recovering from the global pandemic, and we will continue to have equity, public health, and financial responsibility in mind.



STRATEGIC PRIORITIES

Fiscal Sustainability

The City will continue to be financial stewards of its resources and assets to ensure longterm fiscal sustainability. Through the budget development process, the City, within the fiscal sustainability path,

will prudently carry out the City Council's priorities, while maintaining adequate fund balance reserves. The City will continue to explore new or expand existing revenue sources to ensure fiscal sustainability.



Affordable Housing and Homelessness

Morgan Hill will continue to improve, preserve, and develop new safe, quality, rental and ownership housing for residents at all income levels. To the extent possible, the City will respond to and reconcile new housing initiatives and legislative mandates. The City is guided by the vision of its General Plan, a long-term plan for the physical development of the community. The vision includes the preservation of agriculture, incentives to foster infill development, and new housing for families of various sizes, ages, and incomes. Like many other cities in the Bay Area, Morgan Hill is experiencing transformative growth and working to meet the housing needs of its current and future residents. The City's Housing Program project is grounded on five key pillars:

- **Production of New Affordable Housing Units:** Morgan Hill will continue to improve, preserve, and develop new safe, quality, rental and ownership housing for residents at all income levels. City will seek partnerships that create new housing opportunities directly aligned with the City's "fair share" Regional Housing Needs Allocation (RHNA).
- **Preservation of Existing Affordable Housing Inventory:** The City has a robust inventory of Below Market Rate housing units. Through the City's thoughtful planning, affordable housing has been integrated throughout the community and balanced throughout new developments. The City's Inclusionary Housing Ordinance further ensures future production of income restricted units. The City will coordinate the lease-up process of upcoming affordable developments to ensure residents are aware of and accessing upcoming housing opportunities.
- **Promotion of Housing Program:** The City manages an inventory of Below Market Rate deed-restricted units and collaborates with the County of Santa Clara and local non-profits to connect residents to resources. Staff will focus on communications, engagement, and education of services with particular attention to Spanish-speaking residents.
- **Prevention of Homelessness:** Implement the Countywide Community Plan to End Homelessness by continuing to identify barriers, solve housing problems at the local level, and advance efforts to increase coordination in South County among its service providers. The City will continue to employ a balanced approach, offering resources and referrals to services, partnering with the faith-based community and non-profits to create appropriate local service points, while also utilizing available resources to reduce encampments.
- **Protection of Quality of Life for New and Existing Neighborhoods:** The City will continue to seek quality development and balance the needs of existing and new neighborhoods.

STRATEGIC PRIORITIES

Community Outreach, Engagement, and Messaging

The City's Communications, Outreach, and Engagement Plan defines the messages, priorities, strategies, and tools the City will use when communicating with the community. Through the Plan, the City will tell the Morgan Hill story and work to build trust with the community and ensure that we provide effective engagement. Through effective application of communication strategies, the Plan will ensure that all City Council Members, Commissioners, and teammates have the tools to provide accurate, timely, and relevant information to the community. The Plan aligns communication resources with the goals to set clear communications expectations for the community, ensuring that the City can continue providing excellent services that reflect the strength of the City's outreach initiatives while supporting the implementation of the City Council's strategic priorities.



Encourage community engagement through audience-appropriate two-way communication, and ensure opportunities for constructive feedback



Share accurate, non-biased information promptly through a variety of communication channels



Work directly with the Council, staff, and community partners to ensure communication and outreach efforts, objectives, and outcomes align with the strategic priorities and promote community understanding



Keep City teammates informed and involved in public dialogue to aid in telling the Morgan Hill story

Economic Development

The City's Economic Development efforts focus on implementing the Economic Blueprint strategies and actions to help build long-term fiscal sustainability and improve quality of life for residents. This will be achieved by attracting jobs and commercial investment which generate revenues to support essential City services and improve critical City infrastructure. The Economic Blueprint is focused on advancing economic prosperity and vitality by attracting investment, development, and jobs in four key industries:

- **Healthcare:** Grow and foster medical and diagnostic services by advancing and supporting the entitlement process for medical facilities. Promote and market Morgan Hill as a desired location for medical and diagnostic providers.
- **Innovation and Advanced Manufacturing:** Grow existing companies, attract new industry, and grow high-quality jobs. Support and advance the entitlement and permit process of new developments. Promote and market Morgan Hill as a premier location for commercial and industrial investment.
- **Retail:** Grow retail offerings and strengthen commercial nodes. Develop a retail incubator program and a retail concentration strategy. Utilize incentives and available tools to attract new investments that increase both jobs and revenue to the community.
- **Tourism:** Grow leisure, agriculture, wine country and recreational tourism. Continue to nurture Downtown's transformation as a community gathering place. Implement Property Based Improvement District and manage parking supply. Support additional lodging investments and partner with Visit Morgan Hill to implement activations that support tourism and vibrancy.

