



# 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

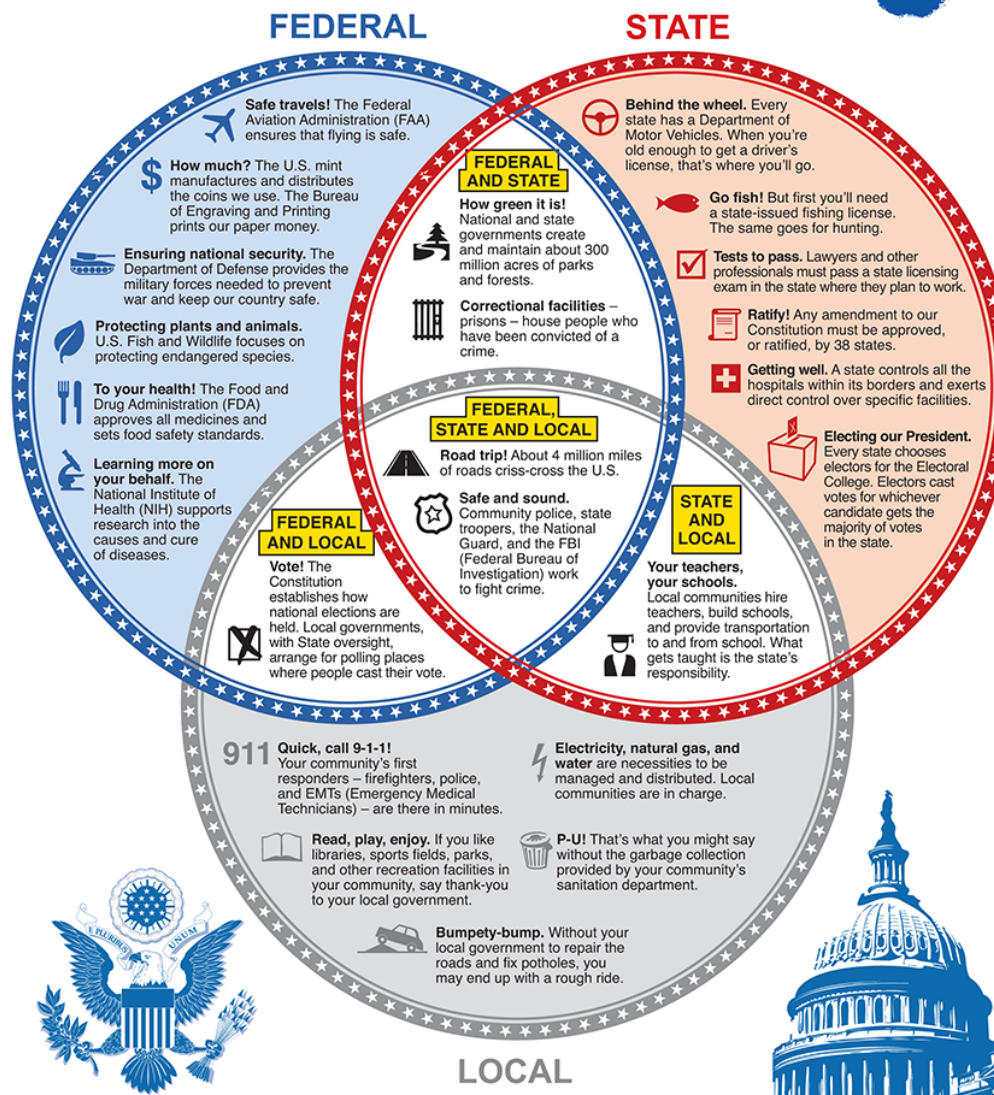


# GOVERNMENT

## 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.

**KIDS DISCOVER**



# 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

