City of Santa Clara

Meeting Agenda

Council and Authorities Concurrent Meeting

Tuesday, November 27, 2018 **5:30 PM** **City Hall Council Chambers**
1500 Warburton Avenue
Santa Clara, CA 95050

Closed Session - 5:30 PM | Regular Meeting - 6:00 PM

5:30 PM CLOSED SESSION

Call to Order in the Council Chambers

Confirmation of a Quorum

Public Comment

The public may provide comments regarding the Closed Session item(s) just prior to the Council beginning the Closed Session. Closed Sessions are not open to the public.

18-1564 Public Employee Performance Evaluation (CC)
Pursuant to Gov. Code § 54957
Title: City Manager

Convene to Closed Session (Council Conference Room)

6:00 PM COUNCIL REGULAR MEETING

Call to Order

Pledge of Allegiance and Statement of Values

Roll Call

1. **18-217** Study Session: Potential Amendments to the Existing Massage Ordinance

REPORTS OF ACTION TAKEN IN CLOSED SESSION MATTERS

CONTINUANCES/EXCEPTIONS

SPECIAL ORDER OF BUSINESS (TO BE HEARD AT 7:00 P.M. OR SOMETIME THEREAFTER)

2.A **18-1335** Presentation on New Hazardous Materials Vehicle for the Fire Department

2.B **18-1340** Action on a Donation from the Santa Clara City Library Foundation and Friends and Related Budget Amendment

Recommendation: Accept a Santa Clara City Library Foundation and Friends donation in the amount of $100,000 and approve the related Budget Amendment to appropriate the funds for future Library-related expenditures

CONSENT CALENDAR

[Items listed on the CONSENT CALENDAR are considered routine and will be adopted by one motion. There will be no separate discussion of the items on the CONSENT CALENDAR unless discussion is requested by a member of the Council, staff, or public. If so requested, that item will be removed from the CONSENT CALENDAR and considered under CONSENT ITEMS PULLED FOR DISCUSSION.]

3.A **18-1413** Action on Bills and Claims Report (CC) for the period October 19th - October 25th

Recommendation: Approve the list of Bills and Claims for October 19, 2018 - October 25, 2018.

3.B **18-205** Action on a Resolution Revising the Council and Authorities/Stadium Authority Regular Meetings Dates for the 2019 Calendar Year

Recommendation: Adopt a Resolution revising the Council and Authorities/Stadium Authority regular meeting dates for the 2019 calendar year to reflect the cancelation of the January 22, 2019 meeting and to set January 15, 2019 as a Council and Authorities regular meeting.

3.C **18-1315** Action on Monthly Financial Status and Investment Reports for September 2018

Recommendation: Note and file the Monthly Financial Status and Investment Reports for September 2018 as presented.

3.D **18-1039** Action on Amendment No. 2 to the Agreement for Services with GEI Consulting, Inc. to Provide Project Management Support for the Bucks Creek Project Relicensing

Recommendation: Approve Amendment No. 2 to a Professional Agreement with GEI Consultants, Inc. to increase the not-to-exceed amount by $138,431, for a total contract not-to-exceed amount of $1,028,841 to provide continued Project Management support for the Bucks Creek Relicensing and to extend the term of the Agreement one additional year until April 30, 2021

3.E **18-1017** Action on Adoption of Silicon Valley Power's 2018 Integrated Resources Plan

Recommendation: 1) Adopt Silicon Valley Power's 2018 Integrated Resource Plan in substantial form and for submittal to the California Energy Commission; and
2) Authorize the City Manager to submit the final Integrated Resource Plan prior to April 30, 2019.

3.F **18-1434** Action on a Procurement Agreement with Wireless Structures Consulting, Inc. dba Western Utility Telecom, Inc. for the purchase of steel poles for Parker Substation

Recommendation: Approval of the Procurement Agreement with Wireless Structures Consulting, Inc. dba Western Utility Telecom, Inc. in an amount not to exceed $240,676 for the purchase of steel poles for the development of Parker Substation

3.G **18-1450** Action on Bills and Claims for the month of October 2018 (Stadium Authority)

Recommendation: Approve the list of Bills and Claims for October 2018.

3.H **18-005** Action on Rezone and Variance for the property located at 130 Serena Way

Recommendation: 1. Adopt a resolution approving the rezoning of the property at 130 Serena Way from Agricultural (A) to Single-Family Zoning District (R1-6L) and;
2. Adopt a resolution approving a Variance for an existing substandard side yard setback of two feet and two inches and a 648 square foot detached accessory building.

3.I **18-835** Action on Agreements with Finish Line Towing Incorporated, Lima Towing, and Unique Towing for towing services and Amendment of the FY 2018-19 Municipal Fee Schedule regarding Towing Rates

Recommendation: 1. Approve and authorize the City Manager to execute an Agreement for towing services with Finish Line Towing Incorporated, Lima Towing, and Unique Towing;
2. Authorize the City Manager to add a tow service operator(s) at any time during the term of the Agreement using a substantially similar form of agreement; and
3. Authorize the City Manager to make minor modifications to the Agreement, including rate adjustment(s), if necessary, subject to the appropriation of funds.
4. Adopt a resolution to amend the 2018-19 Municipal Fee Schedule to eliminate the annual Tow Driver Renewal Fee, adopt new tow fees and charges, and authorize annual Consumer Price Index adjustments of these tow fees and charges.

3.J **18-1561** Action on Adoption of Ordinance No. 1990 Extending the Temporary Ban of All Commercial Cannabis Activity until June 30, 2019

Recommendation: Adopt Ordinance No. 1990 Extending the Temporary Ban of All Commercial Cannabis Activity until June 30, 2019.

3.K **18-1562** Action on Adoption of Ordinance No. 1991 Prohibiting Certain Activities within a Protected Area (Clean Zone)

Recommendation: Adopt Ordinance No. 1991 Prohibiting Certain Activities within a Protected Area (Clean Zone).

3.L **18-1563** Action on Adoption of Ordinance No. 1992 Amending the Zoning Code to create the Transit Neighborhood Zoning District including a minimum density of 100 DU/AC and maximum density of 350 DU/AC, creating standards for uniformly sized parking spaces (unistalls), rezoning the Project Site to the new district, and establishing affordable housing requirements and an additional affordability incentive based on density

Recommendation: Adopt Ordinance No. 1992 Amending the Zoning Code to create the Transit Neighborhood Zoning District including a minimum density of 100 DU/AC and maximum density of 350 DU/AC, creating standards for uniformly sized parking spaces (unistalls), rezoning the Project Site to the new district, and establishing affordable housing requirements and an additional affordability incentive based on density.

PUBLIC PRESENTATIONS

[This item is reserved for persons to address the Council or authorities on any matter not on the agenda that is within the subject matter jurisdiction of the City or Authorities. The law does not permit action on, or extended discussion of, any item not on the agenda except under special circumstances. The governing body, or staff, may briefly respond to statements made or questions posed, and appropriate body may request staff to report back at a subsequent meeting. Although not required, please submit to the City Clerk your name and subject matter on the speaker card available in the Council Chambers.]

CONSENT ITEMS PULLED FOR DISCUSSION

PUBLIC HEARING/GENERAL BUSINESS

4. **18-1554** Action on Appointment to fill a June 30, 2020 partial term vacancy on the Senior Advisory Commision

Recommendation: 1. Appoint one candidate to the Senior Advisory Commission to serve a partial term ending June 30, 2020.

5. **18-1235** Action on Resolution Establishing New Electric Rate Schedules for Large Customers

Recommendation: Adopt a Resolution of the City of Santa Clara Establishing City Electric Utility Rate Schedules CB-6, CB-7 and CB-8.

6. Santa Clara Convention Center/Convention-Visitors Bureau

A. 18-769 Action on the Santa Clara Chamber of Commerce/Convention-Visitors Bureau Response to Performance Audit Titled "Santa Clara Convention Center and Convention-Visitors Bureau: Restructuring Operations Can Strengthen Accountability, Performance and Revenue"

Recommendation: Action on the Santa Clara Chamber of Commerce Response to TAP International Performance Audit titled "Santa Clara Convention Center and Convention-visitors Bureau: Restructuring Operations Can Strengthen Accountability, Performance and Revenue"

B. 18-699 Action on the Response by TAP International, Inc. to Santa Clara Chamber of Commerce "Response to Audit Findings and Concerns with City Actions"

Recommendation: Action on the November 18, 2018 TAP International response to Santa Clara Chamber of Commerce "Response to Audit Findings and Concerns with City Actions"

C. 18-1372 Action on Responses to City Council Questions related to the Performance Audit entitled "Santa Clara Convention Center and Convention-Visitors Bureau: Restructuring Operations Can Strengthen Accountability, Performance and Revenue"

Recommendation: Note and File Responses to City Council Questions related to the Performance Audit entitled "Santa Clara Convention Center and Convention-Visitors Bureau: Restructuring Operations Can Strengthen Accountability, Performance and Revenue"

D. **18-1361** Action on the City's Response to the Performance Audit "Santa Clara Convention Center and Convention-Visitors Bureau: Restructuring Operations Can Strengthen Accountability, Performance and Revenue" and Analysis of the Chamber's Response

Recommendation: Action on 1) the City's Response to and 2) Analysis of the Chamber's Response related to the Performance Audit "Santa Clara Convention Center and Convention-Visitors Bureau: Restructuring Operations Can Strengthen Accountability, Performance and Revenue"

E. **18-889** Action on Performance Audit Titled "Santa Clara Convention Center and Convention-Visitors Bureau: Restructuring Operations Can Strengthen Accountability, Performance and Revenue"

Recommendation: Action on Performance Audit Titled "Santa Clara Convention Center and Convention-Visitors Bureau: Restructuring Operations Can Strengthen Accountability, Performance and Revenue."

7. Tourism Improvement District Audit:

A. **18-1166** Action on Presentation by TAP International, Inc. of "City of Santa Clara Tourism Improvement District - Governance, Internal Controls and Oversight Need Attention"

Recommendation: Action on the audit "City of Santa Clara Tourism Improvement District - Governance, Internal Controls and Oversight Need Attention"

B. **18-1571** Action on Presentation from Santa Clara Chamber of Commerce/Convention-Visitors Bureau in Response to Audit Titled "City of Santa Clara Tourism Improvement District - Governance, Internal Controls and Oversight Need Attention"

Recommendation: Action on Santa Clara Chamber of Commerce/Convention-Visitors Bureau Response to the TAP International audit titled "City of Santa Clara Tourism Improvement District - Governance, Internal Controls and Oversight Need Attention" dated November 19, 2018.

C. 18-1371 Action on Presentation from the City on the Audit by TAP International titled "City of Santa Clara Tourism Improvement District - Governance, Internal Controls and Oversight Needed"

Recommendation: Action on City Response to Audit titled "City of Santa Clara Tourism Improvement District - Governance, Internal Controls and Oversight Needed"

REPORTS OF MEMBERS AND SPECIAL COMMITTEES

CITY MANAGER/EXECUTIVE DIRECTOR REPORT

8. 18-1536 Note and File a Status Report on the Harvey M. Rose Measure J Compliance Audit of the Santa Clara Stadium Authority

Recommendation: Note and File a Status Report on the Harvey M. Rose Measure J Compliance Audit of the Santa Clara Stadium Authority.

9. 18-1232 Informational Santa Clara Stadium Authority Annual Report (Stadium Authority)

Recommendation: Note and File the Informational Santa Clara Stadium Authority Annual Report

18-1580 Tentative Meeting Agenda Calendar

ADJOURNMENT

The next regular scheduled meeting is on Tuesday evening, December 4, 2018 in the City Hall Council Chambers.

MEETING DISCLOSURES

The time limit within which to commence any lawsuit or legal challenge to any quasi-adjudicative decision made by the City is governed by Section 1094.6 of the Code of Civil Procedure, unless a shorter limitation period is specified by any other provision. Under Section 1094.6, any lawsuit or legal challenge to any quasi-adjudicative decision made by the City must be filed no later than the 90th day following the date on which such decision becomes final. Any lawsuit or legal challenge, which is not filed within that 90-day period, will be barred. If a person wishes to challenge the nature of the above section in court, they may be limited to raising only those issues they or someone else raised at the meeting described in this notice, or in written correspondence delivered to the City of Santa Clara, at or prior to the meeting. In addition, judicial challenge may be limited or barred where the interested party has not sought and exhausted all available administrative remedies.

AB23 ANNOUNCEMENT: Members of the Santa Clara Stadium Authority, Sports and Open Space Authority and Housing Authority are entitled to receive $30 for each attended meeting.

Note: The City Council and its associated Authorities meet as separate agencies but in a concurrent manner. Actions taken should be considered actions of only the identified policy body.

LEGEND: City Council (CC); Stadium Authority (SA); Sports and Open Space Authority (SOSA); Housing Authority (HA); Successor Agency to the City of Santa Clara Redevelopment Agency (SARDA)

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

If a member of the public submits a speaker card for any agenda items, their name will appear in the Minutes. If no speaker card is submitted, the Minutes will reflect "Public Speaker."

18-1564 **Agenda Date: 11/27/2018**

SUBJECT

Public Employee Performance Evaluation (CC)
Pursuant to Gov. Code § 54957
Title: City Manager

18-217 **Agenda Date: 11/27/2018**

REPORT TO COUNCIL

SUBJECT

Study Session: Potential Amendments to the Existing Massage Ordinance

BACKGROUND

Prior to 2009, the jurisdiction of massage-related businesses fell under the purview of local municipalities. The City's Community Development Director administered zoning compliance for massage as a land use and the Finance Department handled the business license and collection of fees, while the Chief of Police managed individual massage therapist and massage establishment owner licenses to practice massage, the permitting process, verification of insurance and notification of acceptance or denial to work in Santa Clara.

The California Massage Therapy Council (CAMTC) was created in 2009, as a result of Senate Bill 731. From 2009-2015, CAMTC was the governing non-profit board in the State of California authorized to evaluate the qualifications of massage therapists or practitioners and issue certification and local jurisdictions were limited in their ability to regulate massage establishments. The massage industry can be susceptible to criminal activity, including human trafficking, paid sexual services, robberies and sexual assaults. During this timeframe, every massage business establishment was required to:

- Provide the Santa Clara Police Department with a copy or other evidence of a massage therapy organization (MTO) certificate for every person employed or retained by the business or establishment to provide massage therapy within thirty (30) calendar days of the commencement of such person's period of employment.
- Maintain on its premises a copy or other evidence of each such MTO certificate for review by the Santa Clara Police Department.

Assembly Bill 1147, also known as the "Massage Therapy Act," went into effect on January 1, 2015 and re-established the authority of local jurisdictions to impose land use, business licensing, and health and safety regulations on massage establishments including local permit requirements. CAMTC retained the responsibility of regulating the testing and certification process for individuals to provide massage therapy services.

Chapter 5.40 of "The Code of the City of Santa Clara, California" ("SCCC") sets forth the regulatory requirements for massage establishments operating within the City of Santa Clara. On September 22, 2015 the City Council approved Ordinance No. 1945 amending Chapter 5.40 and adding Chapter 18.104 ("Massage Establishments") to the City Code to be compliant with AB 1147. At that time staff determined the City's massage establishment regulations should be updated with regard to AB 1147 in order to:

- Mitigate and reduce the potential adverse secondary effects of illicit massage establishments, including, but not limited to, increased crime and the proliferation of blight in neighborhoods;
- Protect the quality of life and neighborhoods in the city, the city's retail and commercial trade, and local property values, while minimizing the potential for nuisances related to the operation of illicit massage establishments; and,
- Protect the peace, welfare and privacy of persons who own, operate and/or patronize legitimate massage establishments.

Additionally, with the adoption of Chapter 18.104, the City approved a two-year amortization period allowing for existing massage businesses with a non-conforming use to continue operating. This amortization period expired on November 17, 2017. Chapter 18.104 also established land use standards for massage activity and limited permits for new massage establishments to facilities which conformed to those standards. Existing, non-conforming establishments were allowed to remain for the two-year amortization period. As the timeframe for the amortization period neared conclusion, massage therapists and massage establishment owners approached the City Council expressing concern that the new requirements were too restrictive. The City Council subsequently amended Chapter 18.104 on October 24, 2017, to extend the amortization period for nonconforming establishments to come into full compliance by December 31, 2019. The City Council also requested that staff return to the Council with an amended ordinance that would serve the purposes set forth in AB 1147, but also allow legitimate massage establishments to continue operating in the City.

There are currently 52 businesses in the City that have obtained business licenses for acupuncture. Many of these acupuncture businesses have one or multiple massage therapists performing massage services from their location. Chapter 5.40.060 allows a licensed acupuncturist with a massage therapy certificate to provide direct massage to their clients. The Code also allows acupuncturists to make massage therapy services available to their clients performed by CAMTC certified massage therapists from their business as long as the massage therapist(s) and the establishment itself follows the requirements of massage establishments. Currently, four (4) massage therapists working from acupuncture businesses have met the City's requirements for massage establishments. However, those businesses do not meet all of the requirements of Chapter 5.40 or Chapter 18.104 as required. As the massage therapists from acupuncture businesses renew their licenses, the Police Department will inform the acupuncture owners of the requirements for massage establishments.

DISCUSSION

Senate Bill 731 was intended to professionalize the industry by creating a state-wide certification program. While doing so, it inadvertently created loopholes in local agency regulations that subsequently resulted in the location of massage establishments that do not have adequate zoning regulation, an inundation of foot massage and acupuncture parlors offering full-body massages, and the use of businesses as fronts for illicit massage operations. Now that cities have regained authority over massage establishments, it is incumbent upon staff to balance the rights of a growing profession of legitimate massage therapists against the responsibility to solve challenges caused by the less savory businesses.

Zoning Compliance

Since the 1960s, Chapter 18.70 of the SCCC has designated zoning regulations for regulated businesses referred to Section 18.70.050 as Anti-Skid Row regulations for regulated businesses.

When Chapter 5.40 was amended in 2015, Section 18.104, titled Massage Establishments, was also created. Section 18.104.020 and Section 18.70.050 of the SCCC both restrict regulated businesses or massage establishments at locations within five hundred (500) feet from another massage establishment or within five hundred (500) feet of a property line of the following:

(a) Schools (universities, community colleges, high schools, junior high schools, elementary and nursery schools);
(b) State-licensed child care centers and/or large family day care facilities;
(c) Hotels, motels, or lodging houses;
(d) Bowling alleys, ping-pong centers, electric-game centers, pool and billiard halls; and,
(e) Any lot or parcel zoned single-family residential.

As a result of Senate Bill 731, from 2009 to 2015, local jurisdictions were limited in their ability to regulate massage establishments. The City did not require businesses established during this timeframe to apply for a land use permit. Staff identified eighteen (18) massage establishments presently in existence that do not have land use permits (see map Attachment 1). Sixteen (16) of these massage establishments do not meet the zoning regulations adopted in 2015.

Since 2015 when cities regained the ability to regulate massage establishments by land use, the 500 foot separation Zoning Code requirement has limited opportunities to locate massage uses. The map (Attachment 1) also indicates areas where massage establishments can be allowed per the current zoning regulations. Currently, there are ten potential locations where massage establishments could be permitted consistent with the current location restrictions of the Zoning Code. Many of these locations are within industrial areas that have little to no pedestrian activity. As described in greater detail in the “Proposed Revisions to the Code” sections below, these existing eligible locations are not best-suited from a visibility and street presence perspective to hinder illicit massage operations.

Illicit Massage Operations

In an effort to conform to AB 1147, the Police Department’s Nuisance Suppression Unit (NSU) has assumed responsibility for oversight of massage establishments. As of February, 2018, the City has 18 licensed massage establishments. The NSU conducted compliance checks of every licensed establishment between November, 2017 and October, 2018, and identified violations at multiple locations. A total of $31,000 in administrative citations were issued and paid.

With this information, staff conducted an internal review of the existing municipal code in comparison with AB 1147 legislation, League of California Cities recommendations, and best practices among neighboring law enforcement agencies.

The following chart highlights aspects of the City’s current massage ordinance that may no longer be serving the City’s interests and which are not consistent with best practices in use in other local jurisdictions.

Santa Clara Ordinance	Industry Best Practice
Individual massage therapist accountability	Articulated owner accountability for establishments violations
n/a	More extensive internal permitting process, including signed acknowledgement of regulations
n/a	Violations moratorium regulation (5 year)
n/a	Compliance check following application for initial permit (prior to opening), after six (6) months of operation and prior to annual permit renewal
n/a	Exterior window requirements
n/a	Human Trafficking notices required per SB 1193 and Civil Code Section 52.6 adopted April 1, 2013
Low registration ($124) and renewal ($41) fees*	Renewal and registration fees are higher (ranging from $163- $1,100) depending on level of service provided and single therapist vs establishment with multiple therapists

**The Finance Department will be conducting a User Fee Study in Fall 2018. The Consultant performing the Study will look at these fees, in addition to other current and potential fees associated with massage activity, to ensure the city is recovering all costs to providing licensing and other services.*

Recognizing that massage is an activity to support wellness, staff is recommending a regulatory approach that balances City objectives and provides opportunities to allow massage in places with more visibility and higher levels of current or anticipated pedestrian activity.

Proposed Revisions to City Code

The proposed revision consists of amendments to Chapter 18.70, Chapter 18.104 of Title 18 (Zoning), and Chapter 5.40 of Title 5 (Business Licenses and Regulations).

Changes to Chapter 18.70, Anti-Skid Row regulations for specified regulated businesses, would include elimination of the references to massage parlors and establishments as a specified regulated business. This revision will allow massage parlors to be regulated differently from other specified regulated businesses, as referenced in Section 18.70.

Chapter 18.104 would be amended so the restrictions for locating massage establishments within 500 feet of other massage establishments or other described incompatible uses (schools, motels, childcare facilities, bowling alleys, single-family residences, etc) would be removed. Instead, massage establishments must be located in a Commercial district or Planned Development (PD) district that allows for commercial use, and the location must also meet one of the following criteria:

- The massage establishment is located in a minimum 20 acre size contiguously functioning mixed use or commercial site with shared parking and circulation and a minimum of 20,000 square foot of retail space; or
- The massage establishment is located in a wellness center of an employment center with 500 employees or more and shall be for employees use only.

The potential locations for massage establishments under the proposed Code changes are shown on

Attachment 2.

SCCC section 18.104.030 would be revised to eliminate the use permit requirement for future massage establishments. The Massage Establishment Permit allows the City to review any illicit activity or business license violations and revoke permits for problematic businesses. Massage establishments would need to follow the other development standards, such as signage, parking, and hours of operation, currently required in the Municipal Code and thus a use permit process would be an unnecessary process that would be duplicative of the Massage Establishment Permit. Future massage establishments will be required to apply for and obtain a Zoning Verification from the Planning Division. The Zoning Verification procedure used to determine if a proposed new massage establishment would be located in an area that meets the locational requirements set forth in the Zoning Code. Currently a Zoning Verification application costs $388 and takes approximately one month to process.

In addition to the above suggested ordinance amendments, staff is recommending that existing permitted massage establishments be considered as legal non-conforming uses and "grandfathered" in at their existing locations as long as the business and its therapists:

1. Meet massage licensing and permit requirements;
2. Hold a valid business license in the City of Santa Clara;
3. Comply with building code regulations;
4. Are free of repeated violations and criminal conduct (misdemeanor or felony); and,
5. Meet all current massage ordinance regulations, except the Zoning Code location restrictions for massage establishments.

New massage establishments and/or existing "grandfathered" massage establishments requesting a location to location change would be required to comply with the massage ordinance in its entirety, including the zoning regulations.

The Chief of Police would continue to have the authority to revoke a permit if any Code requirements are not met for either legal non-conforming or new massage establishments. Any appeals are recommended to be considered by a hearing officer versus the City Manager or her designee.

Meanwhile, the Police Department is committed to educating massage and acupuncture establishments on the City's amended massage ordinance to ensure these businesses come into compliance.

Acupuncture Businesses

Currently, the City has not issued any Conditional Use Permits for acupuncture businesses where massage services are being administered by individuals other than the acupuncturist. As a result, these businesses may be operating inconsistent with the current ordinance.

To address massage services within acupuncture businesses that are not being provided by a duly licensed acupuncturist, SCCC section 5.40.060 will need to be modified to explicitly state that the exemption from obtaining a massage establishment permit applies only if massage is being performed directly by the duly licensed acupuncturist.

Should an acupuncture business wish to have non-acupuncture staff provide massage, the business

will need to obtain a massage establishment permit from the Police Department. In doing so, the business will need to meet the current or proposed zoning location requirements.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT

The City is in the process of hiring a consultant to conduct a User Fee Study. This Study will be used to review new and/or revised fees as necessary to support permitting and regulation of massage businesses. Proposed fee changes will be presented to the Council in the April timeframe as part of the adoption of the Municipal Fee Schedule.

COORDINATION

This report has been coordinated with the Finance Department, Community Development Department, and the City Attorney's Office.