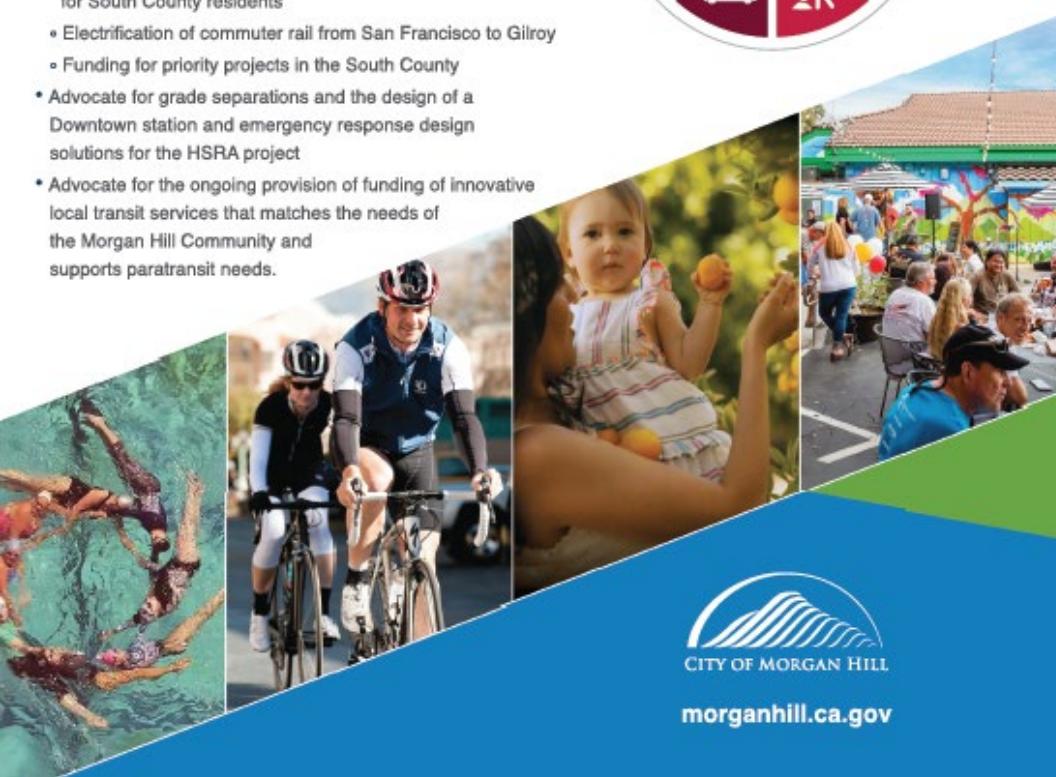


STRATEGIC PRIORITIES

Transportation

The City has clearly identified traffic and transportation issues facing Morgan Hill as regional in nature. Morgan Hill will continue to partner with the City of Gilroy to advocate for improvements and funding for the South Santa Clara County Transportation Corridor. The City will actively advocate on regional transportation planning issues. Locally, the City will prioritize funding for Vision Zero safety strategies over congestion management. The City will take actions to implement its goal to create a culture that prioritizes safety, creates livable streets, and seeks to eliminate traffic fatalities. Safety of pedestrians, bicyclists, drivers, and passengers is paramount.

- Complete construction of Hale Avenue Extension
- Advocacy will include:
 - Working with the Valley Transportation Authority (VTA), Caltrain, the County, the High-Speed Rail Authority (HSRA), and the State to enhance service, secure funding for transportation projects and road maintenance, and protect the community from negative impacts of regional projects
 - Expansion of Highway 101 between Morgan Hill and Gilroy to reduce pass-through traffic and improve commute traffic for South County residents
 - Electrification of commuter rail from San Francisco to Gilroy
 - Funding for priority projects in the South County
- Advocate for grade separations and the design of a Downtown station and emergency response design solutions for the HSRA project
- Advocate for the ongoing provision of funding of innovative local transit services that matches the needs of the Morgan Hill Community and supports paratransit needs.



morganhill.ca.gov

City of Morgan Hill Commissions



- Library, Culture and Arts Commission
- Parks and Recreation Commission
- Planning Commission

City of Morgan Hill Core Values



exceed our community's needs and expectations

friendly responsive people feel valued

cus•tom•er ser•vice

Exceed expectations by being friendly, attentive, and responsive while finding solutions.

listen with an open mind be attentive

approachable positive attitude follow through

YES solutions

meet new challenges encourage journey

increase value empower teammates

pro•fes•sional growth

Foster a culture that encourages and promotes continuous learning and development.

possibilities opportunities to grow

share ideas stretch one's mind confidence embrace challenge

kicking down doors for future leaders to move mountains

open minded unique and creative

in•no•va•tion

Implement bold and creative ideas to improve our services.