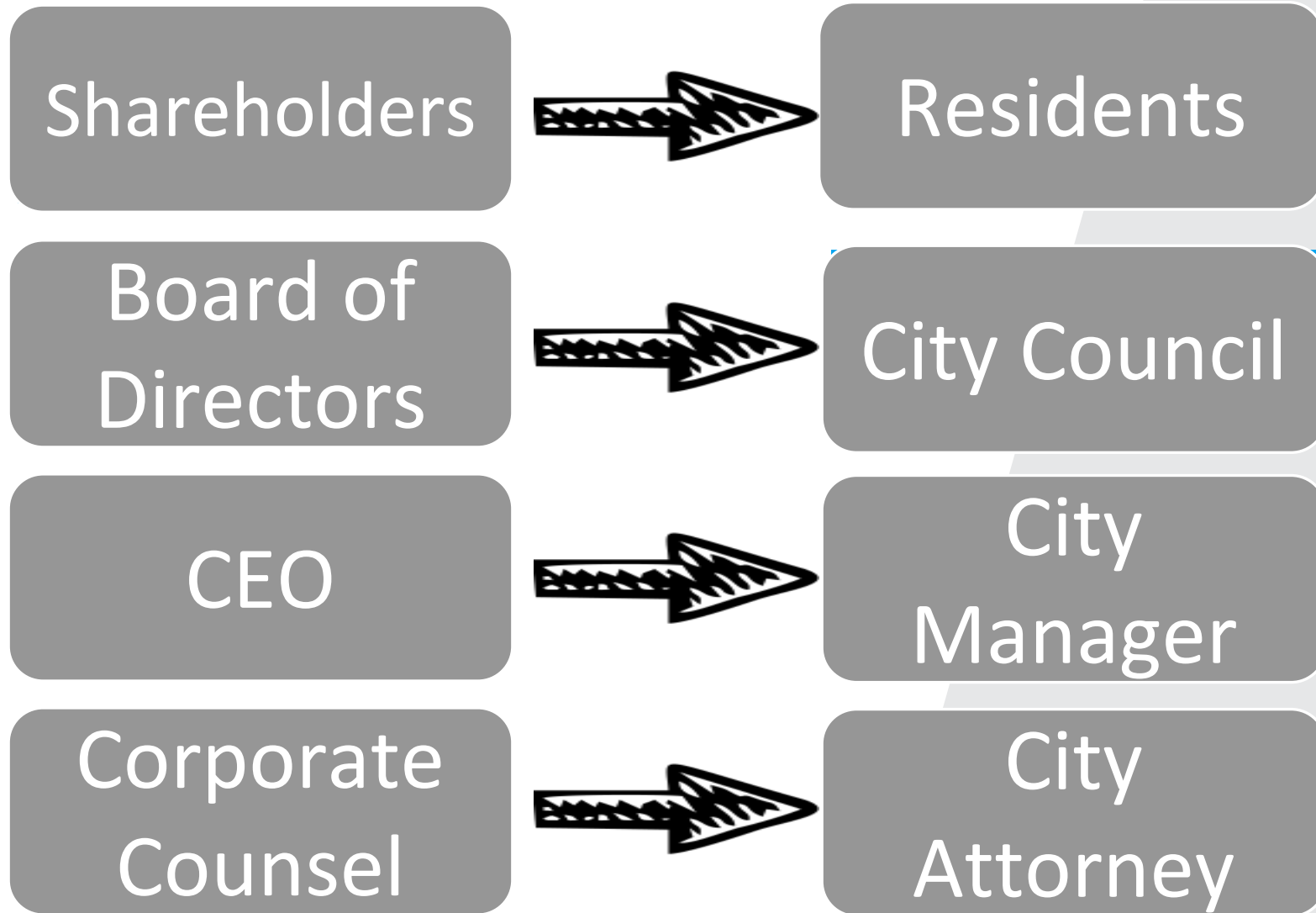


# What's Included in Full-Service City

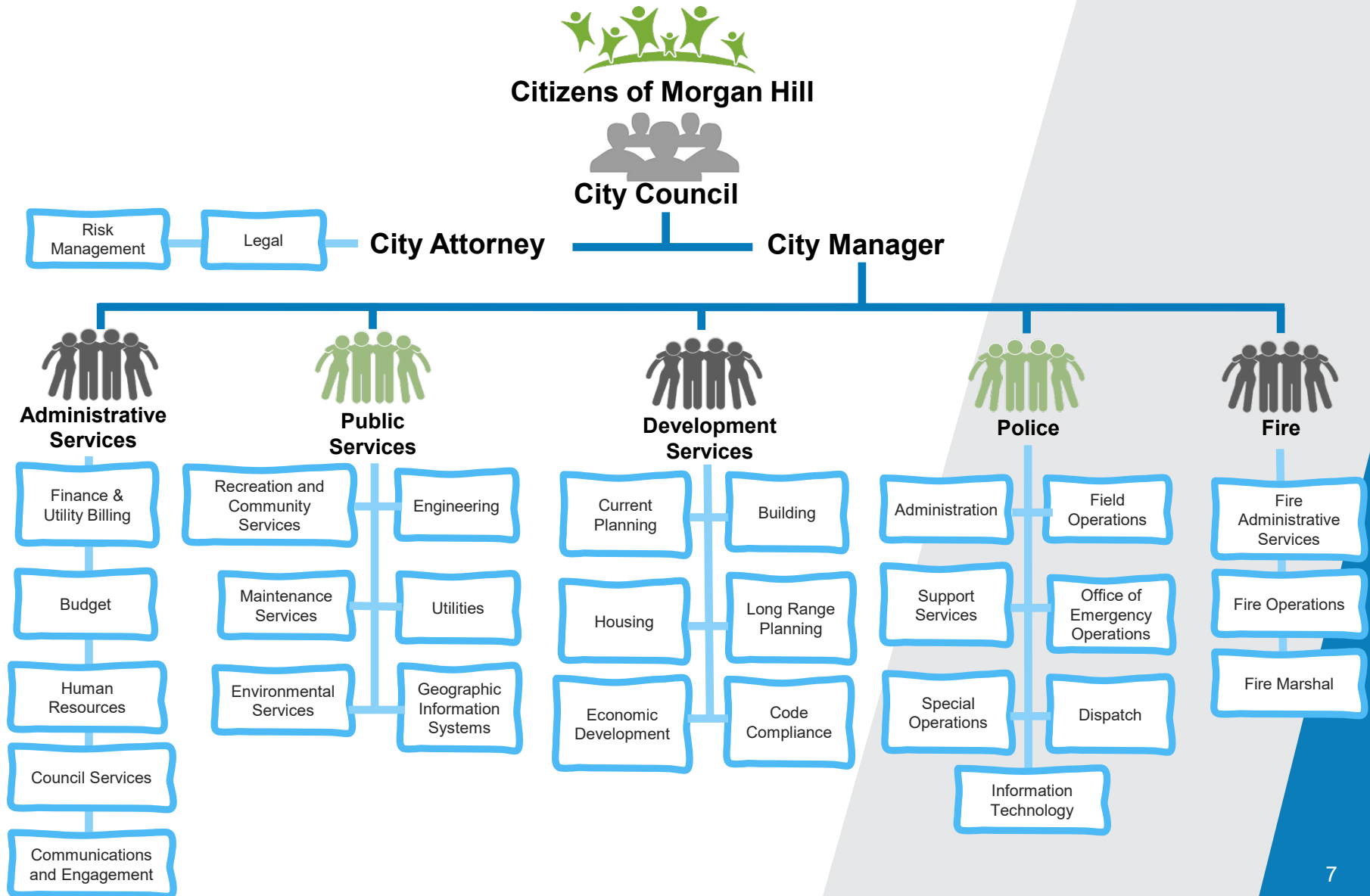
- Police
- Fire
- Water/Wastewater
- Streets
- Parks
- Recreation
- Housing
- Economic Development
- Development Services