PUBLIC CONTACT

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RECOMMENDATION

Reviewed by: Michael J. Sellers, Chief of Police
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Existing Massage Establishments with Zoning Designations and Restrictions
2. Massage Establishments with Zoning Designations and Restrictions Based on Proposed Ordinance

City of Santa Clara
The Center of What's Possible

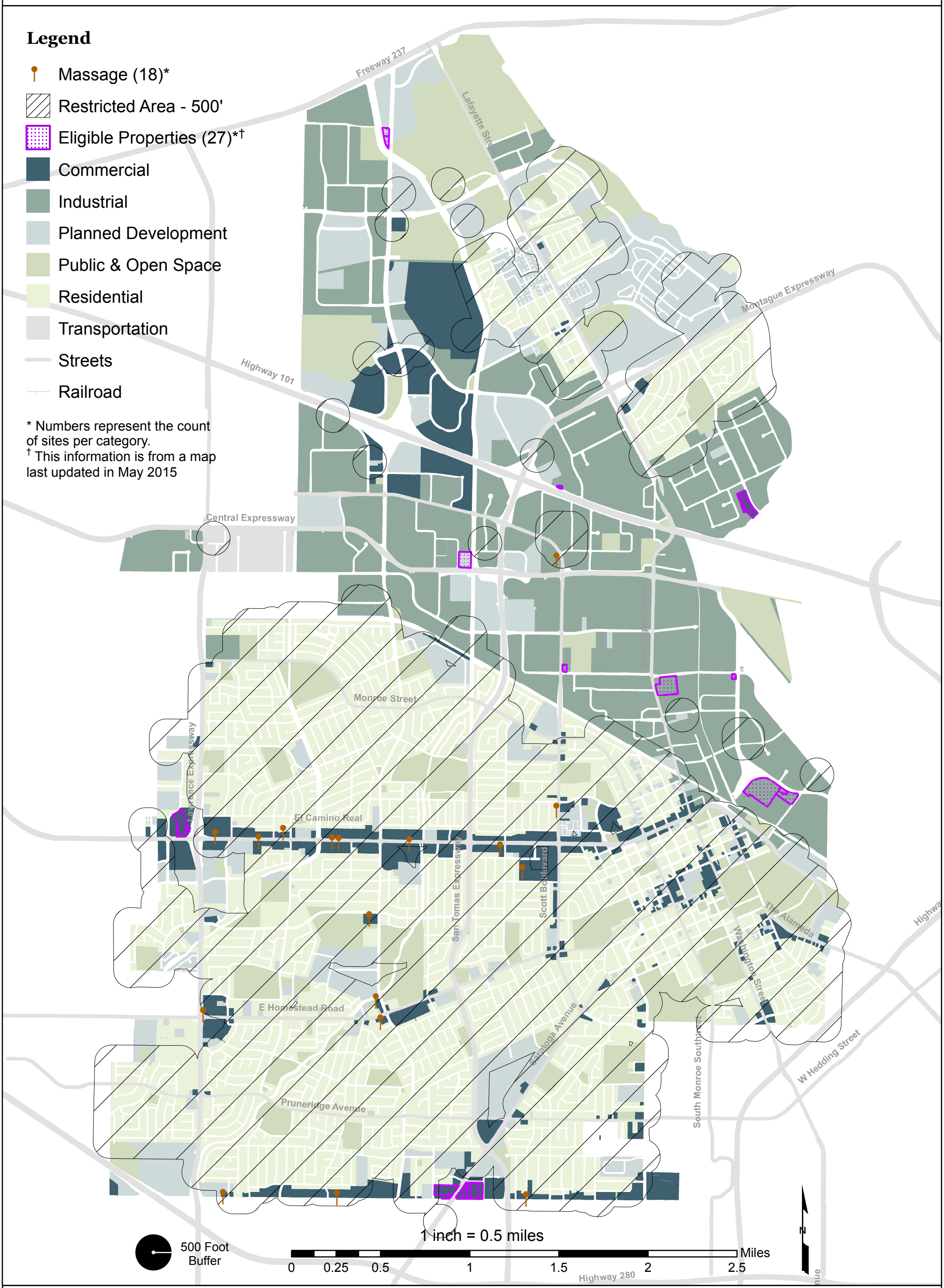
Massage Establishments

With Zoning Restrictions and Designations

Legend

- Massage (18)*
- Restricted Area - 500'
- Eligible Properties (27)*†
- Commercial
- Industrial
- Planned Development
- Public & Open Space
- Residential
- Transportation
- Streets
- Railroad

* Numbers represent the count of sites per category.
† This information is from a map last updated in May 2015



Created January 2018 & Updated June 2018
Projection: California State Plane NAD 83 Zone 3 (Feet)

Disclaimer: City of Santa Clara has provided this map to allow easy access and a visual display of City information. We have made considerable effort to assure the accuracy of the maps and data provided; nevertheless, some information may be inaccurate. The data available including all maps, tables, numbers, graphics, and text (hereinafter collectively referred to as the "information,") is provided on an "AS IS," "AS AVAILABLE" and "WITH ALL FAULTS" basis. City of Santa Clara shall assume no liability for: (1) Any errors, omissions or inaccuracies in the information provided regardless of how accessed or provided; and (2) any decision made or action taken or not taken by a user in reliance upon any information or data furnished. Do not make business decisions based on this data before validating your decision with the appropriate city department. The copyright for the information provided is held by City of Santa Clara. No one is permitted to sell this information except in accordance with a written agreement with the City of Santa Clara. This map is distributed for informational purposes only. For visual clarity, the zoning codes were simplified into six categories. Business information was taken from the Business Licensing Database accessed in December 2017. For more information please contact the City of Santa Clara at 1500 Warburton Avenue, Santa Clara, CA 95050.

City of Santa Clara
The Center of What's Possible

Massage Establishments

With Zoning Restrictions and Designations

Includes Future Eligible Properties Determined by Community Development Department Based on Proposed Ordinance & Known Commercial/Mixed Use Shopping/Project Site Between 10 to 19 acres

Legend

- Existing Massage Uses (18)* - Potentially Legal Non-Conform
- Future Eligible Properties**
  1. Gateway Crossing
  2. Mercado Shopping Center
  3. Santa Clara Square
  4. Town Center
  5. Valley Fair
- Known Commercial/Mixed Use Site Between 10 to 19 acres***
  6. Rivermark Shopping Plaza
  7. Moonlite Shopping Center
  8. Gateway Village
  9. Monticello Village
  10. Lawrence Square Center
- Commercial
- Industrial
- Planned Development
- Public & Open Space
- Residential
- Transportation
- Streets
- Railroad

* Numbers represent the count of sites per category.
† This information is from a map last updated in May 2015
** Determined by Community Development Department based on proposed ordinance amendment as of 7/24/2018.
*** Determined based on known development projects and shopping centers by CDD.

Freeway 237
Lafayette Street
Montague Expressway
Highway 101
Central Expressway
Monroe Street
El Camino Real
Lawrence Expressway
San Tomas Expressway
Scott Boulevard
The Alameda
Washington Street
W Hedding Street
South Monroe Southtreet
Saratoga Avenue
E Homestead Road
Pruneridge Avenue
Highway 280

500 Foot Buffer

1 inch = 0.5 miles

0 0.25 0.5 1 1.5 2 2.5 Miles

N

Created January 2018 & Updated August 2018
Projection: California State Plane NAD 83 Zone 3 (Feet)

Disclaimer: City of Santa Clara has provided this map to allow easy access and a visual display of City information. We have made considerable effort to assure the accuracy of the maps and data provided; nevertheless, some information may be inaccurate. The data available including all maps, tables, numbers, graphics, and text (hereinafter collectively referred to as the "information,") is provided on an "AS IS," "AS AVAILABLE" and "WITH ALL FAULTS" basis. City of Santa Clara shall assume no liability for: (1) Any errors, omissions or inaccuracies in the information provided regardless of how accessed or provided; and (2) any decision made or action taken or not taken by a user in reliance upon any information or data furnished. Do not make business decisions based on this data before validating your decision with the appropriate city department. The copyright for the information provided is held by City of Santa Clara. No one is permitted to sell this information except in accordance with a written agreement with the City of Santa Clara. Eligible Future Properties for display were determined by the City of Santa Clara Community Development Department (CDD) based upon proposed ordinance amendment and known shopping centers. CDD requested GIS Team to not perform nor showcase any additional analysis to determine other future eligible properties besides the 5 locations determined by CDD. This map is distributed for informational purposes only. For visual clarity, the zoning codes were simplified into six categories. Business information was taken from the Business Licensing Database accessed in December 2017. For more information please contact the City of Santa Clara at 1500 Warburton Avenue, Santa Clara, CA 95050.

18-1335 **Agenda Date: 11/27/2018**

REPORT TO COUNCIL

SUBJECT
Presentation on New Hazardous Materials Vehicle for the Fire Department

BACKGROUND
On December 15, 2015, City Council approved a Development Agreement for the Santa Clara Square Residential/Mixed Use Project located at 2600 Augustine Drive. Section 4.12 of the Development Agreement provides that a voluntary contribution will be made by the developer, Irvine Company in the amount of $800,000 for the purchase of a vehicle by the Fire Department.

DISCUSSION
The Fire Department determined that a hazardous materials response vehicle was needed and that the Irvine Company contribution would be used for that purpose. The vehicle was purchased using another public agency's contract in accordance with section 2.105.290 of the City purchasing ordinance. Funds were received by the City on September 22, 2016, and the vehicle was placed in service in October 2018.

The new hazardous materials response vehicle provides enhanced community protection from hazardous materials spills and other related emergencies, and has been outfitted with the most current equipment and technology. Vehicle enhancements include the addition of an onboard command center, a mobile laboratory for chemical analysis, and specialized equipment to contain large chemical spills.

ENVIRONMENTAL REVIEW
This is an informational report only and no action is being taken by the City Council, therefore it does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT
There is no cost to the City other than administrative staff time and expense, as the cost of the vehicle was covered by the Irvine Company contribution payment.

PUBLIC CONTACT
Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the

public information desk at any City of Santa Clara public library.

Reviewed by: William G. Kelly, Fire Chief
Approved by: Deanna J. Santana, City Manager

18-1340 **Agenda Date: 11/27/2018**

REPORT TO COUNCIL

SUBJECT

Action on a Donation from the Santa Clara City Library Foundation and Friends and Related Budget Amendment

BACKGROUND

A public works contract for the Mission Branch Library Remodel Project was awarded in October 2017, and the renovated library re-opened on September 24, 2018. The Santa Clara City Library Foundation and Friends (Foundation) agreed to fundraise for the furnishings for the newly remodeled library.

On February 28, 2018, the City Council approved the appropriation of $170,500 from the Expendable Trust Funds for library furnishings with the goal to replenish these funds as Foundation donations are received.

The City received an initial $50,000 donation from the Foundation on June 28, 2018, which was accepted and appropriated by Council at the August 28, 2018 meeting. The City has now received another donation from the Foundation on September 18, 2018, in the amount of $100,000. Council adopted the “Donations to the City” Policy on October 2, 2018, which requires all donations to be reviewed and approved by the City Manager. The policy requires the City Manager to review reasons for the offer, conditions attached to the donation, potential liability to the City, the donor, or the public, its benefits and drawbacks, and any ongoing costs to the City, including estimated maintenance and repair.

DISCUSSION

The Foundation’s $100,000 donation is a designated donation to the Library Department because it is to be used for a specified intended use (furnishings for the remodeled library) and does not have conditions attached (Attachment 1). Staff reviewed the donation letter and made the findings required to accept the donation pursuant to Council Policy. Accordingly, staff recommends acceptance of the donation and appropriation of the funds into the Library Trust - Donations Fund that will support Library-related activities. With this additional funding, a total of $150,000 has been received to offset the original funding allocation used to purchase furnishings.

Per the Policy, staff invited representatives from the Foundation to the Council Meeting to be recognized and the Mayor and City Manager will sign a letter of appreciation addressed to the Foundation.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California

Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT

Acceptance of the donation of $100,000 and approval of its appropriation into the Library Trust - Donation Fund will offset the original funding allocation used to purchase new furnishings for the renovated Mission Branch Library.

BUDGET AMENDMENT
FY 2018/19

	Current	Increase/ (Decrease)	Revised
Fund 072 - Library Trust - Donations Fund			
Revenues			
Donations (59650-(G)-00430)	$50,000	$100,000	$150,000
Expenditures			
Program 1221 (Library - Administration)			
Operating Supplies (87500-(G)-00430)	$50,000	$100,000	$150,000

COORDINATION

This report has been coordinated with the Finance Department and the City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Accept a Santa Clara City Library Foundation and Friends donation in the amount of $100,000 and approve the related Budget Amendment to appropriate the funds for future Library-related expenditures

Reviewed by: Hilary Keith, City Librarian
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. September 18, 2018 Donation Letter

THE SANTA CLARA CITY
LIBRARY FOUNDATION AND FRIENDS

Santa Clara City Library Foundation & Friends
2635 Homestead Ave
Santa Clara, CA 95051

September 18, 2018

Santa Clara City Library
2635 Homestead Ave
Santa Clara, CA 95051

Dear Hilary Keith, City Librarian:

Furnishings for the newly remodeled Mission Branch Library are to be covered by the Santa Clara City Library Foundation & Friends. This $100,000 check is the additional donation to the City towards those furnishings.

Thank you for all the benefit the library gives to the City.

Sincerely,

Tracy Wingrove
Executive Director
Santa Clara City Library Foundation & Friends
408-615-2936
twingrove@SantaClaraCA.gov

18-1413 **Agenda Date: 11/27/2018**

REPORT TO COUNCIL

SUBJECT
Action on Bills and Claims Report (CC) for the period October 19th - October 25th

BACKGROUND
Disbursements made by the City are based on invoices submitted for payment. Prior to payment, staff reviews all disbursement documents to ensure they are reflective of the goods or services provided. Invoices are usually paid within 30 days of receipt of an accurate invoice. As the final step, the City Auditor, or her designee verifies all documents before payment is issued. Payments are issued through accounts payable checks and wire transfers. It's important to note that items that pertain to the Stadium Authority are billed to the Stadium Manager (ManCo) to pay on behalf of the Stadium Authority for Non-NFL events and the 49ers for NFL events.

The Bills and Claims Report represents the cash disbursements required for operations of the City during the period. The report reflects the payment date, invoice number, description of the payment, funding source, and payment amount for all invoices. The budget control is set by the City Council through the budget adoption process.

DISCUSSION
Significant expenditures in this time period include:

- Payment to MSR Public Power Agency/Authority in the amount of $2,566,618 for September 2018 wind energy purchases and shaping fee.
- Payment to EDF Trading North America LLC in the amount of $1,918,800 for September 2018 gas purchase.
- Payment to Elster Solutions LLC in the amount of $863,594 for the purchase of meters.
- Payment to OC Jones & Sons Inc., in the amount $762,364 for Reed-Grant Street Sports Park September 2018 progress payment.
- Payment to Recurrent Energy Rosamond One LLC in the amount of $602,114 for September 2018 solar energy purchase.

ENVIRONMENTAL REVIEW
The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

FISCAL IMPACT
The expenditures of $9,693,515 were appropriated to various funds with the adoption of the Fiscal

Year 2018/19 Budget, as amended.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Approve the list of Bills and Claims for October 19, 2018 - October 25, 2018.

Reviewed by: Linh Lam, Assistant Finance Director/City Auditor
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Bills and Claims Approved for Payment Report

City of Santa Clara
List of All Bills and Claims Approved for Payment

Run Date 10/23/2018
Run Time 10:25:29 AM

Sorted by Payment Number

Payment No: 010199

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ACT ENVIRO	00431698	205318	ANALYTICALS 9/26/18	Electric Utility	3,500.00
10/25/2018	ACT ENVIRO	00431698	205318	FUEL & ENERGY RECOVERY FEE	Electric Utility	338.80
10/25/2018	ACT ENVIRO	00431698	205318	6 HRS LABOR CHEMIST 9/26/18	Electric Utility	402.00
10/25/2018	ACT ENVIRO	00431698	205318	SUPPLIES	Electric Utility	150.00
10/25/2018	ACT ENVIRO	00431698	205318	LARGE HAND PUMP	Electric Utility	50.00
10/25/2018	ACT ENVIRO	00431698	205318	PPE GEAR LEVEL D	Electric Utility	8.00
10/25/2018	ACT ENVIRO	00431698	205318	GEAR (BOBTAIL)TRUCK USE 9/26/1	Electric Utility	125.00
10/25/2018	ACT ENVIRO	00431699	204422	FUEL/ENERGY RECOVERY FEE	Electric Utility	69.52
10/25/2018	ACT ENVIRO	00431699	204422	8HRS LABOR CHEMIST 9/19/18	Electric Utility	536.00
10/25/2018	ACT ENVIRO	00431699	204422	SUPPLIES	Electric Utility	150.00
10/25/2018	ACT ENVIRO	00431699	204422	LARGE HAND PUMP	Electric Utility	50.00
10/25/2018	ACT ENVIRO	00431699	204422	PPE GEAR LEVEL D	Electric Utility	8.00
10/25/2018	ACT ENVIRO	00431699	204422	GEAR (BOBTAIL)TRUCK USE 9/19/1	Electric Utility	125.00
				Total for Payment No.:		5,512.32

Payment No: 010200

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ALL GUARD ALARM SYSTEMS INC	00431851	A755507	ANNUAL FIRE & RADIO MONITORING	General Fund	1,175.27
10/25/2018	ALL GUARD ALARM SYSTEMS INC	00431852	S89803	SERVICE CALL - SR. CENTER	General Fund	300.00
				Total for Payment No.:		1,475.27

Payment No: 010201

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid

10/25/2018	ALLIANCE OCCUPATIONAL MEDICINE	00432292	00964494-00	SEPTEMBER 2018 PHYSICAL EXAMS	General Fund	1,075.00
10/25/2018	ALLIANCE OCCUPATIONAL MEDICINE	00432292	00964494-00	SEPTEMBER 2018 PHYSICAL EXAMS	Electric Utility	159.00
10/25/2018	ALLIANCE OCCUPATIONAL MEDICINE	00432292	00964494-00	SEPTEMBER 2018 PHYSICAL EXAMS	Electric Utility	42.00
10/25/2018	ALLIANCE OCCUPATIONAL MEDICINE	00432292	00964494-00	SEPTEMBER 2018 PHYSICAL EXAMS	General Fund	117.00
10/25/2018	ALLIANCE OCCUPATIONAL MEDICINE	00432292	00964494-00	SEPTEMBER 2018 PHYSICAL EXAMS	Water Utility	300.00
				Total for Payment No.:		1,693.00

Payment No: 010202

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ALMADEN PRESS INC	00432284	135677	CORRECTION NOTICE FORMS-1000	General Fund	386.95
				Total for Payment No.:		386.95

Payment No: 010203

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	AMAZON.COM	00431952	90OCT2018	1241 BOOKS	General Fund	568.00
10/25/2018	AMAZON.COM	00431952	90OCT2018	1241 DVDS, CDS, & AUDIOBOOKS	General Fund	265.75
10/25/2018	AMAZON.COM	00431952	90OCT2018	1232 VIDEO GAMES	General Fund	69.47
10/25/2018	AMAZON.COM	00431952	90OCT2018	1235 VIDEO GAMES	General Fund	69.47
10/25/2018	AMAZON.COM	00431952	90OCT2018	SUPPLIES	General Fund	29.61
				Total for Payment No.:		1,002.30

Payment No: 010204

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	APPLIED POWER TECHNOLOGIES INC	00431826	12340-04	QTLY EPMS MAINT SRV SEP18	Electric Utility	2,091.25
				Total for Payment No.:		2,091.25

Payment No: 010205

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ARINI GEOGRAPHICS LLC	00432181	000185	GIS Professional Services-Publ	General Government	2,275.50

					- Other	
10/25/2018	ARINI GEOGRAPHICS LLC	00432182	000184	GIS Professional Services-Docu	General Government - Other	107.38
10/25/2018	ARINI GEOGRAPHICS LLC	00432182	000184	GIS Professional Services-Docu	General Government - Other	107.37
10/25/2018	ARINI GEOGRAPHICS LLC	00432183	000183	GIS Common Operational Picture	General Fund	1,016.00
10/25/2018	ARINI GEOGRAPHICS LLC	00432183	000183	GIS Common Operational Picture	General Fund	1,174.75
10/25/2018	ARINI GEOGRAPHICS LLC	00432183	000183	GIS Common Operational Picture	General Fund	3,365.50
10/25/2018	ARINI GEOGRAPHICS LLC	00432184	000181	GIS Professional Services-Docu	General Government - Other	1,886.38
10/25/2018	ARINI GEOGRAPHICS LLC	00432184	000181	GIS Professional Services-Docu	General Government - Other	1,886.37
10/25/2018	ARINI GEOGRAPHICS LLC	00432185	000177	GIS Professional Services-Docu	General Government - Other	507.75
10/25/2018	ARINI GEOGRAPHICS LLC	00432185	000177	GIS Professional Services-Docu	General Government - Other	507.75
				Total for Payment No.:		12,834.75

Payment No: 010206

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	BAKER & TAYLOR BOOKS	00431876	4012335056	1233 BOOKS	General Fund	20.01
10/25/2018	BAKER & TAYLOR BOOKS	00431878	4012335057	1241 BOOKS	General Fund	40.59
10/25/2018	BAKER & TAYLOR BOOKS	00431882	4012335058	1241 BOOKS	General Fund	20.00
10/25/2018	BAKER & TAYLOR BOOKS	00431886	4012335059	1241 BOOKS	General Fund	34.22
10/25/2018	BAKER & TAYLOR BOOKS	00431888	4012335060	1241 BOOKS	General Fund	292.86
10/25/2018	BAKER & TAYLOR BOOKS	00431889	4012335061	1235 BOOKS	General Fund	41.76
10/25/2018	BAKER & TAYLOR BOOKS	00431890	3022402297	1241 BOOKS	General Fund	251.71
10/25/2018	BAKER & TAYLOR BOOKS	00431953	4012331022	1233 BOOKS	General Fund	20.00
10/25/2018	BAKER & TAYLOR BOOKS	00431954	4012331023	1241 BOOKS	General Fund	42.32
10/25/2018	BAKER & TAYLOR BOOKS	00431955	4012331024	1241 BOOKS	General Fund	39.42
10/25/2018	BAKER & TAYLOR BOOKS	00431956	4012331025	1241 BOOKS	General Fund	57.70
10/25/2018	BAKER & TAYLOR BOOKS	00431957	4012331026	1241 BOOKS	General Fund	19.42

10/25/2018	BAKER & TAYLOR BOOKS	00431958	4012337649	1233 BOOKS	General Fund	41.15
10/25/2018	BAKER & TAYLOR BOOKS	00431959	4012337650	1241 BOOKS	General Fund	21.39
10/25/2018	BAKER & TAYLOR BOOKS	00431960	4012337651	1241 BOOKS	General Fund	18.85
10/25/2018	BAKER & TAYLOR BOOKS	00431961	4012337652	1241 BOOKS	General Fund	20.00
10/25/2018	BAKER & TAYLOR BOOKS	00431962	4012337653	1241 BOOKS	General Fund	19.43
10/25/2018	BAKER & TAYLOR BOOKS	00431963	4012337654	1241 BOOKS	General Fund	79.98
10/25/2018	BAKER & TAYLOR BOOKS	00431964	4012337655	1241 BOOKS	General Fund	61.77
10/25/2018	BAKER & TAYLOR BOOKS	00431965	4012337656	1241 BOOKS	General Fund	38.83
10/25/2018	BAKER & TAYLOR BOOKS	00431966	4012338845	1233 BOOKS	General Fund	20.00
10/25/2018	BAKER & TAYLOR BOOKS	00431976	4012338846	1241 BOOK	General Fund	59.99
10/25/2018	BAKER & TAYLOR BOOKS	00431977	4012338847	1241 BOOKS	General Fund	20.56
10/25/2018	BAKER & TAYLOR BOOKS	00431980	4012338848	1241 BOOKS	General Fund	20.00
10/25/2018	BAKER & TAYLOR BOOKS	00431981	4012338849	1241 BOOKS	General Fund	96.00
10/25/2018	BAKER & TAYLOR BOOKS	00431982	3022414368	1233 BOOKS	General Fund	14.85
10/25/2018	BAKER & TAYLOR BOOKS	00431983	3022414369	1241 BOOKS	General Fund	214.29
				Total for Payment No.:		1,627.10

Payment No: 010207

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	BASE ENERGY INC	00431942	1809465A	EE WTR SYS PROG 17-1 SEP18	Elec OperatingGrant Trust Fund	157.50
				Total for Payment No.:		157.50

Payment No: 010208

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	BAY AREA DATA SUPPLY	00432000	206073	Records supplies	General Fund	392.40
10/25/2018	BAY AREA DATA SUPPLY	00432005	206059	TONER CARTRIDGES FOR STATIONS	General Fund	147.15
				Total for Payment No.:		539.55

Payment No: 010209

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	BOUNDTREE MEDICAL LLC	00432152	83000477	FY18-19 EXPENDABLE EMERGENCY M	General Fund	21.00
10/25/2018	BOUNDTREE MEDICAL LLC	00432154	83005428	FY18-19 EXPENDABLE EMERGENCY M	General Fund	36.00
10/25/2018	BOUNDTREE MEDICAL LLC	00432156	82999178	FY18-19 EXPENDABLE EMERGENCY M	General Fund	105.70
10/25/2018	BOUNDTREE MEDICAL LLC	00432157	82996568	FY18-19 EXPENDABLE EMERGENCY M	General Fund	316.72
10/25/2018	BOUNDTREE MEDICAL LLC	00432158	82996567	FY18-19 EXPENDABLE EMERGENCY M	General Fund	5,905.80
10/25/2018	BOUNDTREE MEDICAL LLC	00432160	82996566	FY18-19 EXPENDABLE EMERGENCY M	General Fund	84.00
				Total for Payment No.:		6,469.22