new approach anticipate explore

develop creative solutions VISION

one crazy idea at a time

synergy inclusive open-minded fun

strength of all teammates supportive

team•work

Capitalize on each other's strengths and work collaboratively towards a common goal.

trust All 4-1; 1-4 All! collaborate

achievement

persevere, grow, and succeed

identify ways to accomplish goals

finding solutions and getting it done

meet•ing chal•lenges

Embrace opportunities to find solutions.

we don't meet challenges, we make opportunities

learn from experiences face your fears

Ethics Policy



City of Morgan Hill Ethics Policy

The City of Morgan Hill's Ethics Policy Requires that:

- public officials, both elected and appointed, comply with both the letter and the spirit of the laws and policies affecting the operations of government;
- public officials be independent, impartial, and fair in their judgment and actions;
- public office be used for the public good, not for personal gain;
- public deliberations and processes be conducted openly, unless legally required to be confidential, in an atmosphere of respect and civility; and
- public officials encourage a diversity of opinions to be expressed during public debate and discussion.

As those charged with carrying on the City's business, we the undersigned, affirm our commitment to Morgan Hill's ethics policy and endeavor to practice the following core values:

HONESTY

I am honest with my fellow elected officials, the public, and others. I am prepared to make unpopular decisions when my sense of the public's best interests requires it and I take responsibility for my actions, even when it is uncomfortable to do so. I am trustworthy.

RESPECT

I treat my fellow officials, staff, and the public with patience, courtesy and civility, even when we disagree on what is best for the community. I respect others' time by coming prepared and presenting my position clearly. I listen to others and move the discussion forward. I work to gain value from diverse opinions and build consensus. I am approachable, open-minded and willing to participate in dialog and I work to convey this to others. I recognize government's responsibilities to everyone. I convey the agency's care for and commitment to its community members through my words and deeds. I am attuned to, and care about, the needs and issues of the citizens, public officials, and agency workers.

RESPONSIBILITY

I do not accept gifts, services or other special considerations because of my public position. I refrain from any action that might appear to compromise my independent judgment. I support merit-based processes for the award of public employment and public contracts. I demonstrate concern for the proper use of agency assets (such as personnel, time, property, equipment, funds).

FAIRNESS

I support the public's right to know and participate in the conduct of the public's business. I am impartial when making decisions. I make decisions based on the merits of the issue.

LOYALTY

I respect the confidentiality of information concerning the agency's property, personnel, and affairs. When presenting my individual opinions and positions, I explicitly state that my opinions do not represent the agency's position and I will not allow the inference that they do.

(Handwritten signature area with five horizontal lines for signature.)

Signed: February 17, 2016

CITY OF MORGAN HILL

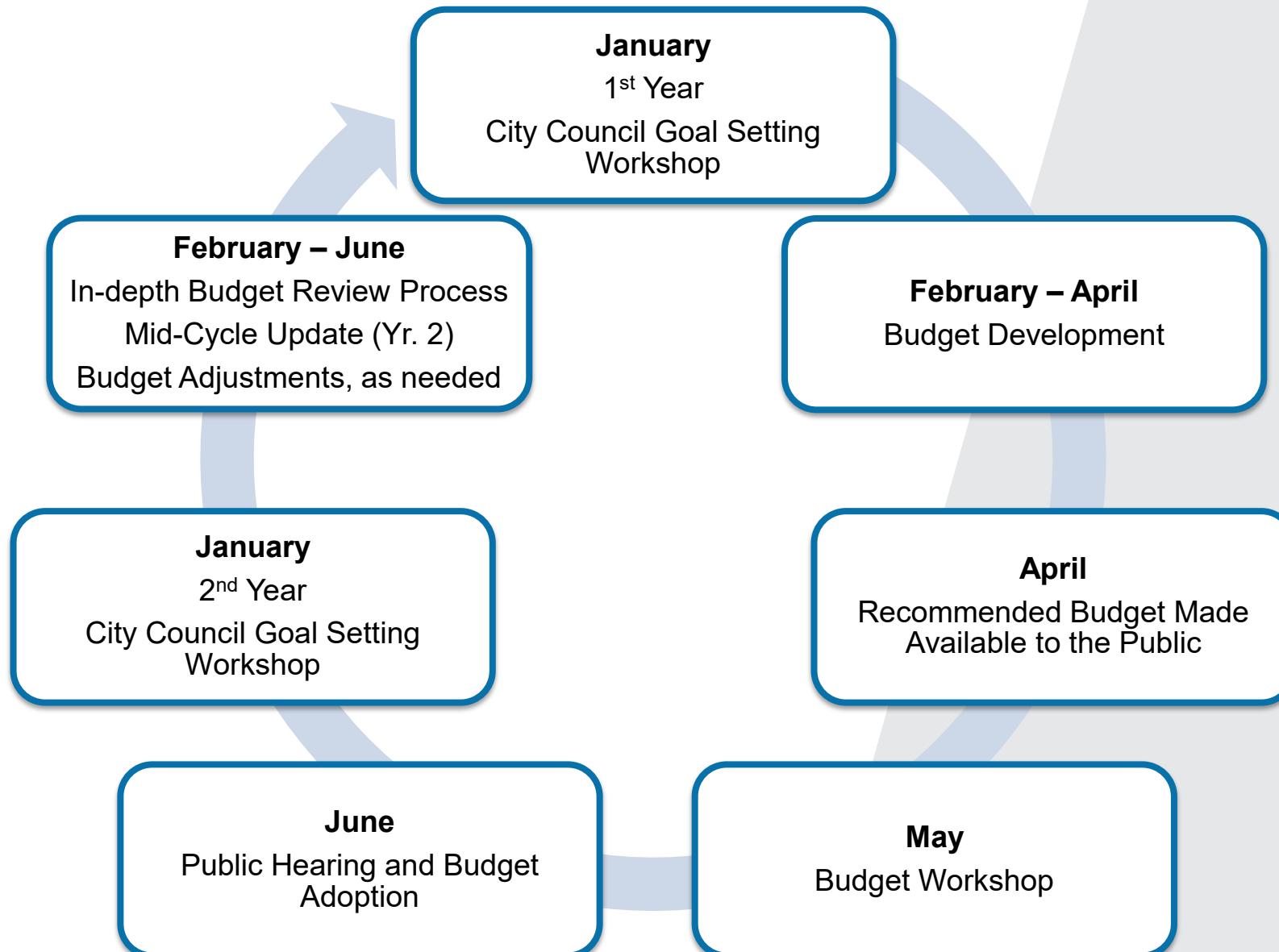
- **HONESTY**
- **RESPECT**
- **RESPONSIBILITY**
- **FAIRNESS**
- **LOYALTY**