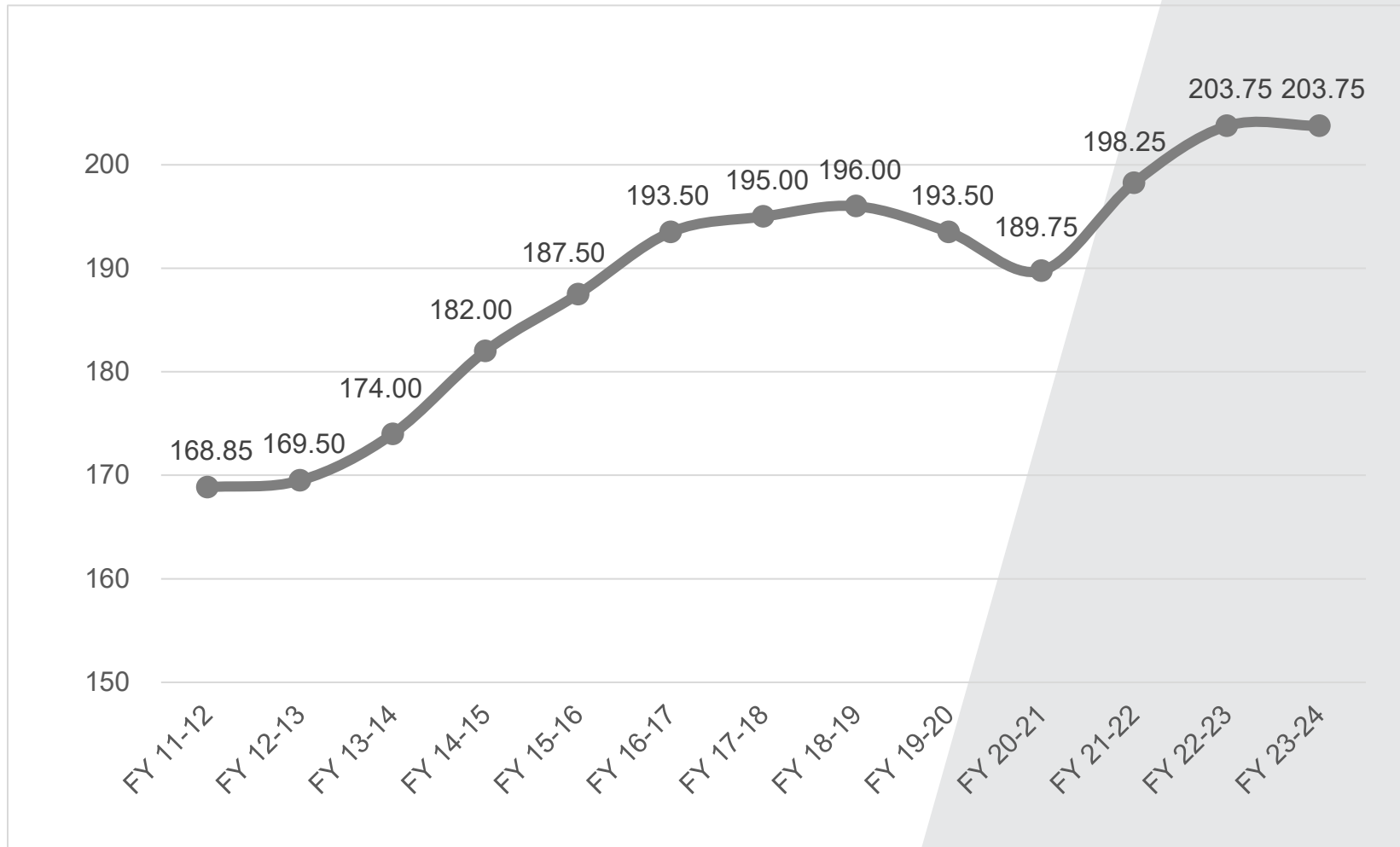
# Private Sector/Public Sector



# Organizational Chart



# History of Full-Time Equivalents (FTE)







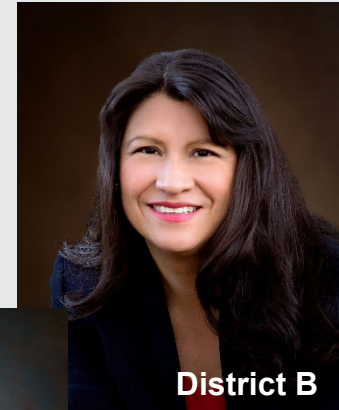
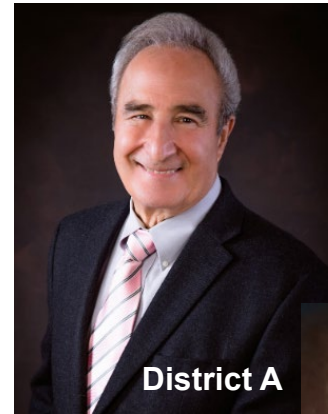
**partnership history  
keeps both short &  
long term costs down**



# 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 1<sup>st</sup>, 3<sup>rd</sup>, & 4<sup>th</sup> Wednesdays of the month

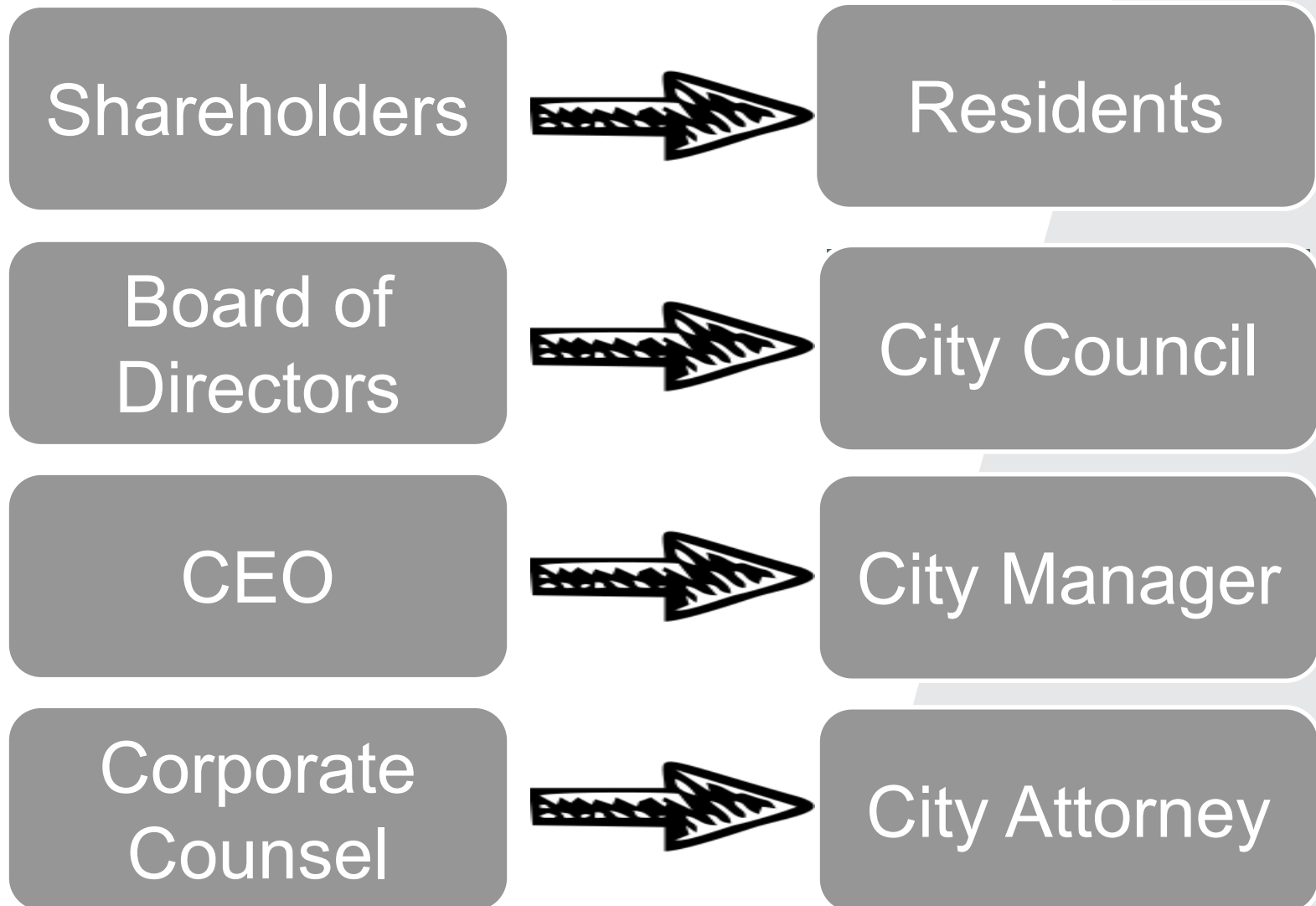


# Roles & Responsibilities of City Council



- ✓ 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



# 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.
- **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.
- **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.
- **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.