Payment No: 010210

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	BRAND ADDITION	00431951	36195-1	SVP POLO SHIRTS MENS 10SHIRTS	Elec OperatingGrant Trust Fund	358.81
10/25/2018	BRAND ADDITION	00431951	36195-1	SVP POLO SHIRTS MENS 30SHIRTS	Electric Utility	1,078.70
				Total for Payment No.:		1,437.51

Payment No: 010211

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	BUCKLES-SMITH	00432015	3115095-00	#14 MTW RED STRANDED 500SP	Electric Utility Construction	67.65
10/25/2018	BUCKLES-SMITH	00432015	3115095-00	#14 MTW BLACK STRANDED 500SP	Electric Utility Construction	67.66
				Total for Payment No.:		135.31

Payment No: 010212

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	CA DEPT OF JUSTICE	00432290	331522	FINGERPRINTS-SEPTEMBER 2018	General Fund	352.00
10/25/2018	CA DEPT OF JUSTICE	00432290	331522	FINGERPRINTS-SEPTEMBER 2018	General Fund	2,720.00
				Total for Payment No.:		3,072.00

Payment No: 010213

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	CARPENTER RIGGING & SUPPLY	00431921	712786-00	PART - VEH # 2899	Automotive Services	96.58
				Total for Payment No.:		96.58

Payment No: 010214

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	CINTAS CORP #630	00431867	630543516	Street Uniform Service	General Fund	356.83
10/25/2018	CINTAS CORP #630	00431867	630543516	Fleet Uniform Service	Automotive Services	125.10
10/25/2018	CINTAS CORP #630	00431867	630543516	SAFEWASHER SVC	General Fund	15.24
10/25/2018	CINTAS CORP #630	00431867	630543516	SAFEWASHER SVC	Automotive Services	15.25
10/25/2018	CINTAS CORP #630	00432045	630525169	UNIFORM SERVICES	General Fund	140.78
10/25/2018	CINTAS CORP #630	00432046	630528785	UNIFORM SERVICES	General Fund	246.21
10/25/2018	CINTAS CORP #630	00432047	630532315	UNIFORM SERVICES	General Fund	13.79
10/25/2018	CINTAS CORP #630	00432048	630535840	UNIFORM SERVICES	General Fund	121.43
10/25/2018	CINTAS CORP #630	00432117	630547038	Street Uniform Service	General Fund	338.23
10/25/2018	CINTAS CORP #630	00432117	630547038	Fleet Uniform Service	Automotive Services	125.10
10/25/2018	CINTAS CORP #630	00432117	630547038	SAFEWASHER SVC	General Fund	15.24
10/25/2018	CINTAS CORP #630	00432117	630547038	SAFEWASHER SVC	Automotive Services	15.25
				Total for Payment No.:		1,528.45

Payment No: 010215

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	CINTAS FIRE PROTECTION #F44	00432013	0F44688009	EXT. SERVICE - AUTO SERVICES	Automotive Services	135.84
10/25/2018	CINTAS FIRE PROTECTION #F44	00432013	0F44688009	TAXABLE	Automotive Services	41.86
				Total for Payment No.:		177.70

Payment No: 010216

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid

10/25/2018	COMCAST PO BOX 34696,34878,34227,34744	00432400	9/23/18AC8155400650182213	CH 1500 WARBURTON AVE	General Fund	158.79
10/25/2018	COMCAST PO BOX 34696,34878,34227,34744	00432400	9/23/18AC8155400650182213	IT 1405 CIVIC CNTR DR	General Fund	38.42
10/25/2018	COMCAST PO BOX 34696,34878,34227,34744	00432400	9/23/18AC8155400650182213	PD 1990 WALSH AVE	General Fund	147.53
10/25/2018	COMCAST PO BOX 34696,34878,34227,34744	00432400	9/23/18AC8155400650182213	FIRE 1177 ALVISO ST	General Fund	33.62
10/25/2018	COMCAST PO BOX 34696,34878,34227,34744	00432400	9/23/18AC8155400650182213	PD 601 EL CAMINO REAL	General Fund	146.94
10/25/2018	COMCAST PO BOX 34696,34878,34227,34744	00432400	9/23/18AC8155400650182213	PD 3992 RIVERMARK PLZ	General Fund	34.61
10/25/2018	COMCAST PO BOX 34696,34878,34227,34744	00432400	9/23/18AC8155400650182213	SR CNTR 1303 FREMONT ST	General Fund	61.39
				Total for Payment No.:		621.30

Payment No: 010217

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	COMMERCIAL TREE CARE	00432118	33877	Tree Service Agreement	General Fund	5,400.00
				Total for Payment No.:		5,400.00

Payment No: 010218

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	COUNTY OF SANTA CLARA	00432285	1800064749	9/29/18-TRANSPORT OFFICERS	General Fund	4,885.39
10/25/2018	COUNTY OF SANTA CLARA	00432286	1800064750	10/7/18 TRANSPORT OFFICERS	General Fund	3,771.81
				Total for Payment No.:		8,657.20

Payment No: 010219

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	DALEO INC	00431691	SV831-01	2004D AERIAL FIBER MASTER CONT	Electric Utility Construction	33,771.07
				Total for Payment No.:		33,771.07

Payment No: 010220

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	DAMON BECK	00431836	3915OCT2018	TOLL COST XSING BENICIA BRIDGE	Electric Utility	5.00
10/25/2018	DAMON BECK	00431836	3915OCT2018	MILE REIMB MTG. @ ROSVILLE CA	Electric Utility	146.61
				Total for Payment No.:		151.61

Payment No: 010221

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	DUNBAR ARMORED INC	00432039	4269504	ARMORED COURIER SERVICE	General Fund	737.57
10/25/2018	DUNBAR ARMORED INC	00432040	4287252	ARMORED COURIER SERVICE	General Fund	744.47
				Total for Payment No.:		1,482.04

Payment No: 010222

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	EFFICIENCY SERVICES GROUP, LLC	00431940	2070	CALL17-3 EXTER LITE PROG SEP18	Elec OperatingGrant Trust Fund	5,975.00
10/25/2018	EFFICIENCY SERVICES GROUP, LLC	00431940	2070	CALL17-3 EXTER LITE PROG SEP18	Elec OperatingGrant Trust Fund	33,440.00
10/25/2018	EFFICIENCY SERVICES GROUP, LLC	00431941	2095	CALL17-1 KEEP YOUR COOL SEP18	Elec OperatingGrant Trust Fund	10,433.28
				Total for Payment No.:		49,848.28

Payment No: 010223

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ELECTRICAL CONSULTANTS INC	00431937	77826	TRANSMISSION ENGINEERING SRVCS	Electric Utility Construction	3,122.50
10/25/2018	ELECTRICAL CONSULTANTS INC	00431938	77994	TRANSMISSION ENGINEERING SRVCS	Electric Utility Construction	5,313.31
				Total for Payment No.:		8,435.81

Payment No: 010224

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ELSTER SOLUTIONS LLC	00432176	9000086462	REXU ZHCW2A00004 1 PHASE, 3W 3	Electric Utility Construction	431,796.96
10/25/2018	ELSTER SOLUTIONS LLC	00432177	9000086461	REXU ZHCW2A00004 1 PHASE, 3W 3	Electric Utility Construction	431,796.96
				Total for Payment No.:		863,593.92

Payment No: 010225

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	EMPLOYMENT SCREENING RESOURCES	00432300	176125	4 NEW HIRE BACKGROUND	General Fund	275.00
				Total for Payment No.:		275.00

Payment No: 010226

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	FARWEST LINE SPECIALTIES LLC	00431696	263970	BASHLIN FLORIDIAN BELT 88	Electric Utility	428.25
10/25/2018	FARWEST LINE SPECIALTIES LLC	00431696	263970	BASHLIN 4 POCKET HOLDER 111HLS	Electric Utility	50.53
10/25/2018	FARWEST LINE SPECIALTIES LLC	00431696	263970	BUCKINGHAM 4 POCKET HOLDER	Electric Utility	59.34
10/25/2018	FARWEST LINE SPECIALTIES LLC	00431696	263970	ESTEX HARD BODY VINYL DITTY BA	Electric Utility	61.43
10/25/2018	FARWEST LINE SPECIALTIES LLC	00431696	263970	BUCKINGHAM 1 3/4" LEATHER GUTS	Electric Utility	50.53
10/25/2018	FARWEST LINE SPECIALTIES LLC	00431696	263970	7' BASHLIN POLE STRAP 54N-2HL	Electric Utility	347.67
10/25/2018	FARWEST LINE SPECIALTIES LLC	00431696	263970	BUCKINGHAM SKINNING KNIFE 7089	Electric Utility	37.21
10/25/2018	FARWEST LINE SPECIALTIES LLC	00431697	263792	KNOOP K-3 PHASE SEQUENCE INDIC	Electric Utility	314.85
10/25/2018	FARWEST LINE SPECIALTIES LLC	00431780	264283	YELLOW BUG WRENCH 9/16 X 3/4	Electric Utility	61.69
10/25/2018	FARWEST LINE SPECIALTIES LLC	00431780	264283	HANDLINE BELT HOOK #33L	Electric Utility	18.21
10/25/2018	FARWEST LINE SPECIALTIES LLC	00431780	264283	STAINLESS SWIVEL SNAP	Electric Utility	17.10
				Total for Payment No.:		1,446.81

Payment No: 010227

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	FINDAWAY WORLD LLC	00431986	269669	1231 AUDIOBOOKS	General Fund	922.21

				Total for Payment No.:		922.21

Payment No: 010228

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	FINISH LINE TOWING	00432317	793988	PORT TO PORT HOURS	General Fund	100.00
10/25/2018	FINISH LINE TOWING	00432318	89973	CASE# 17-7912	General Fund	200.00
10/25/2018	FINISH LINE TOWING	00432319	88702	CASE# 19-5727	General Fund	300.00
10/25/2018	FINISH LINE TOWING	00432320	95068	CASE# 18-6557	General Fund	322.50
10/25/2018	FINISH LINE TOWING	00432321	799572	PORT TO PORT HOURS	General Fund	225.00
				Total for Payment No.:		1,147.50

Payment No: 010229

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	FLYNN RESOURCE CONSULTANTS INC	00431939	1285	CAISO,CRR,PG&E,LITIG JUL-AUG17	Electric Utility	50,000.00
10/25/2018	FLYNN RESOURCE CONSULTANTS INC	00431939	1285	CAISO,CRR,PG&E,LITIG JUL-AUG17	Electric Utility	74,813.75
				Total for Payment No.:		124,813.75

Payment No: 010230

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	GALE/CENGAGE LEARNING	00431987	65345403	1241 BOOKS	General Fund	56.39
10/25/2018	GALE/CENGAGE LEARNING	00431988	65377952	1241 BOOKS	General Fund	31.05
10/25/2018	GALE/CENGAGE LEARNING	00431989	65379508	1241 BOOKS	General Fund	31.05
				Total for Payment No.:		118.49

Payment No: 010231

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	GATES & ASSOC	00432220	50925R	GATES&ASSOCIATES-HOMERDIGE PLA	Parks And Recreation	20,984.50
10/25/2018	GATES & ASSOC	00432220	50925R	RETENTION	Parks And Recreation	-1,049.23
10/25/2018	GATES & ASSOC	00432223	51110	GATES&ASSOCIATES-HOMERDIGE PLA	Parks And Recreation	15,438.75

10/25/2018	GATES & ASSOC	00432223	51110	RETENTION	Parks And Recreation	-771.94
				Total for Payment No.:		34,602.08

Payment No: 010232

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	GRAINGER	00432077	9849918140	PARTS & SUPPLIES	Water Utility	971.33
				Total for Payment No.:		971.33

Payment No: 010233

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	GRAINGER-SAN JOSE	00431869	9902708438	Storm Drain - Head Lamp	General Fund	157.64
10/25/2018	GRAINGER-SAN JOSE	00431871	9921682176	Storm Drain - Safety Boots	General Fund	144.79
10/25/2018	GRAINGER-SAN JOSE	00431923	9920528032	PART - VEH # 3189	Automotive Services	5.39
10/25/2018	GRAINGER-SAN JOSE	00432007	9924331102	DUST MOP HANDLE	General Fund	47.02
10/25/2018	GRAINGER-SAN JOSE	00432107	9937851625	STORAGE RACKS STATION 1	General Fund	1,027.17
10/25/2018	GRAINGER-SAN JOSE	00432209	9783035554	BOLT, 3/4INX3-1/4IN, 1-1/8IN H	Water Utility	95.35
10/25/2018	GRAINGER-SAN JOSE	00432232	9924392831	BOLT, 3/4INX3-1/4IN, 1-1/8IN H	Water Utility	381.41
				Total for Payment No.:		1,858.77

Payment No: 010234

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	GRANITE CONSTRUCTION CO	00432121	1477439	Asphalt-Humbolt Trench	General Fund	3,732.36
10/25/2018	GRANITE CONSTRUCTION CO	00432122	1480086	Asphalt-Humbolt Trench	General Fund	797.47
10/25/2018	GRANITE CONSTRUCTION CO	00432124	1479026	AsphaltWarburt//LosPad/Humbolt	General Fund	885.61
10/25/2018	GRANITE CONSTRUCTION CO	00432125	1479273	Asphalt-Bowers Permit	General Fund	997.28
10/25/2018	GRANITE CONSTRUCTION CO	00432128	1481043	Asphalt-Forb/LosOliv/LasPalmas	General Fund	938.66
				Total for Payment No.:		7,351.38

Payment No: 010235

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	GREEN HALO SYSTEMS	00432130	1835	Hosting & Maintenance Oct 2018	Solid Waste Program	459.72
				Total for Payment No.:		459.72

Payment No: 010236

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	GREG MEYER	00432147	14545	COURSE PAYMENT 14545	General Fund	224.64
				Total for Payment No.:		224.64

Payment No: 010237

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	HILL BROTHERS CHEMICAL CO	00431833	07043400	DVR AMMONIA DELIVERY 9/24/18	Electric Utility	6,088.82
				Total for Payment No.:		6,088.82

Payment No: 010238

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	HOUSING TRUST OF SILICON VALLEY	00432175	20180716-BMP SAVERIO	HTSV BMP AMENDMENT #1 ADMIN -	City Affordable Housing	7,000.00
				Total for Payment No.:		7,000.00

Payment No: 010239

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	IMPERIAL SPRINKLER SUPPLY INC	00432080	3493571-00	PARTS & SUPPLIES	Sewer Utility	27.67
				Total for Payment No.:		27.67

Payment No: 010240

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	INFOSEND INC	00432042	142299	PRINT & MAIL SERVICE	General Fund	1,373.46
10/25/2018	INFOSEND INC	00432042	142299	BUSINESS TAX ENVELOPES	General Fund	3,300.00

10/25/2018	INFOSEND INC	00432042	142299	IMPLEMENTATION PROGRAMMING FEE	General Government - Other	2,400.00
				Total for Payment No.:		7,073.46

Payment No: 010241

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	INGRAM LIBRARY SERVICES INC	00431990	36829271	1241 BOOKS	General Fund	2,168.18
10/25/2018	INGRAM LIBRARY SERVICES INC	00431990	36829271	1231 BOOKS	General Fund	1,125.10
10/25/2018	INGRAM LIBRARY SERVICES INC	00431990	36829271	1232 BOOKS	General Fund	136.66
10/25/2018	INGRAM LIBRARY SERVICES INC	00431990	36829271	1233 BOOKS	General Fund	679.31
10/25/2018	INGRAM LIBRARY SERVICES INC	00431990	36829271	BOOKMOBILE BOOKS	General Fund	124.71
10/25/2018	INGRAM LIBRARY SERVICES INC	00431992	36829287	1235 BOOKS	General Fund	697.39
10/25/2018	INGRAM LIBRARY SERVICES INC	00431993	36842703	1231 BOOKS	General Fund	270.09
10/25/2018	INGRAM LIBRARY SERVICES INC	00431995	36857435	1231 BOOKS	General Fund	98.19
				Total for Payment No.:		5,299.63

Payment No: 010242

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	INTERSTATE TRAFFIC CONTROL	00431872	227818	Sign Shop - yellow paint	General Fund	3,266.58
				Total for Payment No.:		3,266.58

Payment No: 010243

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	JOHANNA JEAN MARCHEL	00431825	150/22071	JANITORIAL SUPPLIES 881 MARTIN	Electric Utility	51.56
10/25/2018	JOHANNA JEAN MARCHEL	00431825	150/22071	JANITORIAL SUPPLIES 881 MARTIN	Electric Utility	417.59
10/25/2018	JOHANNA JEAN MARCHEL	00431825	150/22071	JANITORIAL SUPPLIES 881 MARTIN	Electric Utility	15.47
10/25/2018	JOHANNA JEAN MARCHEL	00431825	150/22071	JANITORIAL SUPPLIES 881 MARTIN	Elec OperatingGrant Trust Fund	30.93
				Total for Payment No.:		515.55

Payment No: 010244

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	JOINT VENTURE:SILICON VALLEY	00432081	466EDASANTA	FY18/19 SVEDA DUES	Electric Utility	9,000.00
10/25/2018	JOINT VENTURE:SILICON VALLEY	00432082	435NETSANTA	PUBLIC INVESTMENT FY 2018-19	Electric Utility	25,000.00
				Total for Payment No.:		34,000.00

Payment No: 010245

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	KATHLEEN SG HUGHES	00431821	8963OCT2018A	REIM APPA RAPP WEBINAR SERIES	Electric Utility	495.00
				Total for Payment No.:		495.00

Payment No: 010246

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	LAUREL A STEWART	00431861	89560	TRAINING MANUALS	General Fund	43.60
10/25/2018	LAUREL A STEWART	00432180	89559	Onsite training services for t	General Fund	4,995.00
				Total for Payment No.:		5,038.60

Payment No: 010247

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	LEE'S FORKLIFT SERVICE	00432086	19528	PROPANE HOSE	Automotive Services	66.49
10/25/2018	LEE'S FORKLIFT SERVICE	00432086	19528	SERVICE	Automotive Services	236.00
10/25/2018	LEE'S FORKLIFT SERVICE	00432087	19529	SERVICE - VEH # 3243	Automotive Services	236.00
10/25/2018	LEE'S FORKLIFT SERVICE	00432089	19530	SERVICE - VEH # 2047	Automotive Services	236.00
10/25/2018	LEE'S FORKLIFT SERVICE	00432090	19531	PARTS - VEH # 3270	Automotive Services	609.43
10/25/2018	LEE'S FORKLIFT SERVICE	00432090	19531	REPAIR	Automotive Services	243.09
10/25/2018	LEE'S FORKLIFT SERVICE	00432091	19532	PACKING KIT - VEH # 2898	Automotive Services	385.10
10/25/2018	LEE'S FORKLIFT SERVICE	00432091	19532	REPAIR - VEH # 2898	Automotive Services	243.45
10/25/2018	LEE'S FORKLIFT SERVICE	00432092	19533	SERVICE - VEH # 2927	Automotive Services	236.00
				Total for Payment No.:		2,491.56

Payment No: 010248

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	LPA, INC.	00431817	86067	Youth Soccer Field & Athletic	Parks And Recreation	5,468.55
10/25/2018	LPA, INC.	00431817	86067	RETENTION	Parks And Recreation	-546.86
10/25/2018	LPA, INC.	00432225	85047	AMENDMENT NO 5. ADDITIONAL DES	Parks And Recreation	1,310.40
10/25/2018	LPA, INC.	00432225	85047	RETENTION	Parks And Recreation	-131.04
				Total for Payment No.:		6,101.05

Payment No: 010249

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	LUIS FERNANDO SOSA GUEVARA	00432061	7191165	AUTO WASH SERVICE	Automotive Services	665.00
10/25/2018	LUIS FERNANDO SOSA GUEVARA	00432063	7191166	AUTO WASH SERVICE	Automotive Services	598.00
10/25/2018	LUIS FERNANDO SOSA GUEVARA	00432064	7191168	AUTO WASH SERVICE	Automotive Services	547.00
10/25/2018	LUIS FERNANDO SOSA GUEVARA	00432066	7191169	AUTO WASH SERVICE	Automotive Services	577.00
10/25/2018	LUIS FERNANDO SOSA GUEVARA	00432067	7191170	AUTO WASH SERVICE	Automotive Services	544.00
10/25/2018	LUIS FERNANDO SOSA GUEVARA	00432068	7191171	AUTO WASH SERVICE	Automotive Services	633.00
10/25/2018	LUIS FERNANDO SOSA GUEVARA	00432070	7191172	AUTO WASH SERVICES	Automotive Services	519.00
				Total for Payment No.:		4,083.00

Payment No: 010250

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	MARIN CLEAN ENERGY	00432126	SEPT-2018	CISO CHG SC SVC G2-1 SEP18	Electric Utility	38,661.60
10/25/2018	MARIN CLEAN ENERGY	00432126	SEPT-2018	CISO CHG SC SVC G2-1 SEP18	Electric Utility	-403.17
				Total for Payment No.:		38,258.43

Payment No: 010251

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	METROPOLITAN PLANNING GROUP	00432174	1000602	Amendment no. 3 add funds appr	General Fund	13,248.00
10/25/2018	METROPOLITAN PLANNING GROUP	00432313	1000582	TASMAN EAST PARCEL 11	Deposit Funds.	2,387.50

10/25/2018	METROPOLITAN PLANNING GROUP	00432314	1000583	TASMAN EAST PARCEL 60	Deposit Funds.	2,485.00
10/25/2018	METROPOLITAN PLANNING GROUP	00432315	1000580	2200 CALLE DE LUNA	Deposit Funds.	1,085.00
10/25/2018	METROPOLITAN PLANNING GROUP	00432316	1000581	CALLE DEL MUNDO	Deposit Funds.	1,550.00
				Total for Payment No.:		20,755.50

Payment No: 010252

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	MSR PUBLIC POWER AGENCY	00431778	101118	BIG HORN 2 POWER SEP18	Electric Utility	366,594.03
				Total for Payment No.:		366,594.03

Payment No: 010253

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	MT TIRE SERVICE	00432094	9523	TIRE - VEH # 3008	Automotive Services	168.79
10/25/2018	MT TIRE SERVICE	00432094	9523	CA TIRE TAX	Automotive Services	1.91
10/25/2018	MT TIRE SERVICE	00432095	9590	LABOR - VEH # 3228	Automotive Services	35.00
10/25/2018	MT TIRE SERVICE	00432096	9591	LABOR/SERVICE CALL - VEH# 3116	Automotive Services	110.00
10/25/2018	MT TIRE SERVICE	00432097	9628	LABOR - FLEET	Automotive Services	120.00
10/25/2018	MT TIRE SERVICE	00432098	9630	LABOR	Automotive Services	35.00
10/25/2018	MT TIRE SERVICE	00432099	9653	LABOR - VEH # 2951	Automotive Services	300.00
10/25/2018	MT TIRE SERVICE	00432100	9696	LABOR - VEH # 3290	Automotive Services	35.00
10/25/2018	MT TIRE SERVICE	00432101	9697	LABOR - FLEET	Automotive Services	120.00
10/25/2018	MT TIRE SERVICE	00432102	9834	LABOR - FLEET	Automotive Services	120.00
10/25/2018	MT TIRE SERVICE	00432103	9741	LABOR - VEH # 2987	Automotive Services	50.00
10/25/2018	MT TIRE SERVICE	00432104	9833	LABOR - VEH # 3143	Automotive Services	50.00
				Total for Payment No.:		1,145.70

Payment No: 010254

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ORACLE AMERICA INC	00432269	3571577A	PEOPLESOFT LICENSE FEE EXPANSI	General Fund	7,749.56

				Total for Payment No.:		7,749.56

Payment No: 010255

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ORKIN PEST CONTROL	00431879	17963316	Pest Control	General Fund	92.98
				Total for Payment No.:		92.98

Payment No: 010256

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	OVERDRIVE INC	00431996	00910DA18187017	1241 EBOOKS (NON-TAXABLE)	General Fund	76.98
10/25/2018	OVERDRIVE INC	00431997	MR-0024729	MARC RECORDS (AUG-SEPT 2018)	General Fund	243.00
				Total for Payment No.:		319.98

Payment No: 010257

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	PENINSULA BUILDING MATERIALS	00432084	6467	PARTS & SUPPLIES	Sewer Utility	410.91
				Total for Payment No.:		410.91

Payment No: 010258

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	PG&E	00431782	2937321050-8 OCT2018	COGEN GAS HEATERS SEP18	Electric Utility	31.20
				Total for Payment No.:		31.20

Payment No: 010259

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	PG&E	00431835	1543429391-4 SEP2018	ELEC SVC STONY GORGE SEP18	Electric Utility	224.56
				Total for Payment No.:		224.56