Brown Act



- All meetings shall be open and public
- Closed door meetings rarely allowed
- Transparency is a foundational value for ethical government practices
- Brown Act is a tool to facilitate the business of local government agencies

Biennial Budget Process



Budget Summary



Major Funds - Discretionary



General Fund

- Public Safety
- Recreation and Community Services
- Street and Park Maintenance Services
- Economic Development
- Administration

Major Funds: Non-Discretionary



Development Services Fund

- Provides planning, building and engineering services

Special Revenue Funds

- Housing and Environmental Services

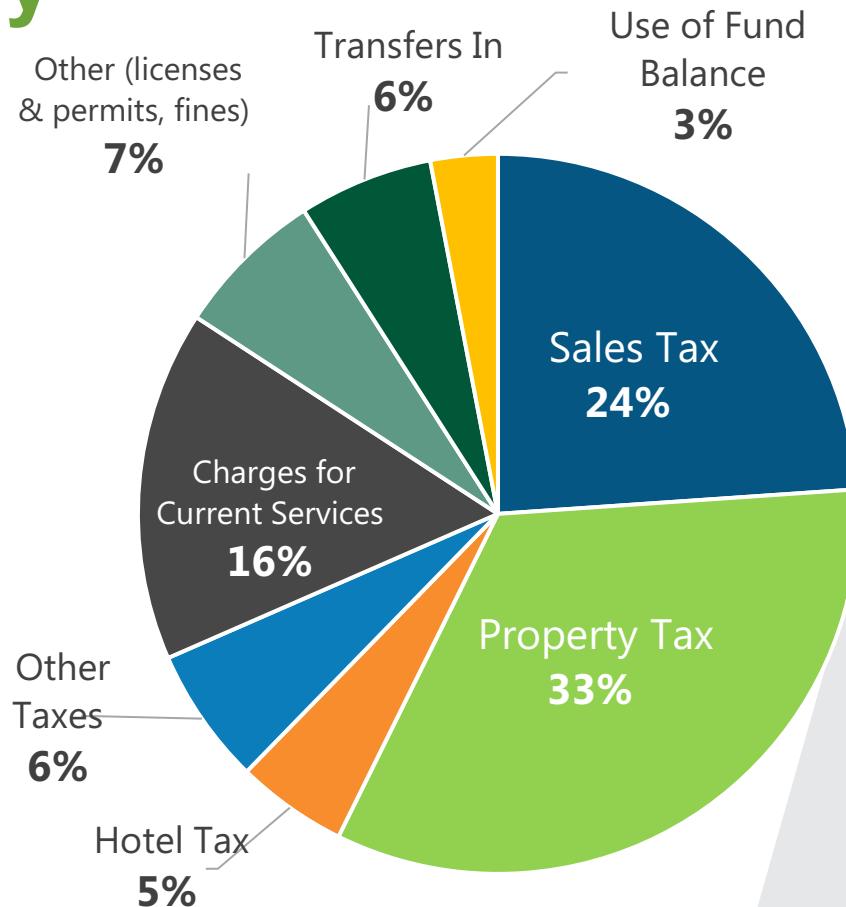
Capital Project Funds

- Funds infrastructure related projects for streets, parks, storm drainage and public facilities

