
To: Visit Morgan Hill Board

From: Edith Ramirez, Secretary

Date: January 24, 2020

Subject: Bylaws, Management Plan & State Code Requirements

RECOMMENDATION:

It is recommended the Visit Morgan Hill Board:

- 1) Amend the Bylaws primarily to change reporting schedule to conform with the California Streets and Highways Code
- 2) Request the Morgan Hill City Council to amend the MHTIBD Management Plan primarily to change reporting schedule to conform with the California Streets and Highways Code
- 3) Provide a limited Annual Report to the City Council in March and provide a full Annual Report within 120 days from the end of the Fiscal Year

BACKGROUND:

Visit Morgan Hill (VMH) is the Owner’s Association overseeing the management of the Morgan Hill Tourism Business Improvement District (MHTBID). VMH must comply with provisions in the State’s Streets & Highways Code 36650, as well as the MHTBID’s Management Plan approved by the Morgan Hill City Council and the VMH’s Bylaws. The Management Plan and the Bylaws need to be in conformance with the State’s Streets & Highways Code 36650 reporting requirements.

VMH must prepare an annual report on the assessments collected and the activities executed during each fiscal year. This report must be made public and presented to the Morgan Hill City Council for acceptance each year. State Law requires the annual report to be presented to the City Council within 120 days of each fiscal year (July 1). However, the Management Plan and the Bylaws state that an annual report be presented within 90 days of VMH’s anniversary, which is January 1. Below is the language from the three guiding documents:

Streets & Highways Code (36650)	MHTBID’s Management Plan	VMH’s Bylaws
The owners’ association shall cause to be prepared a report for each fiscal year , except the first year, for which assessments are to be levied and collected to pay the costs of the improvements, maintenance, and activities described in the report. The owners’ association’s first	Visit Morgan Hill (VMH) will serve as the MHTBID’s Owners’ Association. The Owners’ Association is charged with managing funds and implementing programs in accordance with this Plan and must provide annual reports to the City Council within ninety	Annual Report: (two reports may be combined): <u>MHTBID Annual Report</u> . The MHTBID annual report will be prepared and submitted in accordance with the provisions of Streets and Highways Code §36650 and the MHTBID Management District Plan. The

<p>report shall be due after the first year of operation of the district.</p>	<p>(90) days of the MHTBID's anniversary (January 1).</p>	<p>MHTBID Management Plan requires that the annual report be submitted within ninety (90) days of the MHTBID's anniversary (March 1).</p> <p><u>VMH Annual Report.</u> The VMH annual report shall be prepared within 120 days after the end of the Corporation's fiscal year.</p>
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ANALYSIS:

There are minor discrepancies on the reporting requirements amongst the three VMH's guiding documents (State Law, Management Plan & Bylaws). Paramount is State Law. The Management Plan and Bylaws should be amended to comply with State Law. It is recommended that the VMH Board amend the Bylaws and the Management Plan to make the Annual Report due 120 from the end of the fiscal year. It is also recommended that the VMH Board provide the Morgan Hill City Council at a meeting in March, a short update on the activities of the VMH Board up to date and ask the Council issue a Resolution of Intention and hold a public hearing to amend the Management Plan moving the annual report to the fall (120 days from the end of the fiscal year).