# 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 serv•ice

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•sion•al 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:

<b>HONESTY</b>	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.
<b>RESPECT</b>	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 to meetings prepared and offering observations only when I believe it will 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.
<b>RESPONSIBILITY</b>	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).
<b>FAIRNESS</b>	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.
<b>LOYALTY</b>	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.

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 **CITY OF MORGAN HILL**

**Signed: February 17, 2016**

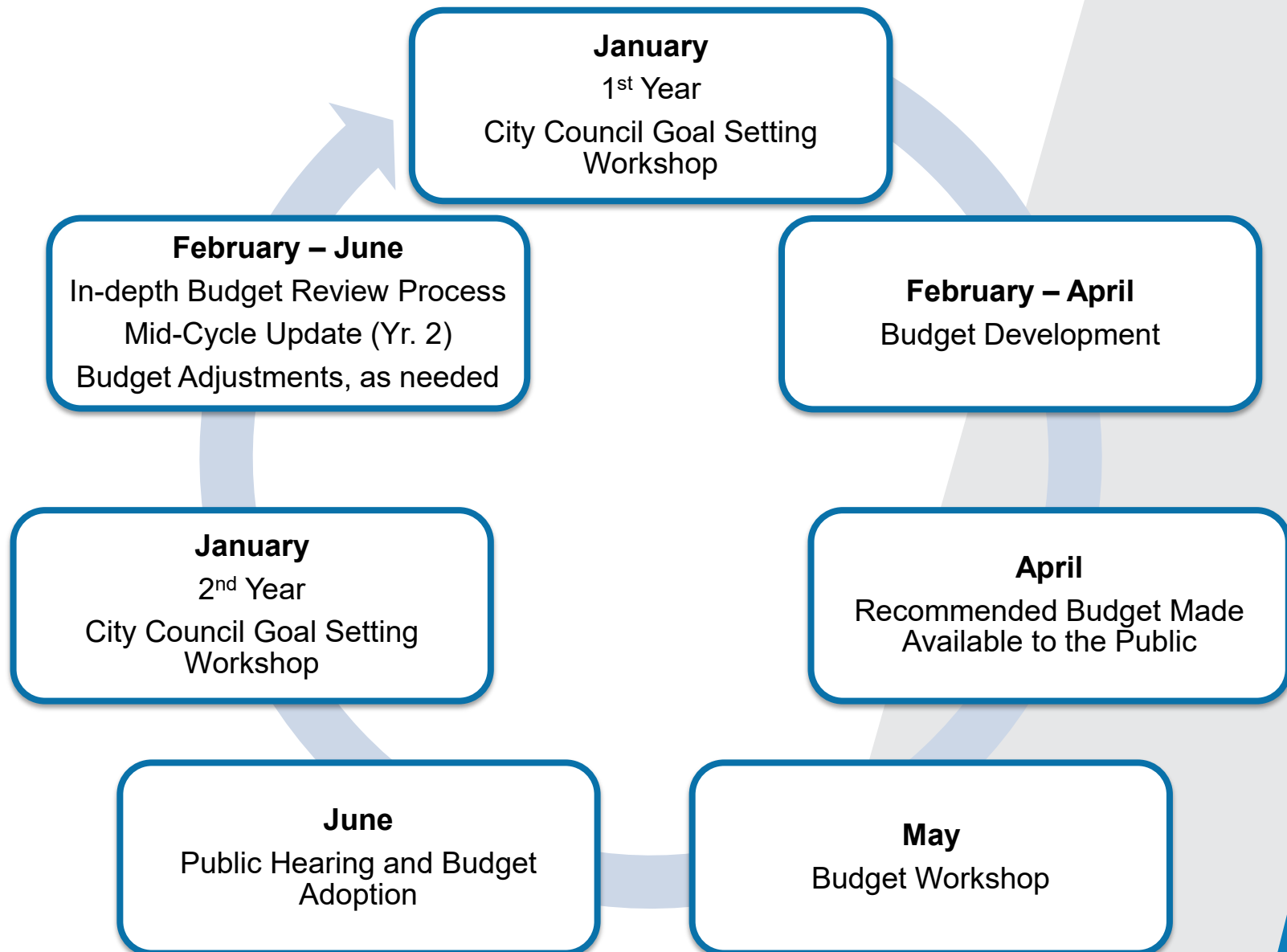
- HONESTY
- RESPECT
- RESPONSIBILITY
- FAIRNESS
- LOYALTY