Payment No: 010260

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	PUMP/ELEC-LAWRENCE/HSTEAD	Sewer Utility	10.73
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	PUMP/4495 N 1ST ST	Sewer Utility	582.68
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	POOL/2250 ROYAL	General Fund	539.31
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	SR CNTR 1303 FREMONT ST	General Fund	1,532.15
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	NORTHSIDE LIB 695 MORELAND WAY	General Fund	38.78
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	FIRE-STA2 1900 WALSH AVE.	General Fund	136.41
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	AUTO SVCS/1700 WALSH 50%	Automotive Services	83.78
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	STREET/1700 WALSH 50%	General Fund	83.78
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	CITY HALL-1500 WARBURTON	General Fund	1,386.13
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	POLICE/601 EL CAMINO	General Fund	2,006.93
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	COMM SVCS-1515 EL CAMINO REAL	General Fund	8.65
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	BERMAN BLDG-1405 CIVIC CTR	General Fund	18.59
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	FIRE/#1 777 BENTON	General Fund	461.96
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	FIRE/#4-2323 PRUNERIDGE	General Fund	41.12
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	POOL/BUCHER-REBIERO	General Fund	8.65
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	POOL/BACHER-REBIERO STS	General Fund	1,317.18
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	FIRE/#9-3011 CORVIN	General Fund	44.17
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	GYM/2450 CABRILLO	General Fund	55.53
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	SPORTS CTR/3445 BENTON	General Fund	16.67
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	CRC/969 KIELY	General Fund	1,300.40
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	FIRE/#3 2821 HOMESTEAD RD	General Fund	42.35
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	LIBRARY/2635 HOMESTEAD	General Fund	1,287.78
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	POOL/2625 PATRICIA	General Fund	5,018.46
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	YOUTH SOCCER 5049 CENTENNIAL	General Fund	38.50
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	FIRE/#10 2401 TALLUTO	General Fund	35.64
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	PARKS/4750 LICK MILL BLVD	General Fund	16.68
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	BACKUP GEN/2279 CALLE DE LUNA	Sewer Utility	17.16
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	FIRE/#6-888 AGNEW RD	General Fund	117.67

10/25/2018	PG&E	00431978	2490226441-5 SEP2018	POOL/3750 DELA CRUZ	General Fund	700.34
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	2975 LAFAYETTE ST.	General Fund	8.92
10/25/2018	PG&E	00431978	2490226441-5 SEP2018	POL SUBSTN/3992 RIVERMARK PLZ	General Fund	12.45
				Total for Payment No.:		16,969.55

Payment No: 010261

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	PLAN REVIEW CONSULTANTS INC	00432207	2018-12	AMENDMENT NO 1. APPROVED AUGU	General Fund	21,100.00
				Total for Payment No.:		21,100.00

Payment No: 010262

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	PRAXAIR DISTRIBUTION INC	00431910	85190472	CYLINDER RENT - SHOP USE	Automotive Services	28.98
				Total for Payment No.:		28.98

Payment No: 010263

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	PRESIDIO NETWORKED SOLUTIONS GROUP LLC	00431853	6013218004349	FREIGHT & HANDLING-LINE CARDS	General Fund	20.93
				Total for Payment No.:		20.93

Payment No: 010264

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	RENNE SLOAN HOLTZMAN SAKAI LLP	00432287	38829	LEGAL SERVICE FEE-AUG 2018	Special Liability Insurance	6,114.27
				Total for Payment No.:		6,114.27

Payment No: 010265

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid

10/25/2018	RICOH CORP	00431984	9026688466	City Attorney	General Fund	245.86
10/25/2018	RICOH CORP	00431984	9026688466	city clerk retention	General Fund	0.81
10/25/2018	RICOH CORP	00431984	9026688466	City Clerks	General Fund	1,173.88
10/25/2018	RICOH CORP	00431984	9026688466	City Clerks	General Fund	169.30
10/25/2018	RICOH CORP	00431984	9026688466	City Mgr	General Fund	397.84
10/25/2018	RICOH CORP	00431984	9026688466	City Mgr - Communication	General Fund	199.70
10/25/2018	RICOH CORP	00431984	9026688466	CDD - planning	General Fund	1,346.98
10/25/2018	RICOH CORP	00431984	9026688466	CDD - Housing Community Svc	General Fund	457.24
10/25/2018	RICOH CORP	00431984	9026688466	CDD - Inspection	General Fund	497.20
10/25/2018	RICOH CORP	00431984	9026688466	CDD - Permit Ctr	General Fund	352.44
10/25/2018	RICOH CORP	00431984	9026688466	Finance - muni	General Fund	402.92
10/25/2018	RICOH CORP	00431984	9026688466	Finance - muni	General Fund	303.95
10/25/2018	RICOH CORP	00431984	9026688466	Finance - acct	General Fund	153.45
10/25/2018	RICOH CORP	00431984	9026688466	finance - Purchasing Whse	General Fund	55.64
10/25/2018	RICOH CORP	00431984	9026688466	finance - purchasing/payroll	General Fund	103.96
10/25/2018	RICOH CORP	00431984	9026688466	finance - purchasing/payroll	General Fund	103.96
10/25/2018	RICOH CORP	00431984	9026688466	Fire	General Fund	303.04
10/25/2018	RICOH CORP	00431984	9026688466	Fire Annex	General Fund	200.39
10/25/2018	RICOH CORP	00431984	9026688466	Fire Court House	General Fund	434.36
10/25/2018	RICOH CORP	00431984	9026688466	Fire Court House	General Fund	87.31
10/25/2018	RICOH CORP	00431984	9026688466	Fire Training 1st floor	General Fund	73.48
10/25/2018	RICOH CORP	00431984	9026688466	Fire Training 2nd floor	General Fund	76.55
10/25/2018	RICOH CORP	00431984	9026688466	FS#1	General Fund	0.00
10/25/2018	RICOH CORP	00431984	9026688466	FS#10	General Fund	22.47
10/25/2018	RICOH CORP	00431984	9026688466	FS#2	General Fund	15.71
10/25/2018	RICOH CORP	00431984	9026688466	FS#4	General Fund	13.87
10/25/2018	RICOH CORP	00431984	9026688466	FS#5	General Fund	19.52
10/25/2018	RICOH CORP	00431984	9026688466	FS#6	General Fund	18.63
10/25/2018	RICOH CORP	00431984	9026688466	FS#7	General Fund	24.50
10/25/2018	RICOH CORP	00431984	9026688466	FS#9	General Fund	8.48

10/25/2018	RICOH CORP	00431984	9026688466	HR - benefits	General Fund	304.93
10/25/2018	RICOH CORP	00431984	9026688466	HR - recruitment	General Fund	304.93
10/25/2018	RICOH CORP	00431984	9026688466	HR admin	General Fund	52.49
10/25/2018	RICOH CORP	00431984	9026688466	IT Admin	General Fund	179.56
10/25/2018	RICOH CORP	00431984	9026688466	IT Admin	General Fund	322.07
10/25/2018	RICOH CORP	00431984	9026688466	IT DATA CENTER	General Fund	51.72
10/25/2018	RICOH CORP	00431984	9026688466	Library - Northside	General Fund	1,014.26
10/25/2018	RICOH CORP	00431984	9026688466	Library Central Park	General Fund	491.73
10/25/2018	RICOH CORP	00431984	9026688466	Library Central Park	General Fund	834.20
10/25/2018	RICOH CORP	00431984	9026688466	Library Central Park	General Fund	566.36
10/25/2018	RICOH CORP	00431984	9026688466	Library Central Read Santa Cla	General Fund	175.35
10/25/2018	RICOH CORP	00431984	9026688466	Mayor Council Offices	General Fund	464.95
10/25/2018	RICOH CORP	00431984	9026688466	Parks Rec	General Fund	691.72
10/25/2018	RICOH CORP	00431984	9026688466	Parks Rec - Svc Ctr Admin	General Fund	282.54
10/25/2018	RICOH CORP	00431984	9026688466	Parks Rec - Svc Ctr Admin	General Fund	50.88
10/25/2018	RICOH CORP	00431984	9026688466	Parks Rec Cemetary	General Fund	143.87
10/25/2018	RICOH CORP	00431984	9026688466	Parks Rec Community Ctr	General Fund	105.20
10/25/2018	RICOH CORP	00431984	9026688466	Parks Rec Community Ctr	General Fund	1,204.31
10/25/2018	RICOH CORP	00431984	9026688466	Parks Rec Senior Ctr	General Fund	969.84
10/25/2018	RICOH CORP	00431984	9026688466	Parks Rec Senior Ctr	General Fund	85.22
10/25/2018	RICOH CORP	00431984	9026688466	Parks Rec Teen Ctr	General Fund	792.98
10/25/2018	RICOH CORP	00431984	9026688466	Parks Rec -Youth Activity Ctr	General Fund	528.25
10/25/2018	RICOH CORP	00431984	9026688466	Police	General Fund	293.33
10/25/2018	RICOH CORP	00431984	9026688466	Police	General Fund	288.72
10/25/2018	RICOH CORP	00431984	9026688466	Police	General Fund	17.44
10/25/2018	RICOH CORP	00431984	9026688466	Police	General Fund	439.58
10/25/2018	RICOH CORP	00431984	9026688466	Police	General Fund	250.12
10/25/2018	RICOH CORP	00431984	9026688466	Police det	General Fund	278.97
10/25/2018	RICOH CORP	00431984	9026688466	Police training room	General Fund	7.76
10/25/2018	RICOH CORP	00431984	9026688466	PD - Stadium Briefing Room	General Fund	34.03

10/25/2018	RICOH CORP	00431984	9026688466	PD - Stadium manager's office	General Fund	7.81
10/25/2018	RICOH CORP	00431984	9026688466	Police (special events Room)	General Fund	243.28
10/25/2018	RICOH CORP	00431984	9026688466	Police capt	General Fund	282.49
10/25/2018	RICOH CORP	00431984	9026688466	Police chief	General Fund	219.34
10/25/2018	RICOH CORP	00431984	9026688466	POLICE EVIDENCE	General Fund	9.05
10/25/2018	RICOH CORP	00431984	9026688466	Police motorcycle garage	General Fund	0.29
10/25/2018	RICOH CORP	00431984	9026688466	Police nuisance suppression	General Fund	48.65
10/25/2018	RICOH CORP	00431984	9026688466	Police PAL	General Fund	177.72
10/25/2018	RICOH CORP	00431984	9026688466	Police records	General Fund	636.43
10/25/2018	RICOH CORP	00431984	9026688466	Police Substn	General Fund	92.09
10/25/2018	RICOH CORP	00431984	9026688466	Public Works	General Fund	272.91
10/25/2018	RICOH CORP	00431984	9026688466	Public Works - Court House	General Fund	506.16
10/25/2018	RICOH CORP	00431984	9026688466	Public Works Bldg Maint	General Fund	62.18
10/25/2018	RICOH CORP	00431984	9026688466	Public Works Engineering	General Fund	623.99
10/25/2018	RICOH CORP	00431984	9026688466	Street Automotive	Automotive Services	9.76
10/25/2018	RICOH CORP	00431984	9026688466	Street Repairs	General Fund	464.32
10/25/2018	RICOH CORP	00431984	9026688466	Street Sign Shop	General Fund	4.21
10/25/2018	RICOH CORP	00431984	9026688466	SVP	Electric Utility	117.91
10/25/2018	RICOH CORP	00431984	9026688466	SVP	Electric Utility	165.95
10/25/2018	RICOH CORP	00431984	9026688466	SVP	Electric Utility	307.92
10/25/2018	RICOH CORP	00431984	9026688466	SVP	Electric Utility	313.47
10/25/2018	RICOH CORP	00431984	9026688466	SVP	Electric Utility	828.02
10/25/2018	RICOH CORP	00431984	9026688466	SVP	Electric Utility	85.69
10/25/2018	RICOH CORP	00431984	9026688466	SVP	Electric Utility	291.68
10/25/2018	RICOH CORP	00431984	9026688466	SVP	Electric Utility	167.95
10/25/2018	RICOH CORP	00431984	9026688466	SVP - FIBER OPTICS GRP	Electric Utility	157.00
10/25/2018	RICOH CORP	00431984	9026688466	SVP OVERHEAD DIV	Electric Utility	137.83
10/25/2018	RICOH CORP	00431984	9026688466	SVP - Trading room	Electric Utility	68.73
10/25/2018	RICOH CORP	00431984	9026688466	SVP Cogent Power Stn	Electric Utility	71.51
10/25/2018	RICOH CORP	00431984	9026688466	SVP Electric	Electric Utility	955.37

10/25/2018	RICOH CORP	00431984	9026688466	SVP Power Plant	Electric Utility	158.46
10/25/2018	RICOH CORP	00431984	9026688466	Water Sewer	Water Utility	186.44
10/25/2018	RICOH CORP	00431984	9026688466	Water Sewer	Sewer Utility	139.83
10/25/2018	RICOH CORP	00431984	9026688466	Water Sewer	General Fund	139.83
10/25/2018	RICOH CORP	00431984	9026688466	Water Sewer - Compliance Trail	Water Utility	40.49
10/25/2018	RICOH CORP	00431984	9026688466	Water Corp Yard	Water Utility	40.54
10/25/2018	RICOH CORP	00431984	9026688466	Water Corp Yard	Sewer Utility	40.54
10/25/2018	RICOH CORP	00431984	9026688466	FIRE PREV / HAZMAT wide format	General Fund	41.70
10/25/2018	RICOH CORP	00431984	9026688466	FIRE PREV / HAZMAT wide format	General Fund	315.00
10/25/2018	RICOH CORP	00431991	9026688466A	City Attorney	General Fund	226.15
10/25/2018	RICOH CORP	00431991	9026688466A	City Clerks	General Fund	226.15
10/25/2018	RICOH CORP	00431991	9026688466A	City Clerks	General Fund	339.83
10/25/2018	RICOH CORP	00431991	9026688466A	City Clerks - retention ctr	General Fund	137.60
10/25/2018	RICOH CORP	00431991	9026688466A	City Mgr	General Fund	222.57
10/25/2018	RICOH CORP	00431991	9026688466A	City Mgr - Communication	General Fund	141.20
10/25/2018	RICOH CORP	00431991	9026688466A	Comm Dev CDD - HCS	General Fund	226.15
10/25/2018	RICOH CORP	00431991	9026688466A	Comm Dev CDD - Planning	General Fund	353.82
10/25/2018	RICOH CORP	00431991	9026688466A	Comm Dev CDD - Planning Inspec	General Fund	284.78
10/25/2018	RICOH CORP	00431991	9026688466A	Comm Dev CDD - Planning Permit	General Fund	208.20
10/25/2018	RICOH CORP	00431991	9026688466A	Finance - ACCT	General Fund	208.20
10/25/2018	RICOH CORP	00431991	9026688466A	Finance - Muni	General Fund	190.85
10/25/2018	RICOH CORP	00431991	9026688466A	Finance - Muni	General Fund	190.86
10/25/2018	RICOH CORP	00431991	9026688466A	Finance - Purchasing/Payroll	General Fund	70.60
10/25/2018	RICOH CORP	00431991	9026688466A	Finance - Purchasing/Payroll	General Fund	70.60
10/25/2018	RICOH CORP	00431991	9026688466A	Fire Admin	General Fund	208.20
10/25/2018	RICOH CORP	00431991	9026688466A	Fire Annex	General Fund	226.15
10/25/2018	RICOH CORP	00431991	9026688466A	Fire Court House	General Fund	284.78
10/25/2018	RICOH CORP	00431991	9026688466A	Fire Court House	General Fund	141.20
10/25/2018	RICOH CORP	00431991	9026688466A	Fire Training	General Fund	208.20
10/25/2018	RICOH CORP	00431991	9026688466A	Fire Training	General Fund	141.20

10/25/2018	RICOH CORP	00431991	9026688466A	FS#1	General Fund	41.88
10/25/2018	RICOH CORP	00431991	9026688466A	FS#10	General Fund	41.88
10/25/2018	RICOH CORP	00431991	9026688466A	FS#2	General Fund	41.88
10/25/2018	RICOH CORP	00431991	9026688466A	FS#3	General Fund	41.88
10/25/2018	RICOH CORP	00431991	9026688466A	FS#4	General Fund	41.88
10/25/2018	RICOH CORP	00431991	9026688466A	FS#5	General Fund	41.88
10/25/2018	RICOH CORP	00431991	9026688466A	FS#6	General Fund	41.88
10/25/2018	RICOH CORP	00431991	9026688466A	FS#7	General Fund	41.88
10/25/2018	RICOH CORP	00431991	9026688466A	FS#8	General Fund	41.88
10/25/2018	RICOH CORP	00431991	9026688466A	FS#9	General Fund	41.88
10/25/2018	RICOH CORP	00431991	9026688466A	HR - benefits	General Fund	142.39
10/25/2018	RICOH CORP	00431991	9026688466A	HR - recruitment	General Fund	142.40
10/25/2018	RICOH CORP	00431991	9026688466A	HR admin	General Fund	71.80
10/25/2018	RICOH CORP	00431991	9026688466A	IT Admin	General Fund	141.20
10/25/2018	RICOH CORP	00431991	9026688466A	IT Admin	General Fund	141.20
10/25/2018	RICOH CORP	00431991	9026688466A	IT DATA CENTER	General Fund	65.80
10/25/2018	RICOH CORP	00431991	9026688466A	Library - Northside	General Fund	141.20
10/25/2018	RICOH CORP	00431991	9026688466A	Library Central Park	General Fund	208.20
10/25/2018	RICOH CORP	00431991	9026688466A	Library Central Park	General Fund	226.15
10/25/2018	RICOH CORP	00431991	9026688466A	Library Central Park	General Fund	226.15
10/25/2018	RICOH CORP	00431991	9026688466A	Library Central Read Santa Cla	General Fund	65.81
10/25/2018	RICOH CORP	00431991	9026688466A	Mayor Council Offices	General Fund	141.20
10/25/2018	RICOH CORP	00431991	9026688466A	Parks Rec - Svc Ctr Admin	General Fund	141.20
10/25/2018	RICOH CORP	00431991	9026688466A	Parks Rec - Svc Ctr Admin	General Fund	41.88
10/25/2018	RICOH CORP	00431991	9026688466A	Parks Rec Admin	General Fund	226.15
10/25/2018	RICOH CORP	00431991	9026688466A	Parks Rec Cemetary	General Fund	77.78
10/25/2018	RICOH CORP	00431991	9026688466A	Parks Rec Community Ctr	General Fund	172.31
10/25/2018	RICOH CORP	00431991	9026688466A	Parks Rec Community Ctr	General Fund	226.15
10/25/2018	RICOH CORP	00431991	9026688466A	Parks Rec Senior Ctr	General Fund	381.71
10/25/2018	RICOH CORP	00431991	9026688466A	Parks Rec Senior Ctr	General Fund	172.31

10/25/2018	RICOH CORP	00431991	9026688466A	Parks Rec Teen Ctr	General Fund	141.20
10/25/2018	RICOH CORP	00431991	9026688466A	Parks Rec -Youth Activity Ctr	General Fund	141.20
10/25/2018	RICOH CORP	00431991	9026688466A	PD - Stadium Briefing Room	General Fund	77.78
10/25/2018	RICOH CORP	00431991	9026688466A	PD - Stadium manager's office	General Fund	70.85
10/25/2018	RICOH CORP	00431991	9026688466A	Police Admin	General Fund	226.15
10/25/2018	RICOH CORP	00431991	9026688466A	Police Admin	General Fund	226.15
10/25/2018	RICOH CORP	00431991	9026688466A	Police Detective	General Fund	141.20
10/25/2018	RICOH CORP	00431991	9026688466A	Police Detective	General Fund	141.20
10/25/2018	RICOH CORP	00431991	9026688466A	Police Dispatch	General Fund	208.20
10/25/2018	RICOH CORP	00431991	9026688466A	POLICE EVIDENCE	General Fund	41.88
10/25/2018	RICOH CORP	00431991	9026688466A	Police motorcycle garage	General Fund	41.88
10/25/2018	RICOH CORP	00431991	9026688466A	Police nuisance suppression	General Fund	77.78
10/25/2018	RICOH CORP	00431991	9026688466A	Police PAL	General Fund	141.20
10/25/2018	RICOH CORP	00431991	9026688466A	Police Patrol	General Fund	226.15
10/25/2018	RICOH CORP	00431991	9026688466A	Police Records - back	General Fund	381.71
10/25/2018	RICOH CORP	00431991	9026688466A	Police records - front	General Fund	184.28
10/25/2018	RICOH CORP	00431991	9026688466A	Police Report Writing	General Fund	137.60
10/25/2018	RICOH CORP	00431991	9026688466A	Police special operation Room	General Fund	141.20
10/25/2018	RICOH CORP	00431991	9026688466A	Police Substn	General Fund	137.60
10/25/2018	RICOH CORP	00431991	9026688466A	Police training room	General Fund	41.88
10/25/2018	RICOH CORP	00431991	9026688466A	Public Works	General Fund	141.20
10/25/2018	RICOH CORP	00431991	9026688466A	Public Works - Court House	General Fund	141.20
10/25/2018	RICOH CORP	00431991	9026688466A	Public Works Bldg Maint	General Fund	65.81
10/25/2018	RICOH CORP	00431991	9026688466A	Public Works Bldg Maint	General Fund	77.78
10/25/2018	RICOH CORP	00431991	9026688466A	Public Works Bldg Maint	General Fund	141.20
10/25/2018	RICOH CORP	00431991	9026688466A	Public Works Engineering	General Fund	440.34
10/25/2018	RICOH CORP	00431991	9026688466A	Purchasing Whse	General Fund	141.20
10/25/2018	RICOH CORP	00431991	9026688466A	Street Automotive	Automotive Services	137.60
10/25/2018	RICOH CORP	00431991	9026688466A	Street Repairs	General Fund	226.15
10/25/2018	RICOH CORP	00431991	9026688466A	Street Sign Shop	General Fund	41.88

10/25/2018	RICOH CORP	00431991	9026688466A	SVP	Electric Utility	141.20
10/25/2018	RICOH CORP	00431991	9026688466A	SVP	Electric Utility	141.20
10/25/2018	RICOH CORP	00431991	9026688466A	SVP - trading room	Electric Utility	226.15
10/25/2018	RICOH CORP	00431991	9026688466A	SVP Fiber Optics Group	Electric Utility	141.20
10/25/2018	RICOH CORP	00431991	9026688466A	SVP - In Trading Room	Electric Utility	141.20
10/25/2018	RICOH CORP	00431991	9026688466A	SVP - IT support	Electric Utility	270.43
10/25/2018	RICOH CORP	00431991	9026688466A	SVP - Marketing	Electric Utility	381.71
10/25/2018	RICOH CORP	00431991	9026688466A	SVP - Resources	Electric Utility	226.15
10/25/2018	RICOH CORP	00431991	9026688466A	SVP - Yard	Electric Utility	226.15
10/25/2018	RICOH CORP	00431991	9026688466A	SVP Cogent Power Stn	Electric Utility	77.78
10/25/2018	RICOH CORP	00431991	9026688466A	SVP Control Room	Electric Utility	141.20
10/25/2018	RICOH CORP	00431991	9026688466A	SVP Electric	Electric Utility	495.34
10/25/2018	RICOH CORP	00431991	9026688466A	SVP Power Plant	Electric Utility	226.15
10/25/2018	RICOH CORP	00431991	9026688466A	SVP-OVERHEAD DIV	Electric Utility	226.15
10/25/2018	RICOH CORP	00431991	9026688466A	Water Corp Yard	Water Utility	70.60
10/25/2018	RICOH CORP	00431991	9026688466A	Water Corp Yard	Sewer Utility	70.60
10/25/2018	RICOH CORP	00431991	9026688466A	Water Sewer	Water Utility	152.69
10/25/2018	RICOH CORP	00431991	9026688466A	Water Sewer	Sewer Utility	114.52
10/25/2018	RICOH CORP	00431991	9026688466A	Water Sewer	General Fund	114.50
10/25/2018	RICOH CORP	00431991	9026688466A	Water Sewer - Compliance Trail	Water Utility	141.21
10/25/2018	RICOH CORP	00431994	9026688466B	City Attorney	General Fund	226.15
10/25/2018	RICOH CORP	00431994	9026688466B	City Clerks	General Fund	226.15
10/25/2018	RICOH CORP	00431994	9026688466B	City Clerks	General Fund	339.84
10/25/2018	RICOH CORP	00431994	9026688466B	City Clerks - retention ctr	General Fund	137.60
10/25/2018	RICOH CORP	00431994	9026688466B	City Mgr	General Fund	222.57
10/25/2018	RICOH CORP	00431994	9026688466B	City Mgr - Communication	General Fund	141.20
10/25/2018	RICOH CORP	00431994	9026688466B	Comm Dev CDD - HCS	General Fund	226.15
10/25/2018	RICOH CORP	00431994	9026688466B	Comm Dev CDD - Planning	General Fund	353.82
10/25/2018	RICOH CORP	00431994	9026688466B	Comm Dev CDD - Planning Inspec	General Fund	284.78
10/25/2018	RICOH CORP	00431994	9026688466B	Comm Dev CDD - Planning Permit	General Fund	208.20