Enterprise Funds

- Provide for Water and Wastewater Utilities' Operations and Infrastructure Improvements

FY 2022-23 Recommended General Fund Resources by Category



Property Tax



FY 22-23 \$17.4 million
FY 23-24 \$18.0 million



45%
School K-12

16%
ERAF

14%
County

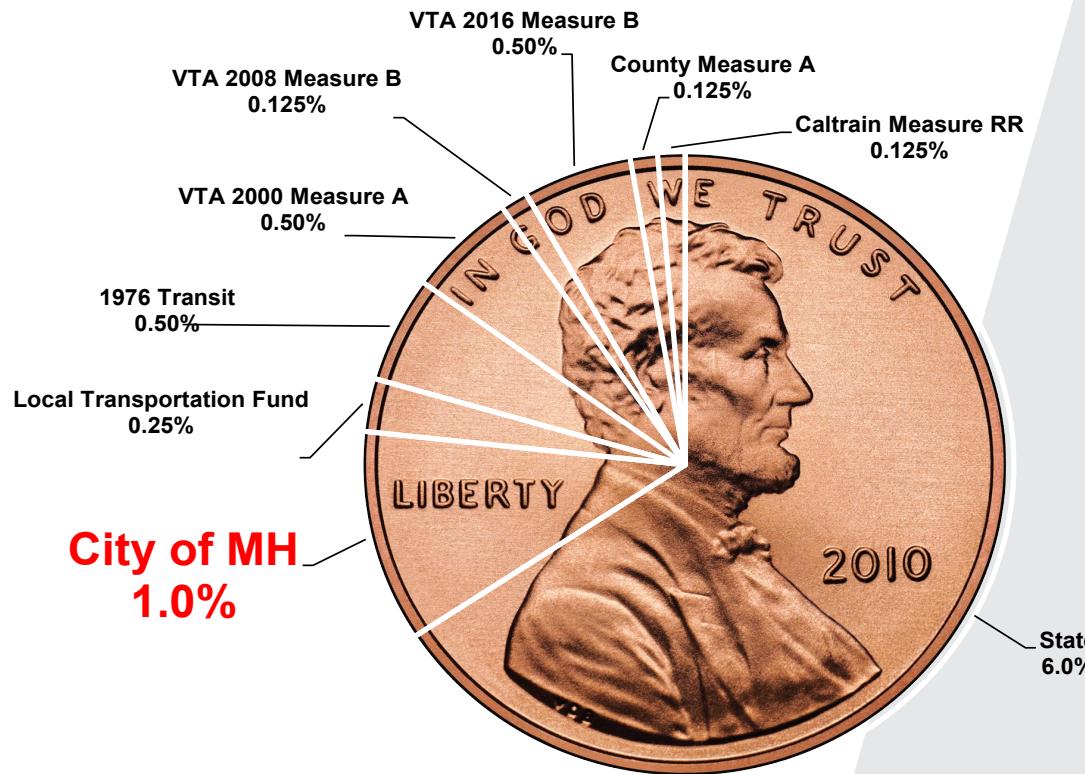
10% 6% 6% 3%
City of MH Comm. Special College District Other

Sales Tax



FY 22-23 \$12.5 million
FY 23-24 \$12.7 million

Allocation of Sales Tax Rate (Current Sales Tax Rate 9.125%)



Transient Occupancy Tax (TOT)