# Brown Act

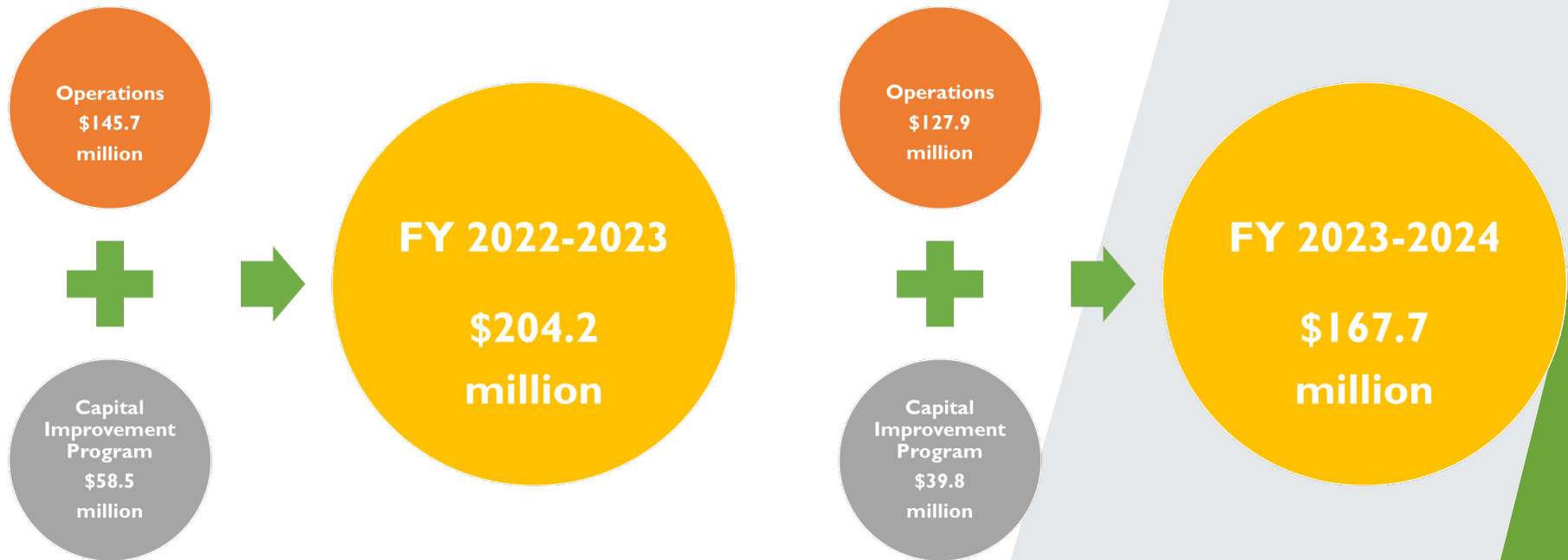


- All meetings shall be open and public
- Closed door meetings rarely allowed
- Transparency is a foundational value for ethical government practices
- Brown Act is a tool to facilitate the business of local government agencies

# Biennial Budget Process



# Budget Summary



# Major Funds - Discretionary

## General Fund

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- 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

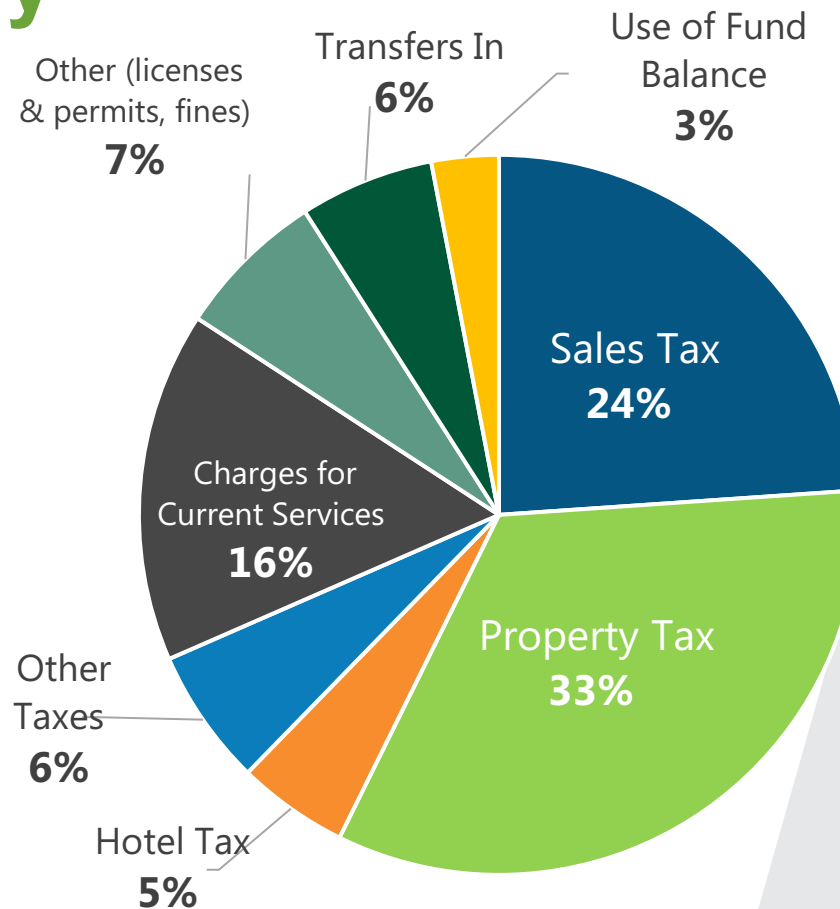
## Capital Project Funds

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

## Enterprise Funds

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

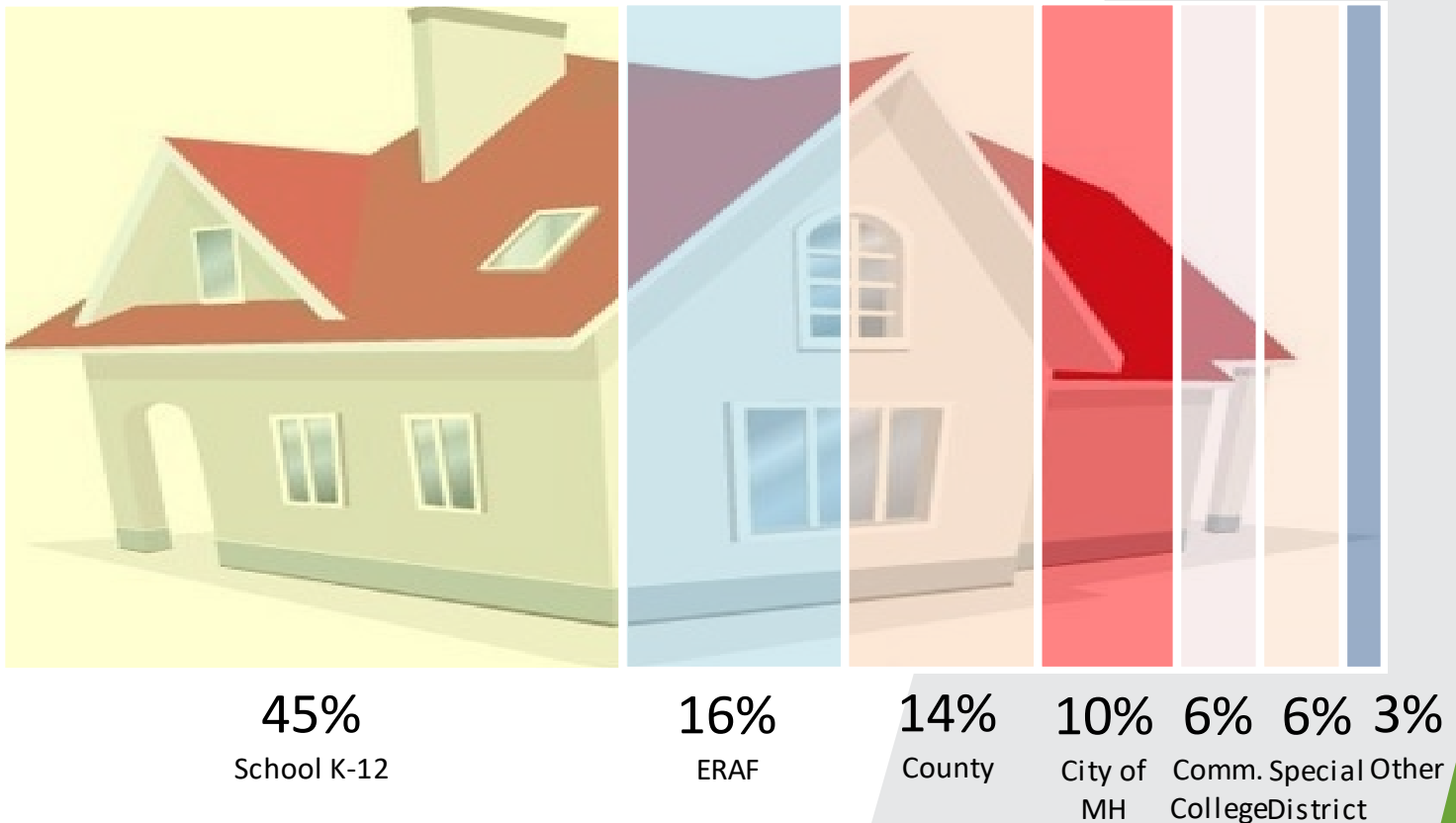
# FY 2022-23 Recommended General Fund Resources by Category