10/25/2018	RICOH CORP	00431994	9026688466B	Finance - ACCT	General Fund	208.20
10/25/2018	RICOH CORP	00431994	9026688466B	Finance - Muni	General Fund	190.85
10/25/2018	RICOH CORP	00431994	9026688466B	Finance - Muni	General Fund	190.86
10/25/2018	RICOH CORP	00431994	9026688466B	Finance - Purchasing/Payroll	General Fund	70.60
10/25/2018	RICOH CORP	00431994	9026688466B	Finance - Purchasing/Payroll	General Fund	70.60
10/25/2018	RICOH CORP	00431994	9026688466B	Fire Admin	General Fund	208.20
10/25/2018	RICOH CORP	00431994	9026688466B	Fire Annex	General Fund	226.15
10/25/2018	RICOH CORP	00431994	9026688466B	Fire Court House	General Fund	284.78
10/25/2018	RICOH CORP	00431994	9026688466B	Fire Court House	General Fund	141.20
10/25/2018	RICOH CORP	00431994	9026688466B	Fire Training	General Fund	208.20
10/25/2018	RICOH CORP	00431994	9026688466B	Fire Training	General Fund	141.20
10/25/2018	RICOH CORP	00431994	9026688466B	FS#1	General Fund	41.88
10/25/2018	RICOH CORP	00431994	9026688466B	FS#10	General Fund	41.88
10/25/2018	RICOH CORP	00431994	9026688466B	FS#2	General Fund	41.88
10/25/2018	RICOH CORP	00431994	9026688466B	FS#3	General Fund	41.88
10/25/2018	RICOH CORP	00431994	9026688466B	FS#4	General Fund	41.88
10/25/2018	RICOH CORP	00431994	9026688466B	FS#5	General Fund	41.88
10/25/2018	RICOH CORP	00431994	9026688466B	FS#6	General Fund	41.88
10/25/2018	RICOH CORP	00431994	9026688466B	FS#7	General Fund	41.88
10/25/2018	RICOH CORP	00431994	9026688466B	FS#8	General Fund	41.88
10/25/2018	RICOH CORP	00431994	9026688466B	FS#9	General Fund	41.88
10/25/2018	RICOH CORP	00431994	9026688466B	HR - benefits	General Fund	142.39
10/25/2018	RICOH CORP	00431994	9026688466B	HR - recruitment	General Fund	142.40
10/25/2018	RICOH CORP	00431994	9026688466B	HR admin	General Fund	71.80
10/25/2018	RICOH CORP	00431994	9026688466B	IT Admin	General Fund	141.20
10/25/2018	RICOH CORP	00431994	9026688466B	IT Admin	General Fund	141.20
10/25/2018	RICOH CORP	00431994	9026688466B	IT DATA CENTER	General Fund	65.80
10/25/2018	RICOH CORP	00431994	9026688466B	Library - Northside	General Fund	141.20
10/25/2018	RICOH CORP	00431994	9026688466B	Library Central Park	General Fund	208.20
10/25/2018	RICOH CORP	00431994	9026688466B	Library Central Park	General Fund	226.15

10/25/2018	RICOH CORP	00431994	9026688466B	Library Central Park	General Fund	226.15
10/25/2018	RICOH CORP	00431994	9026688466B	Library Central Read Santa Cla	General Fund	65.81
10/25/2018	RICOH CORP	00431994	9026688466B	Mayor Council Offices	General Fund	141.20
10/25/2018	RICOH CORP	00431994	9026688466B	Parks Rec - Svc Ctr Admin	General Fund	141.20
10/25/2018	RICOH CORP	00431994	9026688466B	Parks Rec - Svc Ctr Admin	General Fund	41.88
10/25/2018	RICOH CORP	00431994	9026688466B	Parks Rec Admin	General Fund	226.15
10/25/2018	RICOH CORP	00431994	9026688466B	Parks Rec Cemetary	General Fund	77.78
10/25/2018	RICOH CORP	00431994	9026688466B	Parks Rec Community Ctr	General Fund	172.31
10/25/2018	RICOH CORP	00431994	9026688466B	Parks Rec Community Ctr	General Fund	226.15
10/25/2018	RICOH CORP	00431994	9026688466B	Parks Rec Senior Ctr	General Fund	381.71
10/25/2018	RICOH CORP	00431994	9026688466B	Parks Rec Senior Ctr	General Fund	172.31
10/25/2018	RICOH CORP	00431994	9026688466B	Parks Rec Teen Ctr	General Fund	141.20
10/25/2018	RICOH CORP	00431994	9026688466B	Parks Rec -Youth Activity Ctr	General Fund	141.20
10/25/2018	RICOH CORP	00431994	9026688466B	PD - Stadium Briefing Room	General Fund	77.78
10/25/2018	RICOH CORP	00431994	9026688466B	PD - Stadium manager's office	General Fund	70.85
10/25/2018	RICOH CORP	00431994	9026688466B	Police Admin	General Fund	226.15
10/25/2018	RICOH CORP	00431994	9026688466B	Police Admin	General Fund	226.15
10/25/2018	RICOH CORP	00431994	9026688466B	Police Detective	General Fund	141.20
10/25/2018	RICOH CORP	00431994	9026688466B	Police Detective	General Fund	141.20
10/25/2018	RICOH CORP	00431994	9026688466B	Police Dispatch	General Fund	208.20
10/25/2018	RICOH CORP	00431994	9026688466B	POLICE EVIDENCE	General Fund	41.88
10/25/2018	RICOH CORP	00431994	9026688466B	Police motorcycle garage	General Fund	41.88
10/25/2018	RICOH CORP	00431994	9026688466B	Police nuisance suppression	General Fund	77.78
10/25/2018	RICOH CORP	00431994	9026688466B	Police PAL	General Fund	141.20
10/25/2018	RICOH CORP	00431994	9026688466B	Police Patrol	General Fund	226.15
10/25/2018	RICOH CORP	00431994	9026688466B	Police Records - back	General Fund	381.71
10/25/2018	RICOH CORP	00431994	9026688466B	Police records - front	General Fund	184.28
10/25/2018	RICOH CORP	00431994	9026688466B	Police Report Writing	General Fund	137.60
10/25/2018	RICOH CORP	00431994	9026688466B	Police special operation Room	General Fund	141.20
10/25/2018	RICOH CORP	00431994	9026688466B	Police Substn	General Fund	137.60

10/25/2018	RICOH CORP	00431994	9026688466B	Police training room	General Fund	41.88
10/25/2018	RICOH CORP	00431994	9026688466B	Public Works	General Fund	141.20
10/25/2018	RICOH CORP	00431994	9026688466B	Public Works - Court House	General Fund	141.20
10/25/2018	RICOH CORP	00431994	9026688466B	Public Works Bldg Maint	General Fund	65.81
10/25/2018	RICOH CORP	00431994	9026688466B	Public Works Bldg Maint	General Fund	77.78
10/25/2018	RICOH CORP	00431994	9026688466B	Public Works Bldg Maint	General Fund	141.20
10/25/2018	RICOH CORP	00431994	9026688466B	Public Works Engineering	General Fund	440.34
10/25/2018	RICOH CORP	00431994	9026688466B	Purchasing Whse	General Fund	141.20
10/25/2018	RICOH CORP	00431994	9026688466B	Street Automotive	Automotive Services	137.60
10/25/2018	RICOH CORP	00431994	9026688466B	Street Repairs	General Fund	226.15
10/25/2018	RICOH CORP	00431994	9026688466B	Street Sign Shop	General Fund	41.88
10/25/2018	RICOH CORP	00431994	9026688466B	SVP	Electric Utility	141.20
10/25/2018	RICOH CORP	00431994	9026688466B	SVP	Electric Utility	141.20
10/25/2018	RICOH CORP	00431994	9026688466B	SVP - trading room	Electric Utility	226.15
10/25/2018	RICOH CORP	00431994	9026688466B	SVP Fiber Optics Group	Electric Utility	141.20
10/25/2018	RICOH CORP	00431994	9026688466B	SVP - In Trading Room	Electric Utility	141.20
10/25/2018	RICOH CORP	00431994	9026688466B	SVP - IT support	Electric Utility	270.43
10/25/2018	RICOH CORP	00431994	9026688466B	SVP - Marketing	Electric Utility	381.71
10/25/2018	RICOH CORP	00431994	9026688466B	SVP - Resources	Electric Utility	226.15
10/25/2018	RICOH CORP	00431994	9026688466B	SVP - Yard	Electric Utility	226.15
10/25/2018	RICOH CORP	00431994	9026688466B	SVP Cogent Power Stn	Electric Utility	77.78
10/25/2018	RICOH CORP	00431994	9026688466B	SVP Control Room	Electric Utility	141.20
10/25/2018	RICOH CORP	00431994	9026688466B	SVP Electric	Electric Utility	495.34
10/25/2018	RICOH CORP	00431994	9026688466B	SVP Power Plant	Electric Utility	226.15
10/25/2018	RICOH CORP	00431994	9026688466B	SVP-OVERHEAD DIV	Electric Utility	226.15
10/25/2018	RICOH CORP	00431994	9026688466B	Water Corp Yard	Water Utility	70.60
10/25/2018	RICOH CORP	00431994	9026688466B	Water Corp Yard	Sewer Utility	70.60
10/25/2018	RICOH CORP	00431994	9026688466B	Water Sewer	Water Utility	152.69
10/25/2018	RICOH CORP	00431994	9026688466B	Water Sewer	Sewer Utility	114.52
10/25/2018	RICOH CORP	00431994	9026688466B	Water Sewer	General Fund	114.50

10/25/2018	RICOH CORP	00431994	9026688466B	Water Sewer - Compliance Trail	Water Utility	141.20
				Total for Payment No.:		59,096.61

Payment No: 010266

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ROBERT BLANCHETTE	00431827	29807OCT2018A	Tool Reimbursement FY18-19	Automotive Services	71.47
10/25/2018	ROBERT BLANCHETTE	00431827	29807OCT2018A	Tool Reimbursement FY18-19	Automotive Services	179.99
				Total for Payment No.:		251.46

Payment No: 010267

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ROBERTO GUTIERREZ	00431840	17908OCT2018	PER DIEM ROB GUTIERREZ ARMORER	General Fund	319.00
				Total for Payment No.:		319.00

Payment No: 010268

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	SAFEWAY SIGN CO	00431883	13917	Sign Shop Supplies	General Fund	1,536.83
10/25/2018	SAFEWAY SIGN CO	00431885	13918	Sign Shop Supplies	General Fund	354.47
				Total for Payment No.:		1,891.30

Payment No: 010269

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	SCOTT'S PPE RECON INC	00432004	34397	TAXABLE TURNOUT REPAIRS	Fire Department	27.25
10/25/2018	SCOTT'S PPE RECON INC	00432004	34397	NON-TAXABLE TURNOUT REPAIRS	Fire Department	1,360.25
				Total for Payment No.:		1,387.50

Payment No: 010270

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid

10/25/2018	SERRANO ELECTRIC INC	00431599	26976	ELECTRICAL	General Fund	72.27
10/25/2018	SERRANO ELECTRIC INC	00431599	26976	NON TAXABLE	General Fund	1,200.00
10/25/2018	SERRANO ELECTRIC INC	00432119	27035	CE16-17-12 GAS BOOTH/LABOR	Public Buildings	450.00
				Total for Payment No.:		1,722.27

Payment No: 010271

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	SHUMS CODA ASSOC	00432208	4075	CHANGE ORDER #1, CONTRACT AMEN	General Fund	9,120.00
				Total for Payment No.:		9,120.00

Payment No: 010272

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	SLOAN SAKAI YEUNG & WONG LLP	00432188	36353	LEGAL SERVICES	Special Liability Insurance	3,186.07
10/25/2018	SLOAN SAKAI YEUNG & WONG LLP	00432190	36641	LEGAL SERVICES	Special Liability Insurance	716.22
10/25/2018	SLOAN SAKAI YEUNG & WONG LLP	00432193	36965	LEGAL SERVICES	Special Liability Insurance	4,084.00
10/25/2018	SLOAN SAKAI YEUNG & WONG LLP	00432195	37128	LEGAL SERVICES	Special Liability Insurance	5,172.30
10/25/2018	SLOAN SAKAI YEUNG & WONG LLP	00432197	37577	LEGAL SERVICES	Special Liability Insurance	1,096.50
10/25/2018	SLOAN SAKAI YEUNG & WONG LLP	00432198	37598	LEGAL SERVICES	Special Liability Insurance	5,787.28
10/25/2018	SLOAN SAKAI YEUNG & WONG LLP	00432200	37783	LEGAL SERVICES	Special Liability Insurance	634.94
10/25/2018	SLOAN SAKAI YEUNG & WONG LLP	00432201	37986	LEGAL SERVICES	Special Liability Insurance	399.00
10/25/2018	SLOAN SAKAI YEUNG & WONG LLP	00432202	38221	LEGAL SERVICES	Special Liability Insurance	2,092.50
10/25/2018	SLOAN SAKAI YEUNG & WONG LLP	00432203	38413	LEGAL SERVICES	Special Liability Insurance	124.00
				Total for Payment No.:		23,292.81

Payment No: 010273

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	STAPLES ADVANTAGE	00432368	8051620431-BLDGINSP	OFFICE SUPPLIES	General Fund	175.51
10/25/2018	STAPLES ADVANTAGE	00432369	8051620431-CITYATTY	OFFICE SUPPLIES	General Fund	76.12
10/25/2018	STAPLES ADVANTAGE	00432370	8051620431-CITYCLERK	OFFICE SUPPLIES	General Fund	51.74
10/25/2018	STAPLES ADVANTAGE	00432371	8051620431-ELECCH	OFFICE SUPPLIES	Electric Utility	67.60
10/25/2018	STAPLES ADVANTAGE	00432372	8051620431-ELECGEN	OFFICE SUPPLIES	Electric Utility	-201.55
10/25/2018	STAPLES ADVANTAGE	00432373	8051620431-ELECRES	OFFICE SUPPLIES	Electric Utility	152.95
10/25/2018	STAPLES ADVANTAGE	00432374	8051620431-ELECYARD	OFFICE SUPPLIES	Electric Utility	207.50
10/25/2018	STAPLES ADVANTAGE	00432375	8051620431-FINANCE	OFFICE SUPPLIES	General Fund	127.37
10/25/2018	STAPLES ADVANTAGE	00432376	8051620431-FIRE	OFFICE SUPPLIES	General Fund	119.18
10/25/2018	STAPLES ADVANTAGE	00432376	8051620431-FIRE	OFFICE SUPPLIES	General Fund	119.30
10/25/2018	STAPLES ADVANTAGE	00432377	8051620431-HCS	OFFICE SUPPLIES	General Fund	18.74
10/25/2018	STAPLES ADVANTAGE	00432378	8051620431-HR	OFFICE SUPPLIES	General Fund	726.75
10/25/2018	STAPLES ADVANTAGE	00432378	8051620431-HR	NON-TAXABLE	General Fund	8.56
10/25/2018	STAPLES ADVANTAGE	00432379	8051620431-IT	OFFICE SUPPLIES	General Fund	32.04
10/25/2018	STAPLES ADVANTAGE	00432380	8051620431-MUNISVC	OFFICE SUPPLIES	General Fund	247.76
10/25/2018	STAPLES ADVANTAGE	00432381	8051620431-PARKCH	OFFICE SUPPLIES	General Fund	81.67
10/25/2018	STAPLES ADVANTAGE	00432382	8051620431-PARK CRC	OFFICE SUPPLIES	General Fund	103.18
10/25/2018	STAPLES ADVANTAGE	00432383	8051620431-PARK TEEN	OFFICE SUPPLIES	General Fund	279.43
10/25/2018	STAPLES ADVANTAGE	00432384	8051620431-PARK YAC	OFFICE SUPPLIES	General Fund	69.63
10/25/2018	STAPLES ADVANTAGE	00432385	8051620431-PLANNING	OFFICE SUPPLIES	General Fund	360.57
10/25/2018	STAPLES ADVANTAGE	00432386	8051620431-POLICEDET	OFFICE SUPPLIES	General Fund	119.85
10/25/2018	STAPLES ADVANTAGE	00432387	8051620431-POLICESPECIAL	OFFICE SUPPLIES	General Fund	185.29
10/25/2018	STAPLES ADVANTAGE	00432387	8051620431-POLICESPECIAL	OFFICE SUPPLIES	General Fund	367.22
10/25/2018	STAPLES ADVANTAGE	00432388	8051620431-POLICESVC	OFFICE SUPPLIES	General Fund	232.52
10/25/2018	STAPLES ADVANTAGE	00432389	8051620431-SRCTR	OFFICE SUPPLIES	General Fund	203.45
10/25/2018	STAPLES ADVANTAGE	00432390	8051620431-WATER	OFFICE SUPPLIES	Sewer Utility	204.46
10/25/2018	STAPLES ADVANTAGE	00432390	8051620431-WATER	OFFICE SUPPLIES	Water Utility	204.46

				Total for Payment No.:		4,341.30

Payment No: 010274

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	SUMMIT UNIFORMS	00431894	53236	Armor Vest	General Fund	750.00
10/25/2018	SUMMIT UNIFORMS	00431895	53237	Armor Vest W Velasco	General Fund	750.00
10/25/2018	SUMMIT UNIFORMS	00431896	53397	Vest P Sam	General Fund	750.00
10/25/2018	SUMMIT UNIFORMS	00431897	53399	Vest Y Duran	General Fund	750.00
10/25/2018	SUMMIT UNIFORMS	00431898	53400	Vest R Anderson	General Fund	750.00
10/25/2018	SUMMIT UNIFORMS	00431899	53406	Vest D Hopkins	General Fund	750.00
10/25/2018	SUMMIT UNIFORMS	00431900	53407	N Gaudreau - Vest	General Fund	750.00
10/25/2018	SUMMIT UNIFORMS	00431908	53033	J Caggiano CG	General Fund	182.45
10/25/2018	SUMMIT UNIFORMS	00431911	52751	B Berganitos CG	General Fund	63.37
10/25/2018	SUMMIT UNIFORMS	00431913	53066	F Arreola Rain Gear CSO	General Fund	131.00
				Total for Payment No.:		5,626.82

Payment No: 010275

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	SUPPLYWORKS	00431655	455507673	FACILITIES SUPPLIES	General Fund	34.99
10/25/2018	SUPPLYWORKS	00431656	455507681	FACILITIES SUPPLIES	General Fund	204.11
10/25/2018	SUPPLYWORKS	00431949	458523628	FACILITIES SUPPLIES	General Fund	2,389.41
10/25/2018	SUPPLYWORKS	00431950	458542404	FACILITIES SUPPLIES	General Fund	315.69
				Total for Payment No.:		2,944.20

Payment No: 010276

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	THE GOODYEAR TIRE & RUBBER COMPANY	00431905	189-1099496	PARTS - STOCK	Automotive Services	625.39
				Total for Payment No.:		625.39

Payment No: 010277

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	TIFCO INDUSTRIES	00431934	71396290	PARTS - SHOP USE	Automotive Services	1,061.09
				Total for Payment No.:		1,061.09

Payment No: 010278

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	TRANSPAC SYSTEMS, LLC	00431858	452	IT CONSULTING	General Fund	1,575.00
				Total for Payment No.:		1,575.00

Payment No: 010279

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	UNIQUE MGMT SERVICES INC	00431601	468456	COLLECTIONS	General Fund	456.45
				Total for Payment No.:		456.45

Payment No: 010280

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	UNITY COURIER SERVICES, INC	00431597	434140	LINK+ DELIVERY	General Fund	803.00
10/25/2018	UNITY COURIER SERVICES, INC	00431660	434141	COURIER SERVICE	General Fund	1,293.68
				Total for Payment No.:		2,096.68

Payment No: 010281

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	VALENTINA GUZMAN RIDAD	00431785	24597OCT2018	CAISO TRAINING CA 9/26-9/27/18	Electric Utility	345.86
				Total for Payment No.:		345.86

Payment No: 010282

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid

10/25/2018	WESTERN RENEWABLE ENERGY	00431783	WR8757	DELIVERABILITY-NERC TAG	Electric Utility	212.00
				Total for Payment No.:		212.00

Payment No: 010283

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	WILLIAMS SCOTSMAN INC	00432143	6108260	40X8 CONTAINER RENT OCT18	Street Lighting	160.89
10/25/2018	WILLIAMS SCOTSMAN INC	00432143	6108260	CONTAINER LOCK - RENTAL OCT18	Street Lighting	13.08
10/25/2018	WILLIAMS SCOTSMAN INC	00432143	6108260	PROPERTY TAX RECOVERY	Street Lighting	6.43
				Total for Payment No.:		180.40

Payment No: 010284

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	mariam@cernyseagle.com	00432034	SVP2015	1705 EXTERIOR CAMERA INSTALL	Electric Utility	1,192.00
10/25/2018	mariam@cernyseagle.com	00432054	SVP2016	PURCHASE OF CAMERA FOR 1705MAR	Electric Utility	1,297.10
				Total for Payment No.:		2,489.10
				Overall Total		1,866,722.41

Sorted by Payment Number

Payment No: 628629

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ALTA PLANNING & DESIGN	00432169	00-2018-205-1	AGREEMENT FOR THE PEDESTRIAN M	Streets And Highways	8,478.47
				Total for Payment No.:		8,478.47

Payment No: 628630

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ANDERSON PACIFIC ENGINEERING	00432173	155OCT2018	AGREEMENT FOR NORTHSIDE AND RA	Sewer Utility Construction	592,950.00
10/25/2018	ANDERSON PACIFIC ENGINEERING	00432173	155OCT2018	RETENTION	Sewer Utility Construction	-29,647.50
				Total for Payment No.:		563,302.50

Payment No: 628631

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	BULMARO LOPEZ	00432135	29689OCT18	TRAVEL APP TRAINING SEPT18	Electric Utility	534.60
				Total for Payment No.:		534.60

Payment No: 628632

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	CA DEPT OF TAX & FEE ADMIN	00431676	0-001-552-077	2018Art&Wine Alcohl Sales Tax	Recreation Program Operations	15,023.00
				Total for Payment No.:		15,023.00

Payment No: 628633

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	CHARLES BANKSTON	00432138	29688OCT18	TRAVEL APP TRAINING SEPT18	Electric Utility	678.27
				Total for Payment No.:		678.27

Payment No: 628634

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	DAVID R RAYMAKER	00431848	24608OCT2018	PER DIEM RAYMAKER ARPOC	General Fund	302.96
				Total for Payment No.:		302.96

Payment No: 628635

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	EDWARD KARL	00431850	25744OCT2018	PER DIEM KARL ARPOC	General Fund	196.16
				Total for Payment No.:		196.16

Payment No: 628636

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	EMERGENCY VEHICLES, INC.	00431731	203133	2018 SPARTAN GLADIATOR CHASSIS	Vehicle Replacement Fund	775,873.99
10/25/2018	EMERGENCY VEHICLES, INC.	00431731	203133	PERFORMANCE BOND	Vehicle Replacement Fund	8,275.00
10/25/2018	EMERGENCY VEHICLES, INC.	00431731	203133	PRE-PAYMENT-VCH 388254	Vehicle Replacement Fund	-677,085.00
				Total for Payment No.:		107,063.99

Payment No: 628637

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	JOHANNA GREEN	00431838	14504OCT2018B	PER DIEM GREEN SEPT SLI	General Fund	250.01
				Total for Payment No.:		250.01

Payment No: 628638

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	JOHN MASTILOCK	00431846	25765OCT2018	PER DIEM MASTILOCK ARPOC	General Fund	283.16
				Total for Payment No.:		283.16

Payment No: 628639

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	KEVIN MEAD	00431841	27681OCT2018	PER DIEM KMEAD SNIPER COURSE	General Fund	307.07
				Total for Payment No.:		307.07

Payment No: 628640

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	KIM SIRLES	00431844	3596OCT2018	PER DIEM SIRLES CCUG CONF	General Fund	333.00
				Total for Payment No.:		333.00

Payment No: 628641

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	LEE HOSTETLER	00432132	25654OCT18	TRAVEL APP TRAINING SEPT18	Electric Utility	662.91
				Total for Payment No.:		662.91

Payment No: 628642

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	MANUEL PINEDA	00431856	30411OCT2018	Travel Reimbursement for NCPA	Electric Utility	658.22
				Total for Payment No.:		658.22

Payment No: 628643

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	MARY MCENROE	00431822	1773OCT2018B	66% EXPNS DENVER 92418-92818	Elec OperatingGrant Trust Fund	240.09
10/25/2018	MARY MCENROE	00431822	1773OCT2018B	34% EXPNS DENVER 92418-92818	Elec OperatingGrant	123.68

					Trust Fund	
				Total for Payment No.:		363.77

Payment No: 628644

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	MATTHEW ELLIOTT	00432133	25311OCT18	TRAVEL APP TRAINING SEPT18	Electric Utility	685.00
				Total for Payment No.:		685.00

Payment No: 628645

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	MATTHEW SAVAGE	00432136	29690OCT18	TRAVEL APP TRAINING SEPT18	Electric Utility	675.82
				Total for Payment No.:		675.82

Payment No: 628646

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	OC JONES & SONS INC	00432166	70280R	AGREEMENT FOR REED ST-GRANT ST	Parks And Recreation	762,363.78
				Total for Payment No.:		762,363.78

Payment No: 628647

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	PETER BENJAMIN GRADOWSKI	00431644	31506OCT2018	YAC HALLOWEEN PARTY MAGICIAN	Recreation Program Operations	400.00
				Total for Payment No.:		400.00

Payment No: 628648

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	PETER LONGANECKER	00431847	25770OCT2018	PER DIEM LONGANECKER ARPOC	General Fund	240.70
				Total for Payment No.:		240.70

Payment No: 628649

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ROBERT CIRAULO	00431849	25768OCT2018	PER DIEM CIRAULO ARPOC	General Fund	282.61
				Total for Payment No.:		282.61

Payment No: 628650

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ROBERTS, BRYANT J.	00432131	30324OCT18	TRAVEL APPR TRAINING SEP18	Electric Utility	684.05
				Total for Payment No.:		684.05

Payment No: 628651

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	SANTA CLARA CO CLERK-RECORDER	00432112	5494296	FY2018-19 PROP TAX 4495 N. 1ST	Sewer Utility	51.18
				Total for Payment No.:		51.18