FY 22-23 \$2.6 million

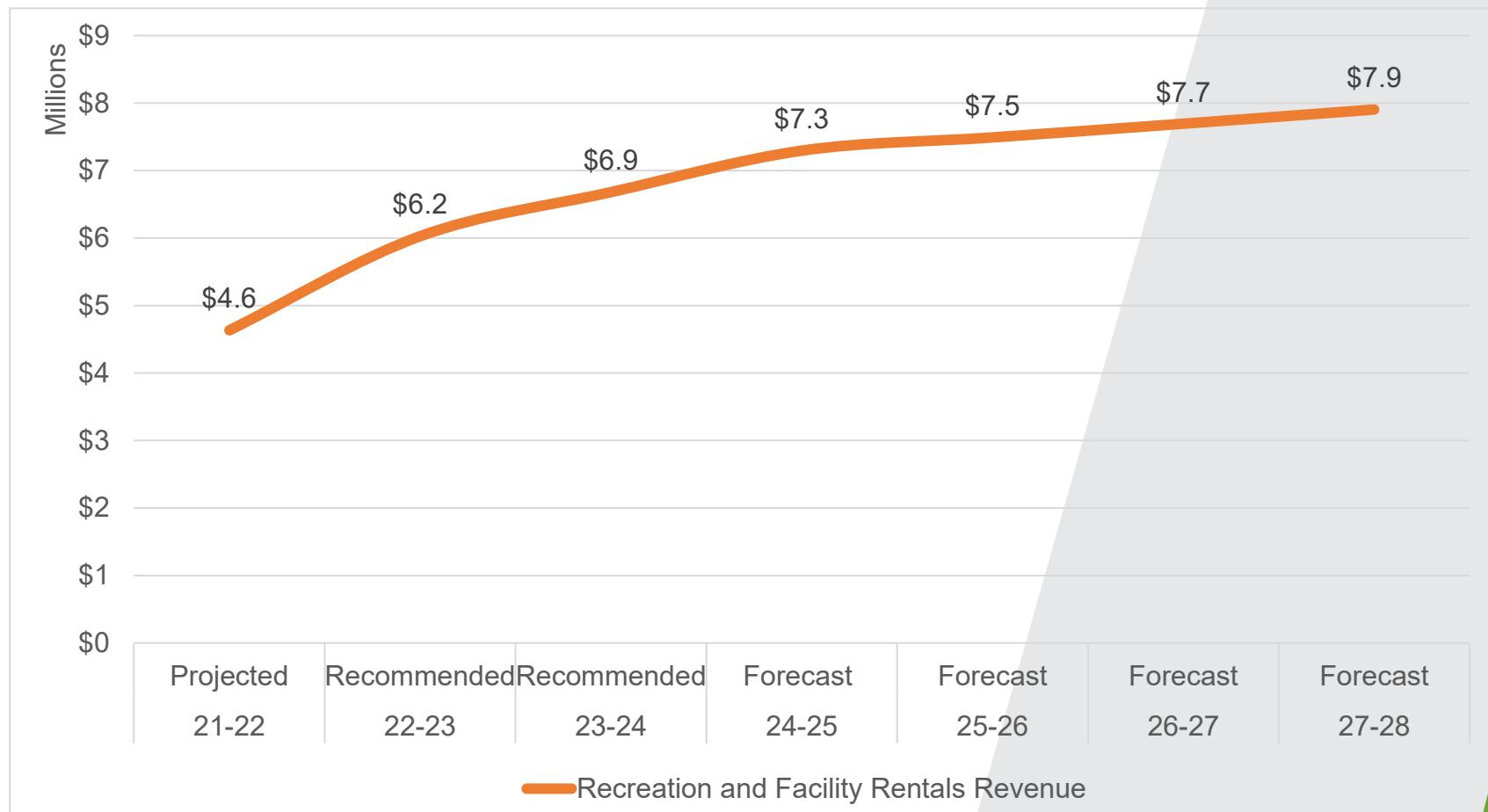
FY 23-24 \$2.8 million



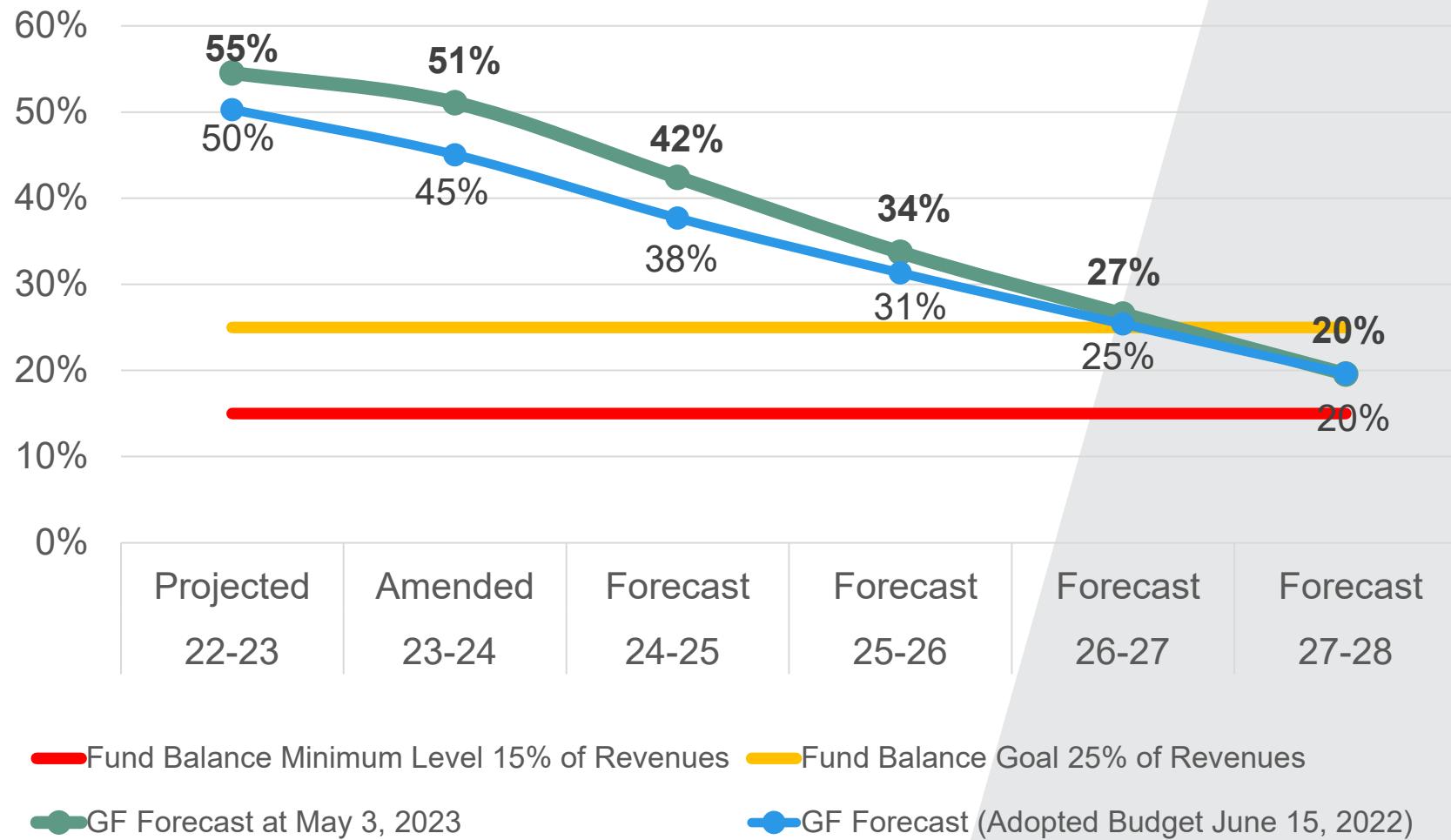
Recreation and Facility Rentals Revenue



FY 22-23 \$6.2 million
FY 23-24 \$6.9 million



General Fund Forecast



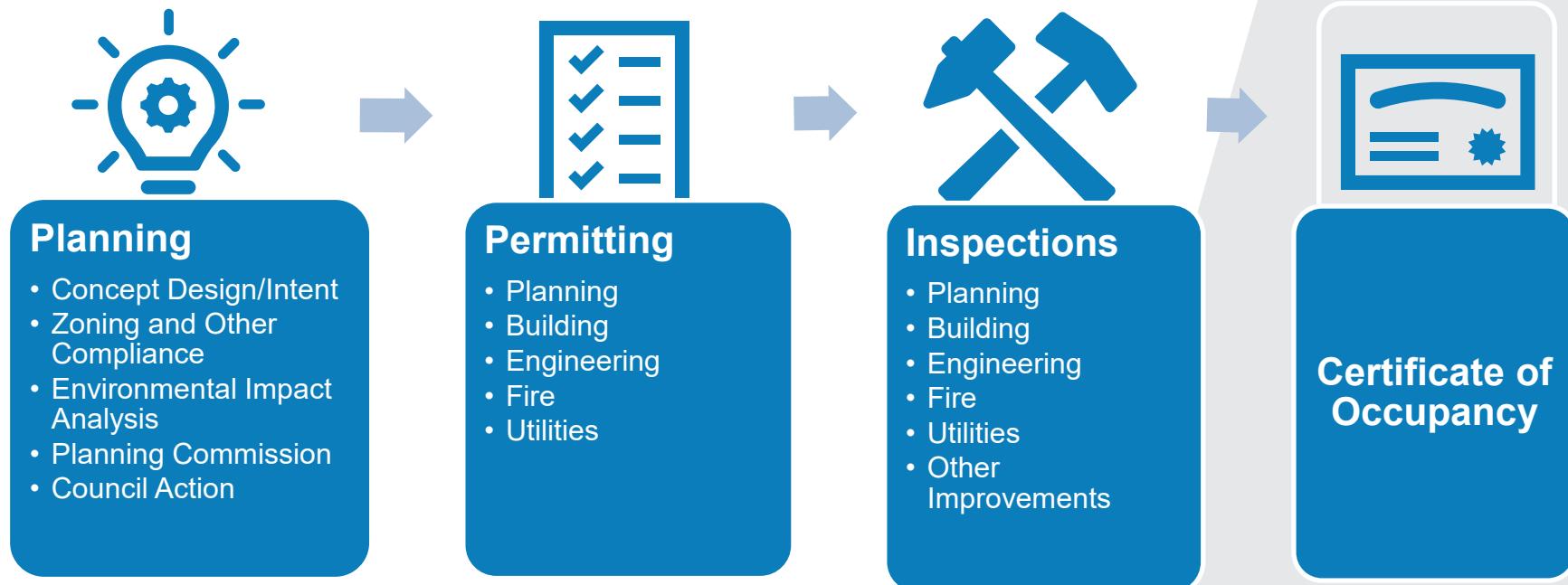
Capital Improvement Program (CIP)



- A Capital Improvement Program (CIP) is a multi-year planning document used by the City to identify capital improvement projects and coordinate the financing and timing of the projects.
- The CIP is a 6-year spending plan that identifies projects, priorities, and financing.
- The CIP is drafted every two years to coincide with the City of Morgan Hill's biennial budget.
- CIP funding is appropriated for the first two fiscal years of the spending plan.