# Property Tax

**FY 22-23 \$17.4 million**

**FY 23-24 \$18.0 million**

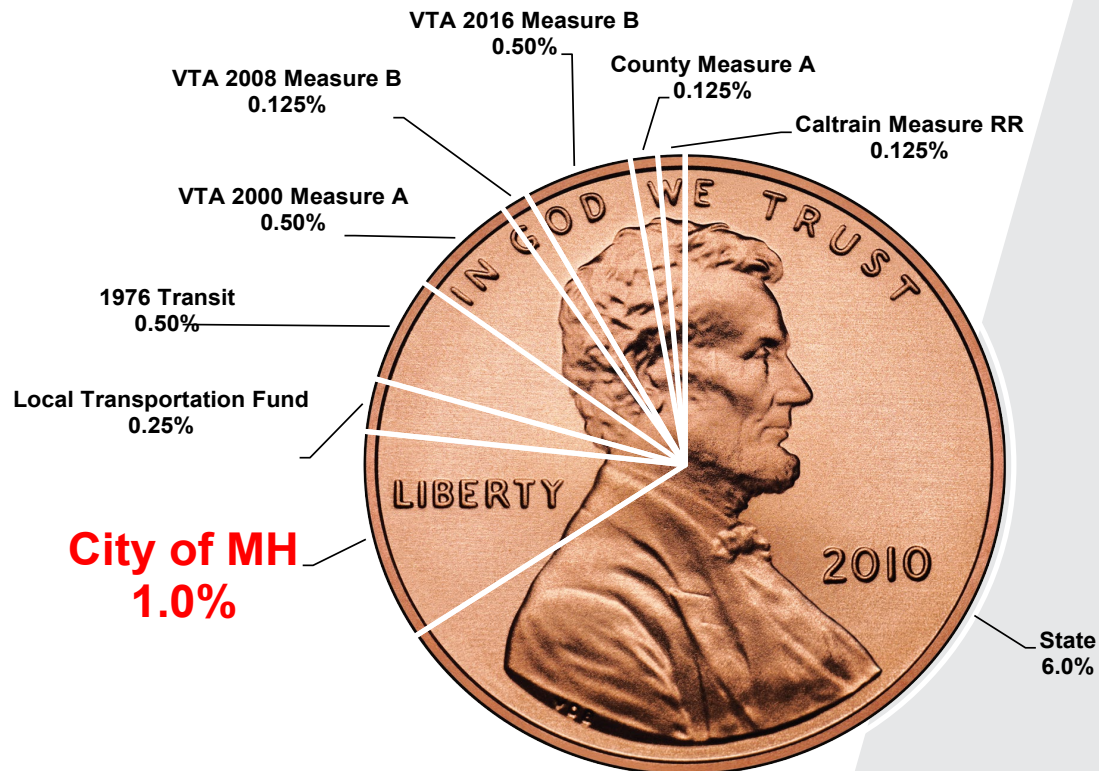


# Sales Tax

FY 22-23 \$12.5 million

FY 23-24 \$12.7 million

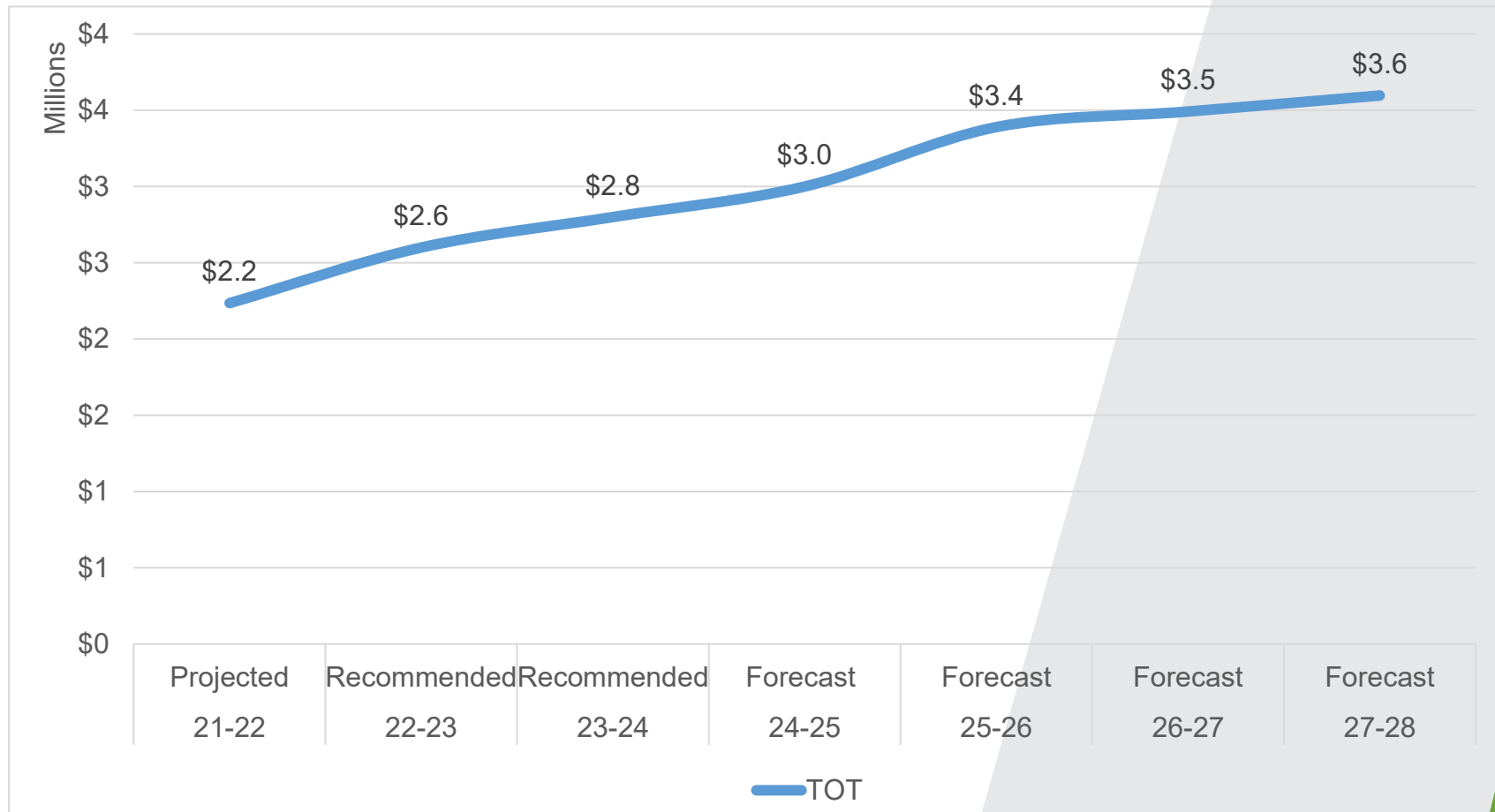
## Allocation of Sales Tax Rate (Current Sales Tax Rate 9.125%)