Payment No: 628652

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	SANTA CLARA CO CLERK-RECORDER	00432113	5454774	FY2018-19 PROP TAX BAYSHORE HY	Sewer Utility	100.44
				Total for Payment No.:		100.44

Payment No: 628653

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	SCOTT TYLER	00431842	20850OCT2018	PER DIEM TYLER SNIPER	General Fund	100.00
				Total for Payment No.:		100.00

Payment No: 628654

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	SECRETARY FOR ENVIRONMENTAL	00432306	507OCT2018	QTRLY CUPA/UST/APSA FEES	General Fund	11,890.00

				Total for Payment No.:		11,890.00

Payment No: 628655

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	SON XUAN LE	00431779	28770OCT2018	BOOT/SAFETY REIMB CY2018 UN 4	Electric Utility	152.93
				Total for Payment No.:		152.93

Payment No: 628656

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	THE MECHANICS BANK	00432167	70280R ESCROW ACCOUNT	EXCROW AGREEMENT FOR THE REED	Parks And Recreation	40,124.40
				Total for Payment No.:		40,124.40

Payment No: 628657

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	THOMAS MCCULLOUGH	00431837	27744OCT2018	SAFETY BOOTS/CLOTH FY 2019	Electric Utility	251.19
				Total for Payment No.:		251.19

Payment No: 628658

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	AT&T	00432307	408 732-8988 330 0 SEP18	FS#9 MTHLY STMNT-9/17/18	General Fund	70.54
10/25/2018	AT&T	00432308	408 244-4858 471 9 SEP18	FS#7 MTHLY STMNT-9/17/18	General Fund	75.48
10/25/2018	AT&T	00432309	408 980-8577 973 3 SEP18	FS#10 MTHLY STMNT-9/17/18	General Fund	72.62
10/25/2018	AT&T	00432310	250 133-3874 233 5 SEP18	PD RECRUIT STMNT-9/11/18	General Fund	51.44
10/25/2018	AT&T	00432311	408 496-6394 414 0 SEP18	SPACE PARK STMNT-9/19/18	General Fund	185.77
10/25/2018	AT&T	00432312	408 261-0253 759 4 SEP18	BELLOMY STMNT-9/19/18	General Fund	163.99
				Total for Payment No.:		619.84

Payment No: 628659

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ACCEL AIR SYSTEMS, INC.	00431784	63433	SERVICE CALL AC SOUND 9/27/18	Electric Utility	270.00
10/25/2018	ACCEL AIR SYSTEMS, INC.	00431784	63433	MATERIAL	Electric Utility	12.00
10/25/2018	ACCEL AIR SYSTEMS, INC.	00431784	63433	MOBILE FLEET SERVICE CHARGE	Electric Utility	50.00
				Total for Payment No.:		332.00

Payment No: 628660

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	AIR EXCHANGE INC	00432011	43122	SEMI-ANNUAL PM	General Fund	105.00
10/25/2018	AIR EXCHANGE INC	00432011	43122	TAXABLE	General Fund	5.45
				Total for Payment No.:		110.45

Payment No: 628661

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	AIRGAS USA, LLC	00431830	9080827201	FUEL SURCHARGE FLAT	Electric Utility	11.01
10/25/2018	AIRGAS USA, LLC	00431830	9080827201	AIRGAS HAZMAT CHARGE	Electric Utility	8.99
10/25/2018	AIRGAS USA, LLC	00431830	9080827201	DELIVERY FLAT FEE	Electric Utility	47.96
10/25/2018	AIRGAS USA, LLC	00431830	9080827201	EP 90PPM NC/90PPM CM/NI 15A	Electric Utility	545.70
10/25/2018	AIRGAS USA, LLC	00431830	9080827201	EP 9PPM NC/9 PPM CM/NI 15A	Electric Utility	534.18
10/25/2018	AIRGAS USA, LLC	00431830	9080827201	EP 90PPM NC/NI 15A NOX CERT	Electric Utility	345.21
10/25/2018	AIRGAS USA, LLC	00431831	9956788970	RENTAL CYLINDERS FOR DVR SEP18	Electric Utility	584.20
10/25/2018	AIRGAS USA, LLC	00431831	9956788970	HAZMAT CHARGE	Electric Utility	9.25
				Total for Payment No.:		2,086.50

Payment No: 628662

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ALHAMBRA & SIERRA SPRINGS	00431920	4973747100518	WATER - OFFICE USE	Automotive Services	23.90
				Total for Payment No.:		23.90

Payment No: 628663

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ALLIANCE WELDING SUPPLIES	00432044	05144710	ASSET MONITOR SERVICE	General Fund	4.95
10/25/2018	ALLIANCE WELDING SUPPLIES	00432044	05144710	OXYGEN - EM-OXD - STAT 6	General Fund	44.59
				Total for Payment No.:		49.54

Payment No: 628664

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ALSCO SAN JOSE	00432012	LSJO1064485	LINEN SERVICE - ST. 7	General Fund	244.09
				Total for Payment No.:		244.09

Payment No: 628665

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	AMERICAN SAFE INC	00432148	74534	REKEY CABINET CRC #15 & 16	General Fund	166.25
				Total for Payment No.:		166.25

Payment No: 628666

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	AMERICAN TEXTILE & SUPPLY INC	00432186	95414	GLOVES, LATEX, POWDERLESS, MIC	Water Utility	1,704.76
10/25/2018	AMERICAN TEXTILE & SUPPLY INC	00432235	95426	CLEANER \& DEGREASER, LIGHT DU	Electric Utility	172.22
10/25/2018	AMERICAN TEXTILE & SUPPLY INC	00432235	95426	CLEANER \& DEGREASER. THIS IS	Electric Utility	98.10
10/25/2018	AMERICAN TEXTILE & SUPPLY INC	00432237	95471	HARD HAT, BULLARD WIDE-RIM STY	Electric Utility	536.28
10/25/2018	AMERICAN TEXTILE & SUPPLY INC	00432237	95471	RAGS, TERI-CLOTH, STRAIGHT CUT	Electric Utility	1,383.21
10/25/2018	AMERICAN TEXTILE & SUPPLY INC	00432237	95471	RAGS, BLUE CREPED SONTARA, APP	Electric Utility	453.44
10/25/2018	AMERICAN TEXTILE & SUPPLY INC	00432238	95859	RAGS, BLUE CREPED SONTARA, APP	Electric Utility	566.80
10/25/2018	AMERICAN TEXTILE & SUPPLY INC	00432238	95859	SOLVENT, CABLE CLEANER, IN QUA	Electric Utility	392.40
10/25/2018	AMERICAN TEXTILE & SUPPLY INC	00432238	95859	GLOVE, WORKMAN TYPE. TRUFIT ME	Electric Utility	346.62
10/25/2018	AMERICAN TEXTILE & SUPPLY INC	00432238	95859	GLOVE, WORKMAN TYPE LARGE TRUF	Electric Utility	693.24
10/25/2018	AMERICAN TEXTILE & SUPPLY INC	00432238	95859	GLOVE, WORKMAN TYPE. XL TRUEFI	Electric Utility	693.24

10/25/2018	AMERICAN TEXTILE & SUPPLY INC	00432238	95859	GLOVE, WORKMAN TYPE.2XL TRUEFI	Electric Utility	693.24
10/25/2018	AMERICAN TEXTILE & SUPPLY INC	00432238	95859	RAGS, TERI-CLOTH, STRAIGHT CUT	Electric Utility	2,766.42
10/25/2018	AMERICAN TEXTILE & SUPPLY INC	00432239	95860	GLOVES, LATEX, POWDERLESS, MIC	Water Utility	2,983.33
				Total for Payment No.:		13,483.30

Payment No: 628667

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ANIMAL DAMAGE MANAGEMENT	00432116	1228C	Landscape Rodent Control	General Fund	895.00
				Total for Payment No.:		895.00

Payment No: 628668

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ANITA BLACK	00431972	10/09/18 CLASS REFUND	PARKS DEPT REFUND	Recreation Program Operations	100.00
				Total for Payment No.:		100.00

Payment No: 628669

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ASSOCIATED RIGHT OF WAY SVCS	00432162	000000016545	Consulting Services for City P	Expendable Trust Funds	3,945.00
				Total for Payment No.:		3,945.00

Payment No: 628670

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	AT&T PHOENIX PO BOX 78214,5094	00431936	195113393 OCT18	INTERNET BACKUP 10/11-11/10/18	Electric Utility	60.00
				Total for Payment No.:		60.00

Payment No: 628671

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid

10/25/2018	BANK UP CORP	00432038	3452	OUTSOURCE CASH RECEIPTS	General Fund	2,951.22
				Total for Payment No.:		2,951.22

Payment No: 628672

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	BAY AREA PARENT	00431581	007U4OWAAY-20181001	PINOCCHIO ADVERTISING	Recreation Program Operations	650.00
				Total for Payment No.:		650.00

Payment No: 628673

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	BAY AREA WATER SUPPLY &	00432062	3033	REG ASSESSMENT 2ND QTR FY 2019	Water Utility	20,950.00
				Total for Payment No.:		20,950.00

Payment No: 628674

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	BKF ENGINEERS	00432163	18090980	AGREEMENT FOR DESIGN PROFESSIO	Streets And Highways	148.00
10/25/2018	BKF ENGINEERS	00432163	18090980	REIMBURSABLES.	Streets And Highways	12.00
10/25/2018	BKF ENGINEERS	00432165	18081026	AGREEMENT FOR DESIGN PROFESSIO	Streets And Highways	399.00
				Total for Payment No.:		559.00

Payment No: 628675

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	BLYMYER ENGINEERS INC	00432170	40620	AGREEMENT FOR DESIGN SERVICES	Public Buildings	725.00
				Total for Payment No.:		725.00

Payment No: 628676

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	BPS TACTICAL INC.	00431887	18031644	New Hires	General Fund	2,460.75
10/25/2018	BPS TACTICAL INC.	00431887	18031644	Reg Employees	General Fund	2,460.75
				Total for Payment No.:		4,921.50

Payment No: 628677

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	CHARLES LOMELI, TAX COLLECTOR	00432022	0181-130-010-01A	PARCEL 0181-130-010-01 BENICIA	Electric Utility	5,511.70
10/25/2018	CHARLES LOMELI, TAX COLLECTOR	00432023	0181-130-040-01A	PARCEL 0181-130-040-01 BENICIA	Electric Utility	985.20
10/25/2018	CHARLES LOMELI, TAX COLLECTOR	00432024	0181-130-050-01A	PARCEL 0181-130-050-01 BENICIA	Electric Utility	236.14
10/25/2018	CHARLES LOMELI, TAX COLLECTOR	00432025	0181-130-060-01A	PARCEL 0181-130-060-01 BENICIA	Electric Utility	2,089.32
10/25/2018	CHARLES LOMELI, TAX COLLECTOR	00432026	0181-140-010-01A	PARCEL 0181-140-010-01 BENICIA	Electric Utility	3,318.80
10/25/2018	CHARLES LOMELI, TAX COLLECTOR	00432027	0181-140-020-01A	PARCEL 0181-140-020-01 BENICIA	Electric Utility	3,033.56
10/25/2018	CHARLES LOMELI, TAX COLLECTOR	00432028	0181-140-030-01A	PARCEL 0181-140-030-01 BENICIA	Electric Utility	11,862.56
10/25/2018	CHARLES LOMELI, TAX COLLECTOR	00432029	0181-150-050-01A	PARCEL 0181-150-050-01 BENICIA	Electric Utility	1,204.02
10/25/2018	CHARLES LOMELI, TAX COLLECTOR	00432030	0181-160-040-01A	PARCEL 0181-160-040-01 BENICIA	Electric Utility	2,419.80
10/25/2018	CHARLES LOMELI, TAX COLLECTOR	00432031	0181-160-060-01A	PARCEL 0181-160-060-01 BENICIA	Electric Utility	2,148.32
10/25/2018	CHARLES LOMELI, TAX COLLECTOR	00432032	0181-170-010-01A	PARCEL 0181-170-010-01 BENICIA	Electric Utility	4,768.66
10/25/2018	CHARLES LOMELI, TAX COLLECTOR	00432033	0181-170-030-01A	PARCEL 0181-170-030-01 BENICIA	Electric Utility	7,129.38
				Total for Payment No.:		44,707.46

Payment No: 628679

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	CHRISTY VAULT CO	00431708	0083949-IN	BURIAL VAULTS	Cemetery	5,756.00
				Total for Payment No.:		5,756.00

Payment No: 628680

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	CITY OF FOSTER CITY	00432289	12571	CALOPPS POST-SR/ASSC. ENGINEER	General Fund	300.00

10/25/2018	CITY OF FOSTER CITY	00432289	12571	CALOPPS POST-SR/ASSC. ENGINEER	General Fund	300.00
10/25/2018	CITY OF FOSTER CITY	00432289	12571	CALOPPS POST-SR/ASSC. ENGINEER	General Fund	100.00
10/25/2018	CITY OF FOSTER CITY	00432289	12571	CALOPPS POST-SR/ASSC. ENGINEER	Water Utility	100.00
10/25/2018	CITY OF FOSTER CITY	00432289	12571	CALOPPS POST-SR/ASSC. ENGINEER	Water Utility	200.00
				Total for Payment No.:		1,000.00

Payment No: 628681

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	CITY OF SAN JOSE	00432065	17327800	WATER METER CHARGE7/24-9/25/18	Water Utility	24.11
				Total for Payment No.:		24.11

Payment No: 628682

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	CITY OF SUNNYVALE	00432279	IN000086214	8/30/18SECURITY/TRAFFICEGRESS	General Fund	1,107.04
10/25/2018	CITY OF SUNNYVALE	00432280	IN000086246	9/16/18SECURITY/TRAFFIC EGRESS	General Fund	1,207.68
				Total for Payment No.:		2,314.72

Payment No: 628683

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	COGENT COMMUNICATIONS	00431854	CITYOFSA00015 OCT2018	INTERNET ACCESS SERVICE	General Fund	1,500.00
				Total for Payment No.:		1,500.00

Payment No: 628684

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	CONSOLIDATED PARTS INC	00432069	5049752	PARTS & SUPPLIES	General Fund	147.15
				Total for Payment No.:		147.15

Payment No: 628685

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	CONTEMPORARY SERVICES CORPORATION	00432215	112956828	FY 2018/19 ART & WINE FESTIVAL	General Fund	9,324.00
				Total for Payment No.:		9,324.00

Payment No: 628686

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	COUNTY OF SANTA CLARA	00432295	1800064695	PRE-BOOKING SHEETS&AFFIDAVITS	General Fund	608.45
				Total for Payment No.:		608.45

Payment No: 628687

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	COUNTY OF SANTA CLARA-FINANCE DEPARTMENT	00431928	1800064783	SVRIA Stadium OPS FEE FY19	General Fund	53,735.00
10/25/2018	COUNTY OF SANTA CLARA-FINANCE DEPARTMENT	00431928	1800064783	SVRIA Stadium OPS FEE TAXFY19	General Fund	825.00
10/25/2018	COUNTY OF SANTA CLARA-FINANCE DEPARTMENT	00431928	1800064783	SVRIA COSC OPS FEE FY19	Communications Acq.	217,120.00
10/25/2018	COUNTY OF SANTA CLARA-FINANCE DEPARTMENT	00431928	1800064783	SVRIA COSC OPS FEE TAX FY19	Communications Acq.	3,335.00
				Total for Payment No.:		275,015.00

Payment No: 628688

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	CRANE WORKS INC	00432083	S15035	QUARTERLY INSPECTION WO29651	Automotive Services	460.00
				Total for Payment No.:		460.00

Payment No: 628689

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	CRESCO EQUIPMENT RENTALS	00432123	4758881-0001	PROPANE	Electric Utility	25.83
				Total for Payment No.:		25.83

Payment No: 628690

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	CRIME SCENE CLEANERS INC	00432281	70019	#3052	General Fund	70.00
				Total for Payment No.:		70.00

Payment No: 628691

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	D&M TRAFFIC SERVICES	00431700	60935	2 PERSON TRAFFIC 8HR 10/4/18	Electric Utility	1,300.00
				Total for Payment No.:		1,300.00

Payment No: 628692

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	DARCY FORD-JAMES	00431973	10/09/18 CLASS REFUND	PARKS DEPT REFUND	Recreation Program Operations	125.00
				Total for Payment No.:		125.00

Payment No: 628693

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	DELL MARKETING LP	00431866	10269594351	NON-TAXABLE	General Fund	1,256.75
10/25/2018	DELL MARKETING LP	00431866	10269594351	LAPTOP FOR CHRISTINE JUNG	General Fund	1,827.45
10/25/2018	DELL MARKETING LP	00431866	10269594351	LAPTOP FOR LENKA WRIGHT	General Fund	1,827.45
10/25/2018	DELL MARKETING LP	00431866	10269594351	LAPTOP FOR NOVI SARI	General Fund	1,827.47
10/25/2018	DELL MARKETING LP	00431866	10269594351	LAPTOP FOR EDESA BITBADAL	General Fund	1,827.45
10/25/2018	DELL MARKETING LP	00431866	10269594351	LAPTOP FOR NORA PIMENTEL	General Fund	1,827.45
10/25/2018	DELL MARKETING LP	00431943	10263840560	NON-TAXABLE	General Fund	106.42
10/25/2018	DELL MARKETING LP	00431943	10263840560	PRECISION 3620 FOR LIBRARY	General Fund	1,242.14
10/25/2018	DELL MARKETING LP	00431943	10263840560	PRECISION 3620 FOR LIBRARY	General Government - Other	1,242.15
10/25/2018	DELL MARKETING LP	00431943	10263840560	NON-TAXABLE	General Government - Other	106.42

10/25/2018	DELL MARKETING LP	00431944	10264098800	PRECISION 7520-MISSION LIB	Library Trust - Donations	1,349.13
10/25/2018	DELL MARKETING LP	00431944	10264098800	NON-TAXABLE	Library Trust - Donations	218.25
10/25/2018	DELL MARKETING LP	00431945	10228667068	XPS 13 FOR DPW DIRECTOR	General Government - Other	1,628.00
10/25/2018	DELL MARKETING LP	00431945	10228667068	NON-TAXABLE	General Government - Other	236.41
				Total for Payment No.:		16,522.94

Payment No: 628694

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	DLT SOLUTIONS LLC	00432179	SI409641	AUTOCAD LT GOVERNMENT SINGLE-U	Electric Utility	4,096.40
10/25/2018	DLT SOLUTIONS LLC	00432179	SI409641	AUTOCAD GOVERNMENT SINGLE-USER	Electric Utility	11,629.38
				Total for Payment No.:		15,725.78

Payment No: 628695

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	DONALD R WHITE, TAX COLLECTOR	00431692	28865400	PARCEL 99B-6275-2-2 ALTAMONT	Electric Utility	37.46
10/25/2018	DONALD R WHITE, TAX COLLECTOR	00431693	28865500	PARCEL 99B-6275-2-3 ALTAMONT	Electric Utility	18.06
10/25/2018	DONALD R WHITE, TAX COLLECTOR	00431694	28865700	PARCEL 99B-6275-2-5 ALTAMONT	Electric Utility	398.12
10/25/2018	DONALD R WHITE, TAX COLLECTOR	00431695	28870900	PARCEL 99B-6500-1 ALTAMONT	Electric Utility	530.48
				Total for Payment No.:		984.12

Payment No: 628696

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	EBIX INC	00432178	0718512-IN	INSURANCE COMPLIANCE SERVICES	Special Liability Insurance	3,806.72
				Total for Payment No.:		3,806.72

Payment No: 628697

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ED JONES CO INC	00431893	41881	Refurbish Badge #218	General Fund	73.95
				Total for Payment No.:		73.95

Payment No: 628698

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	EQUIFAX CREDIT INFORMATION SVC	00431870	5045938	Credit Check	General Fund	18.52
				Total for Payment No.:		18.52

Payment No: 628699

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	EUROFINS EATON ANALYTICAL INC	00432071	L0413286	WATER SAMPLING	Water Utility	375.00
10/25/2018	EUROFINS EATON ANALYTICAL INC	00432072	L0416646	WATER SAMPLING	Water Utility	50.00
10/25/2018	EUROFINS EATON ANALYTICAL INC	00432073	L0416647	WATER SAMPLING	Water Utility	50.00
10/25/2018	EUROFINS EATON ANALYTICAL INC	00432074	L0416648	WATER SAMPLING	Water Utility	40.00
10/25/2018	EUROFINS EATON ANALYTICAL INC	00432075	L0416649	WATER SAMPLING	Water Utility	50.00
10/25/2018	EUROFINS EATON ANALYTICAL INC	00432076	L0416650	WATER SAMPLING	Water Utility	50.00
				Total for Payment No.:		615.00

Payment No: 628700

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	FAST UNDERCAR SANTA CLARA	00431918	753453	PARTS - VEH # 2905	Automotive Services	51.84
10/25/2018	FAST UNDERCAR SANTA CLARA	00432050	753855	CA BATTERY FEE	Automotive Services	3.00
10/25/2018	FAST UNDERCAR SANTA CLARA	00432050	753855	AUTO BATTERIES	Automotive Services	288.60
10/25/2018	FAST UNDERCAR SANTA CLARA	00432051	754432	LIFT SUPP PART	Automotive Services	31.39
				Total for Payment No.:		374.83

Payment No: 628701

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid

10/25/2018	FLEET BODYWORX INC	00432060	20753	LABOR	Automotive Services	3,610.00
10/25/2018	FLEET BODYWORX INC	00432060	20753	AUTO PARTS	Automotive Services	395.52
				Total for Payment No.:		4,005.52

Payment No: 628702

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	FLINT TRADING INC	00431868	227975	Sign Shop Supplies	General Fund	9,636.53
				Total for Payment No.:		9,636.53

Payment No: 628703

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	FREDERICK J CLEGG	00431975	10/09/18 CLASS REFUND	PARKS DEPT REFUND	Recreation Program Operations	100.00
				Total for Payment No.:		100.00

Payment No: 628704

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	FRONTIER FORD	00431922	633291	PARTS -STOCK	Automotive Services	1,001.06
				Total for Payment No.:		1,001.06

Payment No: 628705

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	GANS, MARK S.	00432296	31497OCT2018	FULL SETTLEMENT OF CLAIM	Special Liability Insurance	275.00
				Total for Payment No.:		275.00

Payment No: 628706

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	GLOBAL KNOWLEDGE TRAINING, LLC	00431828	21994680	M20409 SERVER VIRTUALIZATION	Electric Utility	3,095.00

				Total for Payment No.:		3,095.00

Payment No: 628707

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	GOLDEN GATE TRUCK CENTER	00432057	R005083856	SUPPLIES	Automotive Services	166.17
10/25/2018	GOLDEN GATE TRUCK CENTER	00432057	R005083856	LABOR	Automotive Services	1,616.00
10/25/2018	GOLDEN GATE TRUCK CENTER	00432058	F005873576:01	CREDIT MOTOR CORE	Automotive Services	-190.75
10/25/2018	GOLDEN GATE TRUCK CENTER	00432059	F005873577:01	CORE CREDIT	Automotive Services	-68.13
				Total for Payment No.:		1,523.29

Payment No: 628708

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	GRIFFIN AUTO PARTS	00431906	1-248208	PARTS - VEH # 2604	Automotive Services	33.87
10/25/2018	GRIFFIN AUTO PARTS	00431924	1-248392	PARTS - STOCK	Automotive Services	261.64
10/25/2018	GRIFFIN AUTO PARTS	00431925	1-248379	PARTS - VEH # 3169	Automotive Services	218.71
				Total for Payment No.:		514.22

Payment No: 628709

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	HACH COMPANY	00432129	11156624	2018-19 SRV ON HACH EQUIP YR3	Electric Utility	11,073.92
				Total for Payment No.:		11,073.92

Payment No: 628710

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	HOGG & DAVIS INC	00431926	0063578-IN	PARTS - VEH # 2996	Automotive Services	498.63
				Total for Payment No.:		498.63

Payment No: 628711

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	HOME DEPOT - SANTA CLARA	00431998	1318SEP2018	VENT PROP SUPPLIES	Fire Operating Grant Fund	227.74
				Total for Payment No.:		227.74

Payment No: 628712

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	HSQ TECHNOLOGY INC	00432078	153901	PARTS & SUPPLIES	Water Utility	5,537.54
10/25/2018	HSQ TECHNOLOGY INC	00432078	153901	PARTS & SUPPLIES	Storm Drain	6,244.46
10/25/2018	HSQ TECHNOLOGY INC	00432079	153902	PARTS & SUPPLIES	Water Utility	1,962.00
				Total for Payment No.:		13,744.00

Payment No: 628713

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ICE US OTC COMMODITY MARKETS LLC	00431832	0918000868088	ENERGY BROKER COMM SEP18	Electric Utility	5,050.00
				Total for Payment No.:		5,050.00

Payment No: 628714

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	IRON MOUNTAIN	00431857	201710182	LOCKS	General Fund	236.26
10/25/2018	IRON MOUNTAIN	00431857	201710182	DATA STORAGE	General Fund	1,500.68
				Total for Payment No.:		1,736.94

Payment No: 628715

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	JANET CHIANG	00431967	10/09/18 CLASS REFUND	PARKS DEPT REFUND	Recreation Program Operations	23.00
				Total for Payment No.:		23.00

Payment No: 628716

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	JEVIN NAM	00431970	10/09/18 CLASS REFUND	PARKS DEPT REFUND	Recreation Program Operations	100.00
				Total for Payment No.:		100.00