Development

Development Process



Planning

- Concept Design/Intent
- Zoning and Other Compliance
- Environmental Impact Analysis
- Planning Commission
- Council Action

Permitting

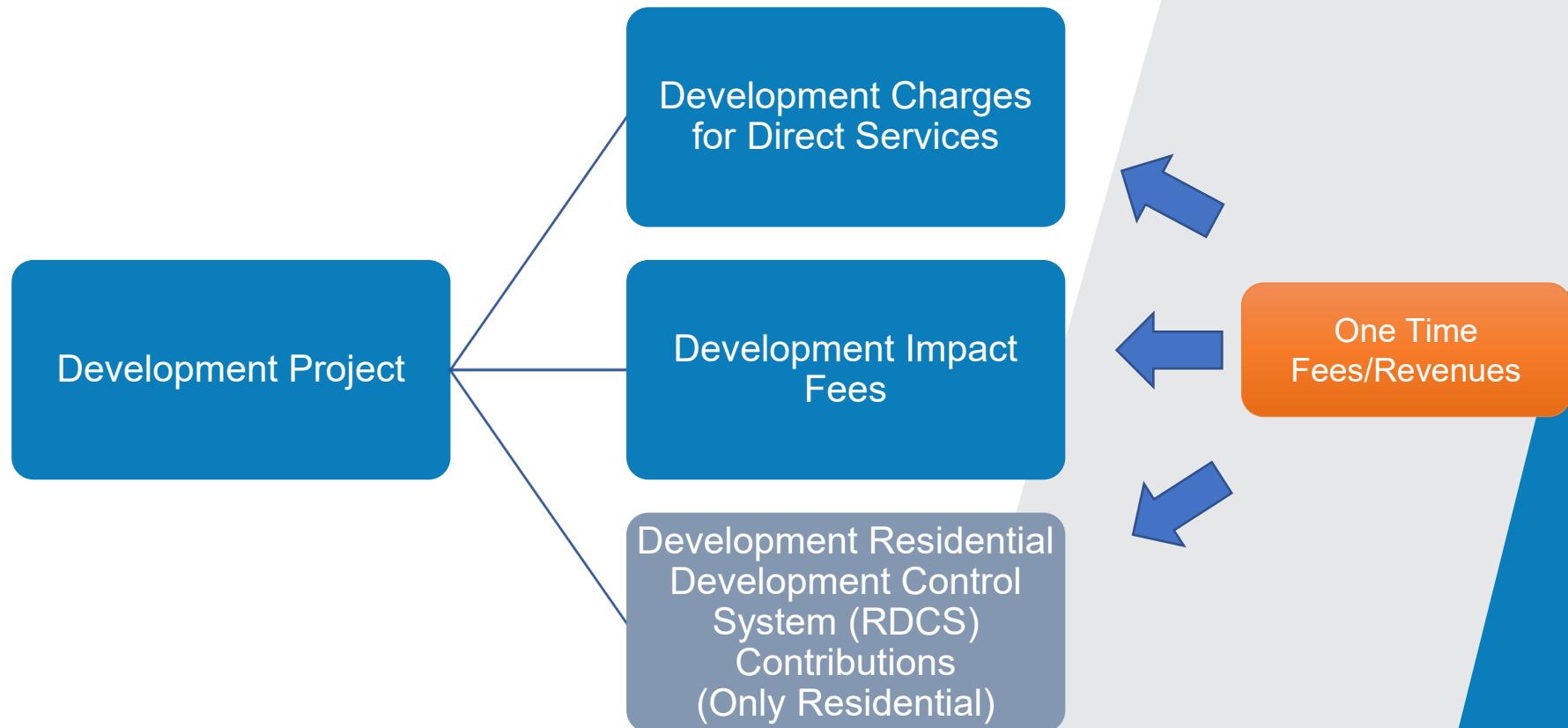
- Planning
- Building
- Engineering
- Fire
- Utilities

Inspections

- Planning
- Building
- Engineering
- Fire
- Utilities
- Other Improvements

Certificate of Occupancy

Development Revenue Sources



Development Expenditures



Development Charges for Direct Services

- Development Services
 - Planning, Building & Engineering
 - Wastewater Connection
 - Water Meter Connection



Development Impact Fees

- Park Impact
- Traffic Impact
- Fire Impact
- Public Facilities
- Library Impact
- Rec. Center Impact
- Storm Drain Impact
- Wastewater



RDCS Development Contributions

- Park Maintenance
- School Pedestrian & Traffic Safety
- Public Facilities
- Agricultural and Open Space Preservation
- Local Drainage
- Undergrounding
- Housing

Unique to Morgan Hill