# Transient Occupancy Tax (TOT)

**FY 22-23 \$2.6 million**

**FY 23-24 \$2.8 million**

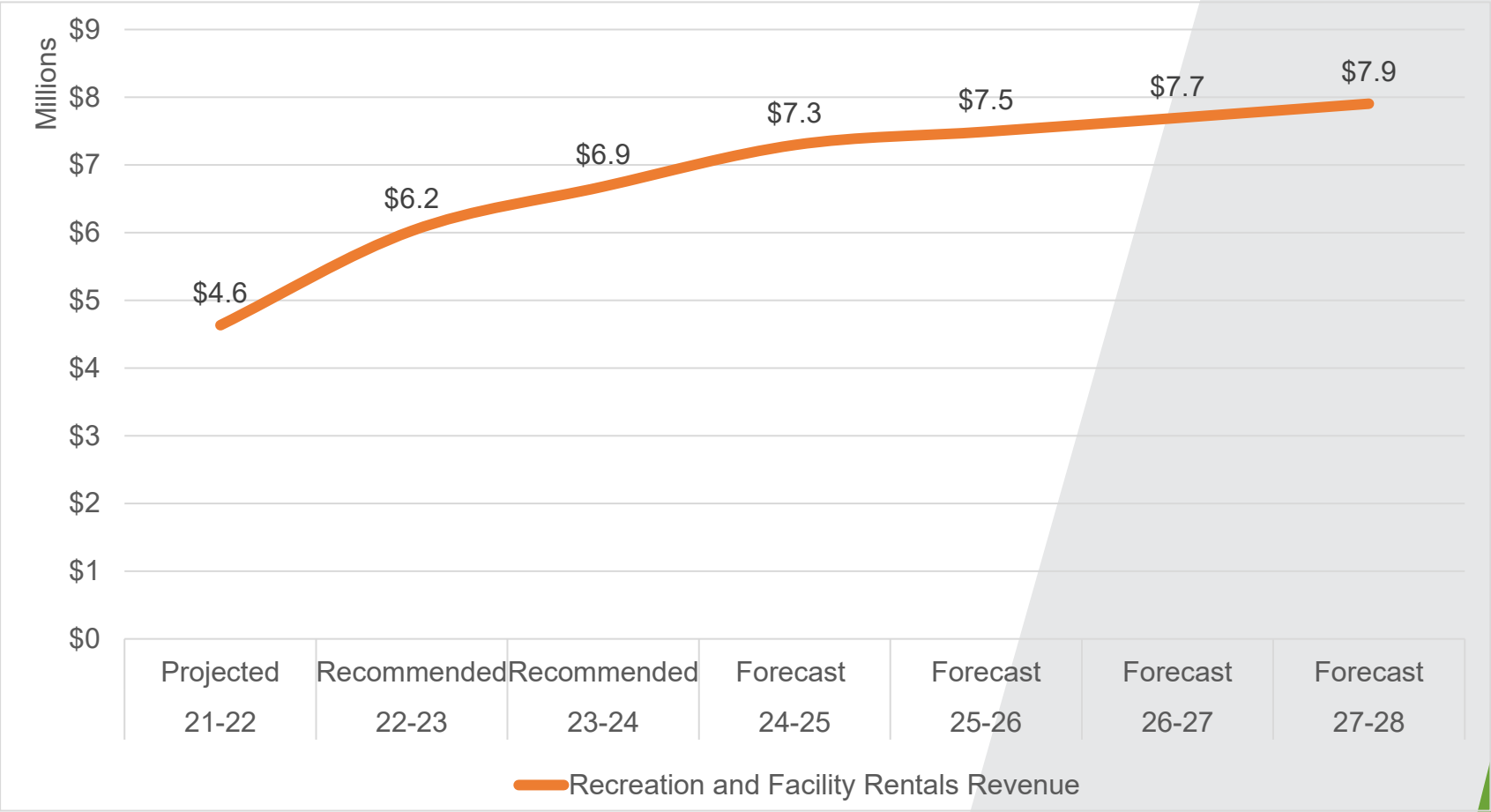




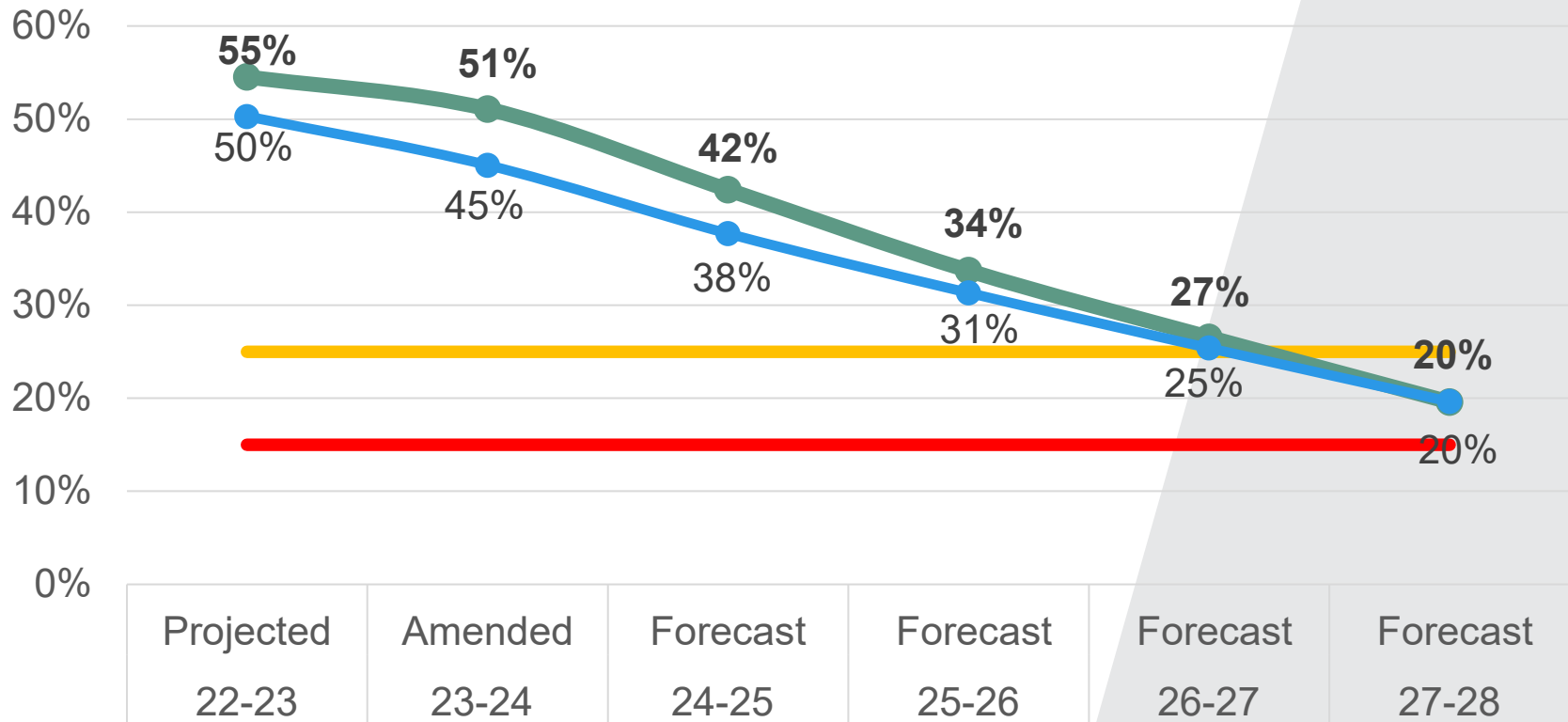
# Recreation and Facility Rentals Revenue



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



# General Fund Forecast



— Fund Balance Minimum Level 15% of Revenues

— Fund Balance Goal 25% of Revenues

— GF Forecast at May 3, 2023

— GF Forecast (Adopted Budget June 15, 2022)