Payment No: 628717

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	KAREN MURPHY LANSING	00431892	30124SEP2018	Psych Services	General Fund	7,275.00
				Total for Payment No.:		7,275.00

Payment No: 628718

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	KEITH RIGGS	00431968	10/09/18 CLASS REFUND	PARKS DEPT REFUND	Recreation Program Operations	57.00
				Total for Payment No.:		57.00

Payment No: 628719

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	KOFF & ASSOCIATES	00432291	4761	COMPENSATION STUDY	General Fund	7,102.00
10/25/2018	KOFF & ASSOCIATES	00432291	4761	COMPENSATION STUDY	General Fund	3,975.00
				Total for Payment No.:		11,077.00

Payment No: 628720

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	KRTY FM	00431585	CC-11880914507	ART & WINE ADVERTISING	General Fund	2,295.00
				Total for Payment No.:		2,295.00

Payment No: 628721

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	LANGUAGE LINE SOLUTIONS	00431985	4407541	TRANSLATION SERVICE	General Fund	1,477.87
				Total for Payment No.:		1,477.87

Payment No: 628722

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	LASER TECHNOLOGY INC	00432293	161819	ASSY, BATTERY PACK, TRUSPEED	General Fund	52.18
10/25/2018	LASER TECHNOLOGY INC	00432293	161819	LABOR	General Fund	70.20
10/25/2018	LASER TECHNOLOGY INC	00432294	164510	LABOR	General Fund	134.03
10/25/2018	LASER TECHNOLOGY INC	00432294	164510	REPAIR PART CHARGE, TS008041	General Fund	63.92
				Total for Payment No.:		320.33

Payment No: 628723

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	LN CURTIS & SONS	00432001	INV221179	REPLACEMENT BOOTS - AYLLON	Fire Department	468.09
10/25/2018	LN CURTIS & SONS	00432001	INV221179	REPLACEMENT BOOTS - WILLIAMS	Fire Department	468.09
10/25/2018	LN CURTIS & SONS	00432002	INV219800	REPLACEMENT BOOTS - MCGEE	Fire Department	472.37
10/25/2018	LN CURTIS & SONS	00432003	INV222414	TRAFFIC CONES	General Fund	185.70
				Total for Payment No.:		1,594.25

Payment No: 628724

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	LP ELECTRIC	00431979	2018-1033	REWIRE OUTLTS/LIGHTS-McCLINTOK	H.U.D Capital Projects	9,861.50
10/25/2018	LP ELECTRIC	00431979	2018-1033	10036 - McCLINTOCK	H.U.D Capital Projects	9,861.50
10/25/2018	LP ELECTRIC	00431979	2018-1033	10036 - McCLINTOCK	H.U.D Capital Projects	-9,861.50
				Total for Payment No.:		9,861.50

Payment No: 628725

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	MAIN ELECTRIC	00432298	31507OCT2018	BLD2018-52192 REFUND	General Fund	6.70
10/25/2018	MAIN ELECTRIC	00432298	31507OCT2018	BLD2018-52192 REFUND	General Fund	268.00
10/25/2018	MAIN ELECTRIC	00432298	31507OCT2018	BLD2018-52192 REFUND	General Fund	67.00
				Total for Payment No.:		341.70

Payment No: 628726

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	MATTHEWS INTERNATIONAL CORP	00431709	91851412	INSCRIPTION - ESTELLE C. LOPES	Cemetery	214.41
				Total for Payment No.:		214.41

Payment No: 628727

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	MEDWASTE MANAGEMENT, LLC	00432008	MW33280	MED WASTE STATION 3	General Fund	210.00
10/25/2018	MEDWASTE MANAGEMENT, LLC	00432009	MW33279	MED WASTE - ST. 1	General Fund	210.00
				Total for Payment No.:		420.00

Payment No: 628728

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	MIKE DAVIS LANDSCAPE SERVICES	00432134	VTA1037	Landscape Mtce Sept 2018	General Fund	4,015.00
				Total for Payment No.:		4,015.00

Payment No: 628729

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	MOMENTUM CHEVROLET	00431907	355098	PARTS - VEH # 3019	Automotive Services	200.83
10/25/2018	MOMENTUM CHEVROLET	00431931	355373	PARTS - VEH # 3021	Automotive Services	272.41
				Total for Payment No.:		473.24

Payment No: 628730

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	MUNICIPAL MAINTENANCE EQUIPMNT	00431927	0131720-IN	PARTS - STOCK	Automotive Services	22.70
10/25/2018	MUNICIPAL MAINTENANCE EQUIPMNT	00431930	0131654-IN	PARTS - VEH# 3119	Automotive Services	51.03
10/25/2018	MUNICIPAL MAINTENANCE EQUIPMNT	00432093	0129735 - IN	INSPECTIONS - D2231	Automotive Services	200.00
				Total for Payment No.:		273.73

Payment No: 628731

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	NAPA AUTO PARTS	00431901	5983-427241	STEP VAN MIRROR - VEH # 2565	Automotive Services	20.82
10/25/2018	NAPA AUTO PARTS	00431902	5983-427280	NAPA OIL SEAL AG - VEH # 3016	Automotive Services	11.23
10/25/2018	NAPA AUTO PARTS	00431914	5983-428598	PARTS - VEH # 2864	Automotive Services	19.61
10/25/2018	NAPA AUTO PARTS	00431915	5983-428819	HORN REPAIR KIT - VEH # 2810	Automotive Services	187.69
10/25/2018	NAPA AUTO PARTS	00431916	5983-429361	DOOR JAMB SWITCH - VEH #2822	Automotive Services	6.04
10/25/2018	NAPA AUTO PARTS	00431917	5983-429459	BRAKE ROTOR - VEH # 2905	Automotive Services	91.93
10/25/2018	NAPA AUTO PARTS	00432052	5983-429570	AUTO PARTS	Automotive Services	47.08
10/25/2018	NAPA AUTO PARTS	00432053	5983-429888	WATER OUTLET PART	Automotive Services	35.82
10/25/2018	NAPA AUTO PARTS	00432055	5983-429690	FUSE HOLDERS	Automotive Services	84.81
10/25/2018	NAPA AUTO PARTS	00432056	5983-429602	AUTO PARTS - LENS	Automotive Services	5.82
				Total for Payment No.:		510.85

Payment No: 628732

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	NARIMAN HADDAD	00432354	10/16/18 CLASS REFUND	PARKS DEPT REFUND	Recreation Program Operations	12.00
				Total for Payment No.:		12.00

Payment No: 628733

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid

10/25/2018	NETCOM LEARNING, INC.	00430475	194754	CISSP TRAINING 9/17-9/21/18	Electric Utility	15,837.00
10/25/2018	NETCOM LEARNING, INC.	00430674	194758	CISSP TRAINING 09/24-9/28/18	Electric Utility	9,163.00
10/25/2018	NETCOM LEARNING, INC.	00430674	194758	CISSP TRAINING 09/24-9/28/18	Electric Utility	6,674.00
				Total for Payment No.:		31,674.00

Payment No: 628734

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	NI GOVERNMENT SERVICES	00432014	8091251247	SATELLITE PHONE SERVICE	General Fund	77.37
10/25/2018	NI GOVERNMENT SERVICES	00432282	8091251237	MONTHLY FEE-SATELLITE RADIOS	General Fund	77.37
				Total for Payment No.:		154.74

Payment No: 628735

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	OCLC INC	00431661	0000623767	CATALOG & METADATA	General Fund	2,685.12
				Total for Payment No.:		2,685.12

Payment No: 628736

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ORION SECURITY	00431657	103424	SECURITY SERVICES	General Fund	6,778.13
10/25/2018	ORION SECURITY	00431658	103431	SECURITY SERVICES	General Fund	715.00
				Total for Payment No.:		7,493.13

Payment No: 628737

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ORLAND UNIT WATER USERS ASSN.	00431929	2031OCT2018	STONY CRK HYDRO EXPENSES SEP18	Electric Utility	978.74
10/25/2018	ORLAND UNIT WATER USERS ASSN.	00431929	2031OCT2018	STONY CRK HYDRO EXPENSES SEP18	Electric Utility	2,988.96
10/25/2018	ORLAND UNIT WATER USERS ASSN.	00431929	2031OCT2018	STONY CRK HYDRO EXPENSES SEP18	Electric Utility	55.92
10/25/2018	ORLAND UNIT WATER USERS ASSN.	00431929	2031OCT2018	STONY CRK HYDRO EXPENSES SEP18	Electric Utility	14,342.55
10/25/2018	ORLAND UNIT WATER USERS ASSN.	00431929	2031OCT2018	STONY CRK HYDRO EXPENSES SEP18	Electric Utility	6,202.61

10/25/2018	ORLAND UNIT WATER USERS ASSN.	00431929	2031OCT2018	STONY CRK HYDRO EXPENSES SEP18	Electric Utility	1,006.71
				Total for Payment No.:		25,575.49

Payment No: 628738

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	OSISOFT LLC	00432151	9000106925	PI ENTERPRISE SOFTWARE & RELIA	Electric Utility	97,614.00
10/25/2018	OSISOFT LLC	00432151	9000106925	PI ENTERPRISE SOFTWARE & RELIA	Electric Utility	97,614.00
				Total for Payment No.:		195,228.00

Payment No: 628739

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	P2S, INC	00432171	201826039	AGREEMENT FOR COMMISSIONING SE	Library	3,077.91
				Total for Payment No.:		3,077.91

Payment No: 628740

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	PACIFIC COAST PETROLEUM INC.	00431932	940642	PARTS - STOCK	Automotive Services	1,872.30
				Total for Payment No.:		1,872.30

Payment No: 628741

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	PACIFIC WATER ART INC	00432137	59919	City Hall Fountain Mtce	General Fund	1,700.00
10/25/2018	PACIFIC WATER ART INC	00432137	59919	Franklin Square Fountain Mtce	Downtown Parking Maintenance D	680.63
				Total for Payment No.:		2,380.63

Payment No: 628742

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	PETERSON TRACTOR CO	00431912	PC001628957	PARTS - VEH # 3321	Automotive Services	1,464.56

10/25/2018	PETERSON TRACTOR CO	00431919	PC001630263	PARTS - VEH # 3189	Automotive Services	438.06
				Total for Payment No.:		1,902.62

Payment No: 628743

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	PETERSON TRUCKS	00431909	149724P	PARTS - VEH # 2445	Automotive Services	187.11
				Total for Payment No.:		187.11

Payment No: 628744

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	POSTMASTER US POST OFFICE	00431781	2946AUG2018A	US POST OFFICE MARKETING MAIL	General Fund	225.00
				Total for Payment No.:		225.00

Payment No: 628745

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	POWER SOURCE	00432085	22070	PARTS & SUPPLIES	Water Utility	774.95
				Total for Payment No.:		774.95

Payment No: 628746

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	PRESIDIO HOLDINGS INC.	00432228	6013218004407	CON-SNT-C93004UA SNTC-8X5XNBD	General Government - Other	1,720.73
				Total for Payment No.:		1,720.73

Payment No: 628747

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	PRINTS CHARLES REPROGRAPHICS	00431816	85041	Plans for Homeridge Park	Parks And Recreation	388.65
10/25/2018	PRINTS CHARLES REPROGRAPHICS	00432120	85087	CE17-18-14 PLANS & SPECS	Parks And Recreation	185.26
				Total for Payment No.:		573.91

Payment No: 628748

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	PRO DOOR & GLASS	00432006	36141	ST. 9 DOOR REPAIR	General Fund	427.08
				Total for Payment No.:		427.08

Payment No: 628749

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	PROFESSIONAL METERS, INC	00431823	171021.05	AMI METER INSTALLATION	Electric Utility Construction	26,784.30
				Total for Payment No.:		26,784.30

Payment No: 628750

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	R & B CO	00432088	S1783202.001	PARTS & SUPPLIES	Water Utility Construction	7,354.66
10/25/2018	R & B CO	00432105	S1783520.001	PARTS & SUPPLIES	Water Utility Construction	1,115.87
10/25/2018	R & B CO	00432106	S1783535.001	PARTS & SUPPLIES	Water Utility Construction	2,600.14
10/25/2018	R & B CO	00432234	S1771573.001	COUPLING, TRANSITION, 4" CLAY	Water Utility	1,823.79
10/25/2018	R & B CO	00432234	S1771573.001	COUPLING, TRANSITION, 8" CLAY	Water Utility	2,111.14
				Total for Payment No.:		15,005.60

Payment No: 628751

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	RANGE MAINTENANCE SERVICES LLC	00431884	09261801	Quarterly Maintenance Cleaning	General Fund	2,150.00
				Total for Payment No.:		2,150.00

Payment No: 628752

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	REED & GRAHAM INC	00431874	930126	Asphalt - Humbolt Trench	General Fund	2,453.19

10/25/2018	REED & GRAHAM INC	00431880	930527	De Tac & Deery	General Fund	6,282.97
10/25/2018	REED & GRAHAM INC	00432141	929948	Asphalt	General Fund	2,603.92
10/25/2018	REED & GRAHAM INC	00432142	930528	Emulsion	General Fund	123.23
10/25/2018	REED & GRAHAM INC	00432144	931608	Deery	General Fund	3,687.19
				Total for Payment No.:		15,150.50

Payment No: 628753

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	RICARDO J TAINA	00431969	10/09/18 CLASS REFUND	PARKS DEPT REFUND	Recreation Program Operations	12.00
				Total for Payment No.:		12.00

Payment No: 628754

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ROADLINE PRODUCTS INC USA	00431881	14463	LABOR	General Fund	475.00
10/25/2018	ROADLINE PRODUCTS INC USA	00431881	14463	Sign Shop Supplies	General Fund	994.63
				Total for Payment No.:		1,469.63

Payment No: 628755

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ROSETTA'S ENTERPRISES, INC	00432353	31509OCT2018	BLD2018-52001 REFUND	General Fund	359.20
				Total for Payment No.:		359.20

Payment No: 628756

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ROSS MCDONALD CO INC	00431948	1018114	FURNITURE REPLACEMENT	General Fund	840.00
				Total for Payment No.:		840.00

Payment No: 628757

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ROYAL BRASS INC	00431903	877649-001	PARTS - VEH # 3253	Automotive Services	461.44
10/25/2018	ROYAL BRASS INC	00431904	877367-001	CONNECTOR - VEH # 2445	Automotive Services	65.13
10/25/2018	ROYAL BRASS INC	00431933	878566-001	PARTS - VEH # 2155	Automotive Services	78.72
				Total for Payment No.:		605.29

Payment No: 628758

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	SAFEWAY INC	00432037	2375OCT2018A	TAXABLE	Recreation Program Operations	42.46
10/25/2018	SAFEWAY INC	00432041	2375OCT2018B	TAXABKE	Recreation Program Operations	17.35
				Total for Payment No.:		59.81

Payment No: 628759

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	SAN JOSE MAILING	00431855	3079	Election Mailer #2	General Fund	2,670.84
10/25/2018	SAN JOSE MAILING	00431855	3079	TAX EXEMPT	General Fund	3,237.03
				Total for Payment No.:		5,907.87

Payment No: 628760

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	SAN MATEO CO HEALTH DEPT	00432109	91759	LABORATORY FEES	Water Utility	2,053.00
				Total for Payment No.:		2,053.00

Payment No: 628761

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	SANTA CLARA CO PROBATION DEPT	00432283	150788	JUVENILE CONTACT FORM	General Fund	630.00
				Total for Payment No.:		630.00

Payment No: 628762

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	SANTA CLARA CO TAX COLLECTOR	00432018	015-31-071-00	PWR LINE EASEMENT TAX 2018-19	Electric Utility	189.16
				Total for Payment No.:		189.16

Payment No: 628763

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	SANTA CLARA WEEKLY	00432305	1242539	PUBLICATION-TASMAN EAST PLAN	General Fund	1,176.00
10/25/2018	SANTA CLARA WEEKLY	00432323	1242515	10/3/18 ELECTION PUBLISH	General Fund	504.00
10/25/2018	SANTA CLARA WEEKLY	00432324	1242514	NTC OF ELECTION COUNCIL	General Fund	360.00
10/25/2018	SANTA CLARA WEEKLY	00432325	1242513	NOMINEES PUBLIC OFFICE CTY CLE	General Fund	432.00
10/25/2018	SANTA CLARA WEEKLY	00432326	1242512	NOMINEES PUBLIC OFFICE COUNCIL	General Fund	552.00
10/25/2018	SANTA CLARA WEEKLY	00432327	1242511	MEASURE M	General Fund	600.00
10/25/2018	SANTA CLARA WEEKLY	00432328	1242510	NTC SPECIAL MUNI ELECTION	General Fund	312.00
				Total for Payment No.:		3,936.00

Payment No: 628764

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	SANTA CLARA WINDUSTRIAL CO	00432110	674368 00	PARTS & SUPPLIES	Sewer Utility	220.53
				Total for Payment No.:		220.53

Payment No: 628765

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	SCREENED IMAGES	00431947	4945	CRC SHIRTS/SWEAT SHIRTS	General Fund	3,284.06
				Total for Payment No.:		3,284.06

Payment No: 628766

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	SECURITY SAFE	00432043	6979	CHANGE COMBINATION ON SAFE	General Fund	165.00

				Total for Payment No.:		165.00

Payment No: 628767

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	SHELTON ROOFING	00432297	27567OCT2018	BLD2018-52189	General Fund	988.61
				Total for Payment No.:		988.61

Payment No: 628768

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	SHRED-IT USA LLC	00431737	8125543906	HUMAN RESOURCES	General Fund	84.62
10/25/2018	SHRED-IT USA LLC	00431737	8125543906	INFORMATION TECHNOLOGY	General Fund	119.84
10/25/2018	SHRED-IT USA LLC	00431737	8125543906	CCO-RECORD CENTER	General Fund	59.89
10/25/2018	SHRED-IT USA LLC	00431737	8125543906	FINANCE-ACCOUNTING SERVICES	General Fund	119.84
10/25/2018	SHRED-IT USA LLC	00431737	8125543906	FINANCE-MUNICIPAL SERVICES	General Fund	364.77
				Total for Payment No.:		748.96

Payment No: 628769

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	SOLARWINDS	00432229	IN398496	SOLARWINDS DAMEWARE MINI REMOT	Electric Utility	156.00
10/25/2018	SOLARWINDS	00432229	IN398496	KIWI SYSLOG SERVER - SINGLE IN	Electric Utility	424.00
10/25/2018	SOLARWINDS	00432229	IN398496	SOLARWINDS DAMEWARE REMOTE SOF	Electric Utility	600.00
				Total for Payment No.:		1,180.00

Payment No: 628770

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	SSOE GROUP	00432299	26130OCT2018	BLD2018-51166 REFUND	General Fund	10,950.00
				Total for Payment No.:		10,950.00

Payment No: 628771

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	STEVE SCALLY	00431974	10/09/18 CLASS REFUND	PARKS DEPT REFUND	Recreation Program Operations	50.00
				Total for Payment No.:		50.00

Payment No: 628772

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	STEVEN DOLEZAL	00431891	0892SEPT2018	Psych	General Fund	900.00
				Total for Payment No.:		900.00

Payment No: 628773

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	STORAGE EXPRESS INC	00431690	63356	20-FT STORAGE CONTAINER RENTAL	Electric Utility	81.38
				Total for Payment No.:		81.38

Payment No: 628774

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	STRATUS VIDEO, LLC	00432010	SIN106731	TRANSLATION SERVICES	General Fund	9.00
				Total for Payment No.:		9.00

Payment No: 628775

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	STRYKER SALES CORPORATION	00432161	2497929M	STRYKER - POWER PRO AMBULANCE	General Fund	25,306.88
				Total for Payment No.:		25,306.88

Payment No: 628776

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	TAYLOR CORPORATION, INC	00431845	4211506	CHECK STOCK 804BS04 PAY ADVICE	General Fund	1,333.46

10/25/2018	TAYLOR CORPORATION, INC	00431845	4211506	CHECK STOCK 804CS04 PAYCHK REG	General Fund	1,066.76
10/25/2018	TAYLOR CORPORATION, INC	00431845	4211506	CHECK STOCK 801CS04 AP CHECKS	General Fund	1,235.67
				Total for Payment No.:		3,635.89

Payment No: 628777

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	TEMPRESCO INC	00432226	52077	PN# 31840-1417 - SOLENOID ATKO	Electric Utility	2,585.83
				Total for Payment No.:		2,585.83

Payment No: 628778

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	TERI BLACK & CO LLC	00432288	18-1008-149	PHASE III-RISK MGR AD OUTREACH	General Fund	7,310.00
				Total for Payment No.:		7,310.00

Payment No: 628779

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	THE MARLIN COMPANY	00432017	461188	ECS COMPUTER WARR SUB 18-9/19	Electric Utility	71.94
10/25/2018	THE MARLIN COMPANY	00432017	461188	ECS COMP WARR READYROO 18-9/19	Electric Utility	71.94
10/25/2018	THE MARLIN COMPANY	00432017	461188	ECS COMP WARR FRONTOFF 18-9/19	Electric Utility	71.94
10/25/2018	THE MARLIN COMPANY	00432017	461188	ECS CLONE PGM READYROO 18-9/19	Electric Utility	810.96
10/25/2018	THE MARLIN COMPANY	00432017	461188	ECS CLONE PGM FRONTOFF 18-9/19	Electric Utility	810.96
10/25/2018	THE MARLIN COMPANY	00432017	461188	ELECTR. COMM. PGM T&D 18-9/19	Electric Utility	2,432.88
10/25/2018	THE MARLIN COMPANY	00432017	461188	ECS CLONE PGM SUB 18-9/19	Electric Utility	810.96
10/25/2018	THE MARLIN COMPANY	00432017	461188	ECS COMPUTER WARR T&D 18-9/19	Electric Utility	71.94
				Total for Payment No.:		5,153.52

Payment No: 628780

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	THE STUART RENTAL COMPANY	00432211	176590	ART & WINE 2018/19 - STUART RE	General Fund	1,283.50

10/25/2018	THE STUART RENTAL COMPANY	00432213	176589	ART & WINE 2018/19 - STUART RE	General Fund	1,035.50
				Total for Payment No.:		2,319.00

Payment No: 628781

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	THOMSON WEST GROUP	00431999	839000255	Bureau CLEAR database Sept	General Fund	222.08
10/25/2018	THOMSON WEST GROUP	00431999	839000255	Records CLEAR database Sept	General Fund	222.07
				Total for Payment No.:		444.15

Payment No: 628782

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	TRB AND ASSOCIATES, INC.	00432205	2508	AMENMENT NO. 2 - APPROVED BY C	General Fund	9,540.00
				Total for Payment No.:		9,540.00

Payment No: 628783

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	TRICOR AMERICA INC	00431596	M654185	LINK+ DELIVERY	General Fund	803.00
10/25/2018	TRICOR AMERICA INC	00431659	M654186	COURIER SERVICE	General Fund	1,108.86
				Total for Payment No.:		1,911.86

Payment No: 628784

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	TURF & INDUSTRIAL EQUIPMENT CO	00432227	UI17889	TWO (2) CLUB CAR CARRYALL 700	Vehicle Replacement Fund	37,603.69
10/25/2018	TURF & INDUSTRIAL EQUIPMENT CO	00432227	UI17889	CA TIRE FEE	Vehicle Replacement Fund	14.00
				Total for Payment No.:		37,617.69

Payment No: 628785

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	UINI TUAKALAU	00431971	10/09/18 CLASS REFUND	PARKS DEPT REFUND	Recreation Program Operations	100.00
				Total for Payment No.:		100.00

Payment No: 628786

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	UNIFIRST CORPORATION	00431701	385 0308706	GARMENT RENT/CLEAN SVCS SUB	Electric Utility	644.73
10/25/2018	UNIFIRST CORPORATION	00431702	385 0308700	GARMENT RENTAL/CLEANING T&D	Electric Utility	1,001.56
10/25/2018	UNIFIRST CORPORATION	00431703	385 0308707	GARMENT RENT/CLEAN SVCS AD1705	Electric Utility	83.93
10/25/2018	UNIFIRST CORPORATION	00431704	385 0308699	DELIVERY FEE SVP	Electric Utility	10.00
10/25/2018	UNIFIRST CORPORATION	00431704	385 0308699	GARMENT RENTAL/CLEANING SVP IT	Electric Utility	37.99
10/25/2018	UNIFIRST CORPORATION	00431705	385 0308703	GARMENT RENTAL/CLEANING 881ENG	Electric Utility	92.81
10/25/2018	UNIFIRST CORPORATION	00431706	385 0308791	GARMENT RENT/CLEANING SVC CH	Electric Utility	146.90
10/25/2018	UNIFIRST CORPORATION	00431707	385 0307925	GARMENT RENT/CLEANING SVC CH	Electric Utility	157.46
10/25/2018	UNIFIRST CORPORATION	00431824	385 0308698	GARMENT RENT/CLEAN SVCS DVR	Electric Utility	559.66
10/25/2018	UNIFIRST CORPORATION	00432019	385 0309560	GARMENT RENT/CLEAN SVCS SUB	Electric Utility	644.73
10/25/2018	UNIFIRST CORPORATION	00432020	385 0309555	GARMENT RENTAL/CLEANING T&D	Electric Utility	1,010.25
10/25/2018	UNIFIRST CORPORATION	00432020	385 0309555	NEW EE ANDREW NAGLE FR TAX	Electric Utility	8.99
10/25/2018	UNIFIRST CORPORATION	00432021	385 0309561	GARMENT RENT/CLEAN SVCS AD1705	Electric Utility	83.93
10/25/2018	UNIFIRST CORPORATION	00432139	385 0309553	GARMENT RENT/CLEAN SVCS DVR	Electric Utility	559.66
10/25/2018	UNIFIRST CORPORATION	00432140	385 0309557	GARMENT RENTAL/CLEANING 881ENG	Electric Utility	92.81
				Total for Payment No.:		5,135.41