# 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

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# Development Process



## Planning

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



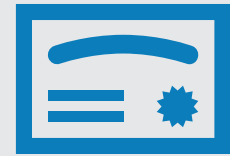
## Permitting

- Planning
- Building
- Engineering
- Fire
- Utilities



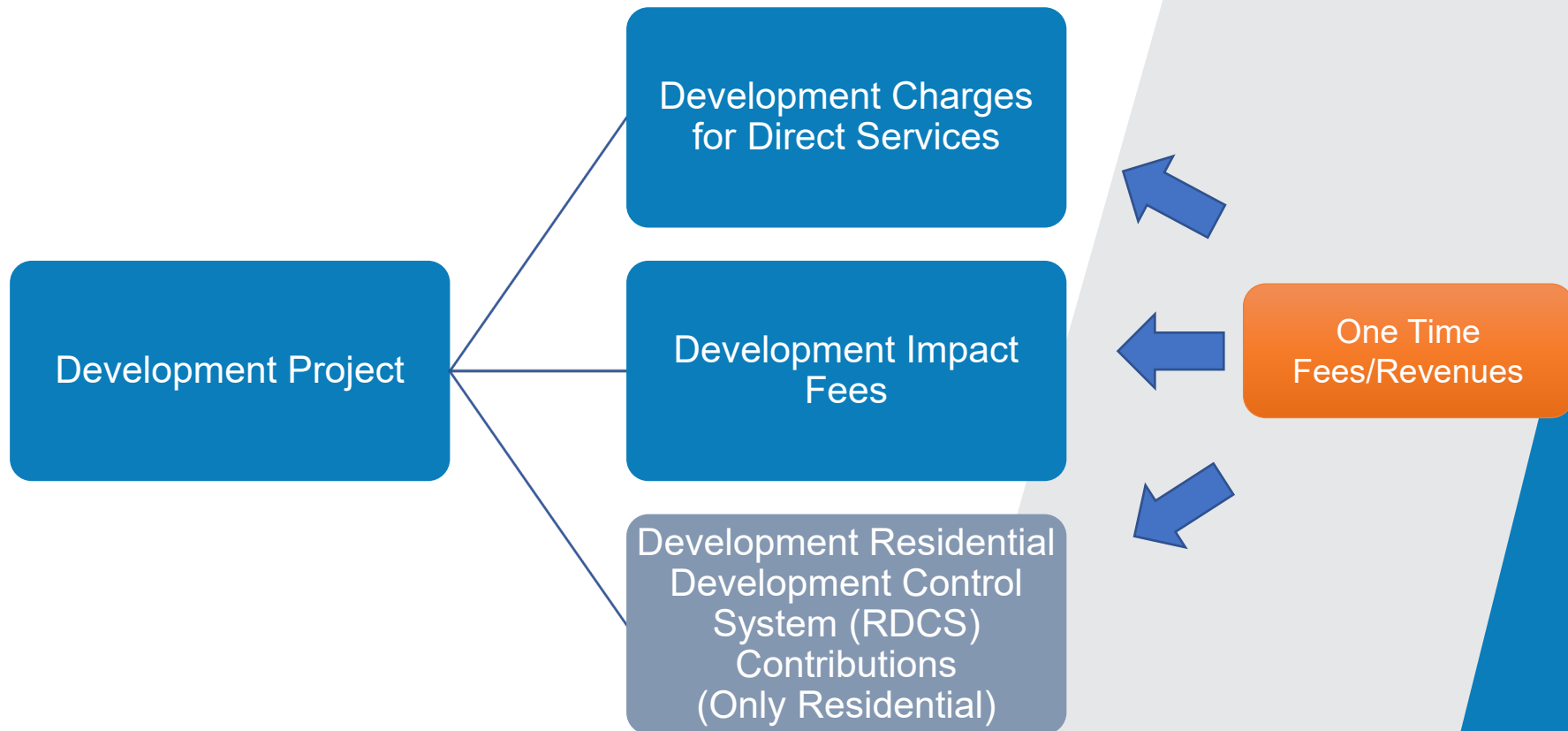
## Inspections

- 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