Payment No: 628787

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	UNITED PARCEL SERVICE	00432265	00009882E5408.	CITY CLERK	General Fund	13.50
10/25/2018	UNITED PARCEL SERVICE	00432265	00009882E5408.	PD	General Fund	158.59
10/25/2018	UNITED PARCEL SERVICE	00432265	00009882E5408.	AUTO SERVICES	General Fund	17.80
10/25/2018	UNITED PARCEL SERVICE	00432265	00009882E5408.	ELECTRIC	Electric Utility	28.88

				Total for Payment No.:		218.77

Payment No: 628788

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	UNITED SITE SERVICES INC	00431935	114-7449212	WKLY RSTRM SRV@URA 9/4-10/01/1	Electric Utility	55.00
10/25/2018	UNITED SITE SERVICES INC	00431935	114-7449212	ENVIRONMENTAL FEE	Electric Utility	13.98
10/25/2018	UNITED SITE SERVICES INC	00431935	114-7449212	2SINKS @URA 9/4-10/01/18	Electric Utility	10.90
10/25/2018	UNITED SITE SERVICES INC	00431935	114-7449212	WKLY SINK SRV@URA 9/4-10/01/18	Electric Utility	55.00
10/25/2018	UNITED SITE SERVICES INC	00431935	114-7449212	RSTRM RENT@ URA 9/4-10/01/18	Electric Utility	10.90
				Total for Payment No.:		145.78

Payment No: 628789

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	UNIVAR USA INC	00431834	SJ907529	DVR CHEM DEL SOD HYP 10/10/18	Electric Utility	583.32
10/25/2018	UNIVAR USA INC	00431834	SJ907529	CALIFORNIA MILL FEE	Electric Utility	12.69
				Total for Payment No.:		596.01

Payment No: 628790

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	VERIZON WIRELESS	00432301	9815235702	CMO	General Fund	76.67
				Total for Payment No.:		76.67

Payment No: 628791

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	VERIZON WIRELESS	00432302	9815235701	FIRE	General Fund	422.32
				Total for Payment No.:		422.32

Payment No: 628792

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	VERIZON WIRELESS	00432303	9815251301	FIRE	General Fund	178.16
				Total for Payment No.:		178.16

Payment No: 628793

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	VERIZON WIRELESS	00432304	9815247656	METER READERS	General Fund	227.78
				Total for Payment No.:		227.78

Payment No: 628794

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	W-TRANS	00432168	2110	AGREEMENT FOR PRUNERIDGE AVE &	Streets And Highways	7,795.00
				Total for Payment No.:		7,795.00

Payment No: 628795

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	WASHINGTON TRUST BANK	00431820	3024OCT2018	MAINT ANALYSIS FEE SEPT2018	General Fund	55.98
				Total for Payment No.:		55.98

Payment No: 628796

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	WASHINGTON TRUST BANK	00431726	181001-172076	SEPT 2018 VEBA CUSTODY FEE	General Fund	2,036.87
				Total for Payment No.:		2,036.87

Payment No: 628797

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	WATERPROOFING ASSOC	00431598	43611	ANNUAL GUTTER CLEANING	General Fund	18,688.00
				Total for Payment No.:		18,688.00

Payment No: 628798

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	WEST COAST ARBORISTS INC	00432145	141310	Tree Service Agreement	General Fund	2,880.00
				Total for Payment No.:		2,880.00

Payment No: 628799

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	WESTERN EXTERMINATOR COMPANY	00431875	6448355	Pest Control	General Fund	295.00
				Total for Payment No.:		295.00

Payment No: 628800

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	WOODWAY USA	00431877	71422	Tread Mill - Gym	General Fund	6,823.51
				Total for Payment No.:		6,823.51

Payment No: 628801

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	YEI ENGINEERS, INC.	00432172	1735-09R	AGREEMENT FOR DESIGN SVCS FOR	Public Buildings	66,736.98
				Total for Payment No.:		66,736.98

Payment No: 628802

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
10/25/2018	ZAP MFG INC	00432146	1862	Sign Shop Supplies	General Fund	281.60
				Total for Payment No.:		281.60

Overall Total	2,620,837.37

City of Santa Clara Finance Department
Accounting Services

Supplement to Bills & Claims
Expenditures Paid by Wire Transfer
For the Period of October 19th, 2018 through October 25th, 2018

602,114.41	Recurrent Energy Rosamond One LLC--Purchase of Energy (Solar Generated)-September 2018
267,696.00	M-S-R Public Power Agency--Big Horn Wind Project Shaping Fee-Sep 2018
1,030,940.35	M-S-R Public Power Agency--Big Horn Wind Project Energy-Sep 2018
485,017.27	Manzana Wind LLC--Purchase of Energy (Wind Generated)--September 2018
901,387.50	MSR Energy Authority-Gas Purchase DVR/Cogen/Gianera Sep-18
1,918,799.66	EDF Trading North America LLC--Gas Purchase-DVR/Cogen Sep-18

$ 5,205,955.19

18-205 **Agenda Date: 11/27/2018**

REPORT TO COUNCIL

SUBJECT
Action on a Resolution Revising the Council and Authorities/Stadium Authority Regular Meetings Dates for the 2019 Calendar Year

BACKGROUND
On September 11, 2018, the Council set the Council and Authorities/Stadium Authority regular meeting dates for the 2019 calendar year. Pursuant to Charter Sec. 707, the City Council shall hold regular meetings at least twice each month.

DISCUSSION
Due to the cancelation of the January 22, 2019 meeting, it is recommended that the Council adopt a Resolution revising the Council and Authorities/Stadium Authority regular meeting dates for the 2019 calendar year to reflect the cancelation of the January 22, 2019 Council and Authorities regular meeting and to set January 15, 2019 as a Council and Authorities regular meeting.

A copy of the Resolution and the Revised Council and Authorities Meetings 2019 is attached.

There has recently been some confusion regarding the 10-day Ordinance pertaining to when the calendar postings for certain City officials should occur. To clarify, a copy of the Ordinance is attached as well as the calendar indicating the dates of when the calendars are to be posted.

ENVIRONMENTAL REVIEW
The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT
There is no fiscal impact other than administrative time and expense to cancel and set the meetings.

COORDINATION
This report has been coordinated with the City Attorney’s Office.

PUBLIC CONTACT
Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk’s Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the

public information desk at any City of Santa Clara public library.

RECOMMENDATION

Adopt a Resolution revising the Council and Authorities/Stadium Authority regular meeting dates for the 2019 calendar year to reflect the cancelation of the January 22, 2019 meeting and to set January 15, 2019 as a Council and Authorities regular meeting.

Reviewed by: Nora Pimentel, Assistant City Clerk
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Resolution with Attached Revised Council and Authorities/Stadium Authority 2019 Meetings Calendar
2. Ordinance No. 1950

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA REVISING THE COUNCIL AND AUTHORITIES/STADIUM AUTHORITY REGULAR MEETING DATES FOR THE 2019 CALENDAR YEAR TO REFLECT THE CANCELATION OF THE JANUARY 22, 2019 MEETING AND SETTING JANUARY 15, 2019 AS COUNCIL AND AUTHORITIES REGULAR MEETING

BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS, on September 11, 2018, the City Council set the Council and Authorities regular meeting dates for the 2018 calendar year;

WHEREAS, it was necessary to cancel the January 22, 2019 Council and Authorities regular meeting;

WHEREAS, pursuant to Charter Sec. 707, the City Council shall hold regular meetings at least twice each month, and that all regular meetings be set by ordinance or resolution; and,

WHEREAS, to ensure compliance with Charter Sec. 707, it is required that the Council set additional Council and Authorities regular meeting in January 2019, and to add any other regular meetings to the calendar by resolution.

NOW THEREFORE, BE IT FURTHER RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. That the Council revise the Council and Authorities/Stadium regular meeting dates for the 2019 calendar year reflecting the cancelation of the January 22, 2019 meeting and setting January 15, 2019 as Council and Authorities regular meetings.

//

//

2. Effective date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE 27th OF NOVEMBER, 2018, BY THE FOLLOWING VOTE:

AYES: COUNCILORS:

NOES: COUNCILORS:

ABSENT: COUNCILORS:

ABSTAINED: COUNCILORS:

ATTEST: _____
NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference: Revised Council and Authorities/Stadium Authority Meetings Schedule 2019

COUNCIL & AUTHORITIES MEETINGS
STADIUM AUTHORITY MEETINGS
2019



KEY

- City Holiday
- Council Recess
- Council and Authorities Concurrent Meeting
- Stadium Authority Meeting
- Published Calendars of Certain City Officials

Yearly Calendar Template by Vertex42.http//www.vertex42.com/ExcelTemplates/yearly-calendar.html © 2013 Vertex42 LLC. Free to Print.

ORDINANCE NO. 1950

AN ORDINANCE OF THE CITY OF SANTA CLARA, CALIFORNIA, ADDING CHAPTER 2.160 ("CALENDARS OF CERTAIN CITY OFFICIALS") TO TITLE 2 ("ADMINISTRATION AND PERSONNEL") OF "THE CODE OF THE CITY OF SANTA CLARA, CALIFORNIA"

BE IT ORDAINED BY THE CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS, Government's duty is to serve the public, reaching its decisions in full view of the public;

WHEREAS, the public benefits from being informed about meetings conducted by elected officials and executive management of the City; and,

WHEREAS, making the calendars of those City officials open to the public fosters greater transparency.

NOW THEREFORE, BE IT FURTHER ORDAINED BY THE CITY OF SANTA CLARA AS FOLLOWS:

SECTION 1: That Chapter 2.160 ("Calendars of Certain City Officials") of Title 2 ("Administration and Personnel") of "The Code of the City of Santa Clara, California" ("SCCC") is added to read as follows:

"Chapter 2.160

CALENDARS OF CERTAIN CITY OFFICIALS

(a) The Mayor, Members of the City Council, Chief of Police, City Clerk, City Manager, City Attorney, Assistant City Manager(s), Deputy City Manager(s), City Department Heads and any additional persons in management positions that are considered part of the city's executive management team shall maintain a monthly city calendar.

(b) The calendar shall include all scheduled non-internal city-related appointments, meetings, including regular and special City Council meetings, public events or speaking arrangements, meetings with citizens, developers, union representatives, consultants, lobbyists, regional meetings and meetings of subcommittees or task forces (collectively, "constituents"). The Mayor and Members of the City Council shall also include all non-scheduled city-related meetings or discussions with constituents.

(c) Each non-internal city-related appointment must include the following information: name(s), title(s), and affiliated organization(s) and a general statement of the issues discussed. The following information shall be exempted:

(1) Personal appointments, including personal business appointments;

(2) Information protected by the attorney-client privilege;

(3) Information about attorney work product;

(4) Information about city staff recruitment;

(5) Information about a personnel issue;

(6) Site specific information regarding corporate recruiting and retention;

(7) Information about criminal investigations and security;

(8) Information about whistle blowers;

(9) Information about those who may fear retaliation;

(10) Information about those seeking guidance regarding the City's campaign and election processes; and,

(11) Information that is otherwise prohibited from disclosure.

(d) The calendars of the officials in subsection (a) shall be a public record subject to inspection during normal business hours. The Mayor, City Council Members, City Manager, City

Clerk, Chief of Police and City Attorney shall publish their calendars to the City's website on the tenth business day of each month and shall reflect the schedules of the previous month.

(e) A record of compliance with this Chapter by the City officials included in Section 2.160(a) shall be maintained, provided that violations of this Chapter shall not be a basis for any criminal prosecution or disciplinary action."

SECTION 2: Savings clause. The changes provided for in this ordinance shall not affect any offense or act committed or done or any penalty or forfeiture incurred or any right established or accruing before the effective date of this ordinance; nor shall it affect any prosecution, suit or proceeding pending or any judgment rendered prior to the effective date of this ordinance. All fee schedules shall remain in force until superseded by the fee schedules adopted by the City Council.

SECTION 3: Constitutionality, severability. If any section, subsection, sentence, clause, phrase, or word of this ordinance is for any reason held by a court of competent jurisdiction to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of the ordinance. The City Council hereby declares that it would have passed this ordinance and each section, subsection, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more section(s), subsection(s), sentence(s), clause(s), phrase(s), or word(s) be declared invalid.

SECTION 4: Effective date. This ordinance shall take effect thirty (30) days after its final adoption; however, prior to its final adoption it shall be published in accordance with the requirements of Section 808 and 812 of "The Charter of the City of Santa Clara, California."

PASSED FOR THE PURPOSE OF PUBLICATION this 15th day of December 2015, by the following vote:

AYES:	COUNCILORS:	Caserta, Davis, Gillmor, Kolstad, Marsalli and O'Neill and Mayor Matthews
NOES:	COUNCILORS:	None
ABSENT:	COUNCILORS:	None
ABSTAINED:	COUNCILORS:	None

ATTEST: _____
ROD DIRIDON, JR.
CITY CLERK
CITY OF SANTA CLARA

FINALLY PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF SANTA CLARA this 12th day of January 2016, by the following vote:

AYES:	COUNCILORS:	Caserta, Davis, Gillmor, Kolstad, Marsalli and O'Neill and Mayor Matthews
NOES:	COUNCILORS:	None
ABSENT:	COUNCILORS:	None
ABSTAINED:	COUNCILORS:	None

ATTEST: _____
ROD DIRIDON, JR.
CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference: None
I:\ORDINANCES\Calendars of Certain City Officials 12-21-15.doc

18-1315 **Agenda Date: 11/27/2018**

REPORT TO COUNCIL

SUBJECT
Action on Monthly Financial Status and Investment Reports for September 2018

BACKGROUND
In compliance with the Charter of the City of Santa Clara and the adopted Investment Policy, the following reports for September 2018 are submitted for your information. The financial review as of September 30, 2018 provides a year-to-date financial update to the City Council for the current fiscal year. Analysis of the revenues collected and all expenditures through September 30, 2018 measures the level of adherence to the established resource allocation plan and allows the City to monitor and project revenues and expenditures throughout the year.

The Adopted Budget incorporates the estimated revenues and planned expenditures for all funds. The attached Financial Status Report provides the budget to actual revenue and expenditure summaries for the General Fund, Special Revenue Funds and Enterprise Operating Funds, as well as expenditure summary for Capital Improvement Funds and Fund Reserve Balances. Any significant variances are explained in the report.

These reports provide year-to-date revenue and expenditure summaries and summary investment schedules.

DISCUSSION

Monthly Financial Status Report
The attached report summarizes the City's financial performance for the month ended September 30, 2018. Financial analysis for the report is provided for the General Fund, select Special Revenue Funds, Enterprise Operating Funds, and Capital Improvement Funds.

With 25% of the year complete, General Fund revenues are at 23% of budget and General Fund expenditures are at 24% of budget, both trending as expected.

Total revenues for Enterprise Funds (Electric, Water, Sewer, Cemetery, Solid Waste, and Water Recycling) are at 25% which is equal to the same time as the prior year. Total expenses are at 24% which is on target with the budget.

Monthly Investment Report
All securities held by the City of Santa Clara as of September 30, 2018 were in compliance with the City's Investment Policy Statement regarding current market strategy and long-term goals and objectives. All securities held are rated "A" or higher by two nationally recognized rating agencies. There is adequate cash flow and maturity of investments to meet the City's needs for the next six

months.

The City's investment strategy for September 2018 was to invest funds not required to meet current obligations, in securities listed in the prevailing Investment Policy Statement, with maturities not to exceed five years form the date of purchase. This strategy ensures safety of the City's funds, provides liquidity to meet the City's cash needs, and earns a reasonable portfolio return of 1.75%.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which September result in a potential significant impact on the environment.

FISCAL IMPACT

Costs associated with the regular preparation of these reports are included in the General Fund Operating Budget.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Note and file the Monthly Financial Status and Investment Reports for September 2018 as presented.

Reviewed by: Angela Kraetsch, Director of Finance
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Monthly Financial Status Report September 2018
2. Monthly Investment Report September 2018

City of Santa Clara

The Center of What's Possible

MONTHLY FINANCIAL STATUS REPORT

September 2018

City of Santa Clara

Financial Status Report as of September 30, 2018

This report summarizes the City's financial performance for the month ended September 30, 2018. Financial analysis for the report is provided for the General Fund, select Special Revenue Funds, Enterprise Operating Funds, and Capital Improvement Funds. Financial information included in this report is unaudited.

General Fund

The General Fund is the major operating fund for the City and includes multiple programs, services, and activities for the citizens of the City.

For fiscal year 2018-19, the City is projected to maintain a positive operating position. At the end of September, revenues were on track with the budget; and expenditures were within budgetary expectations for this time of year.

As of September 30, 2018, General Fund revenues were at 22.6% of projections which was slightly lower than the estimated revenue for this time of year. Expenditures were at 23.7% which is in line with the budget.

The adopted budget for both operating revenues and expenditures for fiscal year 2018-19 is $239.7 million. The amended budget for both has been revised to $246.2 million due to carryover appropriations from fiscal year 2017-18 and various budget amendments in the current fiscal year.

General Fund Revenues

Sales Tax: Three months of local one percent of sales tax reached $13.9 million, which was 24.7% of annual estimated sales tax revenue, and is in line with budget for the time of year.

Property Tax: The majority of property tax revenue is collected in December and April each year. Compared to the prior year, property tax decreased 7% as a result of the timing of receiving unsecured property tax distribution.

Transient Occupancy Tax (TOT): TOT is calculated as a percentage of City hotel/motel room charges. The City's current TOT rate is 9.5%. Three months of TOT revenue reached $5.5 million, which was 26.3% of annual estimated TOT revenue.

Other Taxes: Includes franchise tax and documentary transfer tax. Documentary transfer tax increased due to more transfers of ownership in real properties and legal entities. Franchise tax also increased due to receipt in the current fiscal year of prior year make-up franchise fees from non-exclusive franchise haulers as a result of the compliance audit.

Licenses & Permits: Includes business licenses, building permits, and other building and planning permits and fees. Overall permit receipts were slightly higher than the same time of previous year.

Fines & Penalties: Includes vehicle, parking, court fines, and miscellaneous penalty fines. These revenues are in line with the budget.

Intergovernmental: Includes motor vehicle fees, state homeowner tax relief, state mandated reimbursement, and redistribution of land sale proceeds and ground leases from the Successor Agency. The decrease of the $1.9 million from prior fiscal year was mainly the redistribution of $2.3 million from the sale of Successor Agency Property (Hilton) in July 2017.

Charges for Services: Includes various plan check and zoning related fees, engineering fees, administrative fees, and community service revenue from various recreational activities. This revenue is in line with budget for the current year.

Contribution in Lieu: In accordance with the City's charter, Silicon Valley Power pays 5% of gross revenues as contribution-in-lieu of taxes. These revenues provide funding for general government services such as public safety, public works, parks and recreation, library, and administration. The 6.6% increase from the comparable previous year is a result of the increase in Electric Utility revenues.

Use of Money & Property: Includes realized investment income and rental income. The interest income is at 21.5% of the annual budget. The rent revenue varies from time to time based on activities.

Miscellaneous Revenues: Includes developer fees, donations, damage recovery, sale of scrap, and one time miscellaneous revenues. These revenues vary from year to year.

Stadium Operation: In order to provide more transparency, the revenues and expenditures related to Stadium operations are presented in one central location in the report instead of in individual departments as presented in the past.

General Fund Revenues

As of September 30, 2018, $55.7 million or 22.6% of the General Fund estimated revenue had been received. Revenues in the General Fund are performing at the expected budgeted levels.

CITY OF SANTA CLARA
GENERAL FUND
REVENUES OVERVIEW AND COMPARISON BY TYPE

Function	FISCAL YEAR 2018-19 Adopted Budget	Amended Budget	Actual Through 9/30/2018	Percentage Received	PY REVENUE COMPARISON Actual Through 9/30/2017	$ Change From Prior Year	Percentage Change
TAXES							
Sales Tax	$ 56,530,000	$ 56,530,000	$ 13,925,606	24.63%	$ 14,293,636	$ (368,030)	-2.57%
Property Tax	60,300,000	60,300,000	241,925	0.40%	260,043	(18,118)	-6.97%
Transient Occupancy Tax	21,000,000	21,000,000	5,512,630	26.25%	5,615,273	(102,643)	-1.83%
Other Taxes	6,287,638	6,287,638	1,413,846	22.49%	1,249,571	164,275	13.15%
Total Taxes	**144,117,638**	**144,117,638**	**21,094,007**	**14.64%**	**21,418,523**	**(324,516)**	**-1.52%**
LICENSES & PERMITS							
Business Licenses	3,065,000	3,065,000	236,741	7.72%	230,407	6,334	2.75%
Building Permits	4,500,000	4,500,000	1,081,403	24.03%	1,035,348	46,055	4.45%
Electric Permits	600,000	600,000	104,328	17.39%	82,295	22,033	26.77%
Plumbing Permits	500,000	500,000	76,499	15.30%	52,830	23,669	44.80%
Mechanical Permits	450,000	450,000	70,830	15.74%	48,581	22,249	45.80%
Miscellaneous Permits	63,000	63,000	12,187	19.34%	73,390	(61,203)	-83.39%
Total Licenses & Permits	**9,178,000**	**9,178,000**	**1,581,988**	**17.24%**	**1,522,851**	**59,137**	**3.88%**
FINES & PENALTIES	**1,580,500**	**1,580,500**	**466,940**	**29.54%**	**414,010**	**52,930**	**12.78%**
INTERGOVERNMENTAL	**702,000**	**702,000**	**1,079,329**	**153.75%**	**2,953,563**	**(1,874,234)**	**-63.46%**
CHARGES FOR SERVICES	**34,447,858**	**34,447,858**	**10,399,701**	**30.19%**	**8,890,045**	**1,509,656**	**16.98%**
CONTRIBUTION IN LIEU	**23,094,590**	**23,094,590**	**5,773,647**	**25.00%**	**5,415,476**	**358,171**	**6.61%**
USE OF MONEY & PROPERTY							
Interest	4,000,000	4,000,000	858,638	21.47%	825,242	33,396	4.05%
Rent	7,831,522	7,845,587	2,029,714	25.87%	2,328,825	(299,111)	-12.84%
Total Use of Money & Property	**11,831,522**	**11,845,587**	**2,888,352**	**24.38%**	**3,154,067**	**(265,715)**	**-8.42%**
MISCELLANEOUS REVENUES	**757,308**	**757,308**	**140,777**	**18.59%**	**110,891**	**29,886**	**26.95%**
OTHER FINANCING SOURCES							
Operating Transfer in - Strom Drain	1,447,000	1,447,000	1,447,000	100.00%	1,276,661	170,339	13.34%
Operating Transfer In - Reserves	3,029,538	3,629,538	3,629,538	100.00%	2,948,460	681,078	23.10%
Operating Transfer In - Fund Balances		5,835,921	5,835,921	100.00%	5,033,801	802,120	15.93%
Operating Transfer In - Miscellaneous	54,250	54,250	54,250	100.00%	110,000	(55,750)	-50.68%
Total Other Financing Sources	**4,530,788**	**10,966,709**	**10,966,709**	**100.00%**	**9,368,922**	**1,597,787**	**17.05%**
STADIUM OPERATION							
Charges for Services	6,242,072	6,242,072	911,943	14.61%	-	911,943	N/A
Rent and Licensing	3,231,500	3,231,500	386,794	11.97%	-	386,794	N/A
Total Stadium Operation	**9,473,572**	**9,473,572**	**1,298,737**	**13.71%**	**-**	**1,298,737**	**N/A**
TOTAL GENERAL FUND	**$ 239,713,776**	**$ 246,163,762**	**$ 55,690,187**	**22.62%**	**$ 53,248,348**	**$ 2,441,839**	**4.59%**

General Fund Expenditures

As of September 30, 2018, $58.3 million or 23.7% of the General Fund operating budget had been expended. Functional areas in the General Fund are performing at the expected budgeted levels.

CITY OF SANTA CLARA
GENERAL FUND
EXPENDITURES OVERVIEW AND COMPARISON BY FUNCTION

	FISCAL YEAR 2018-19				PY EXPENDITURES COMPARISON		
Function	Adopted Budget	Amended Budget	Actual Through 9/30/2018	Percentage Used	Actual Through 9/30/2017	$ Change From Prior Year	Percentage Change
GENERAL GOVERNMENT							
General Administration	$ 7,810,527	$ 7,810,527	$ 352,890	4.52%	$ 567,711	$ (214,821)	-37.84%
City Council	833,851	833,851	173,079	20.76%	173,357	(278)	-0.16%
City Clerk	1,872,604	2,319,709	525,570	22.66%	338,587	186,983	55.22%
City Manager[1]	5,747,949	7,067,736	1,423,572	20.14%	999,663	423,909	42.41%
City Attorney	2,129,011	2,187,159	422,574	19.32%	399,762	22,812	5.71%
Human Resources	3,640,473	3,640,473	681,331	18.72%	771,696	(90,365)	-11.71%
Finance	11,734,247	11,943,165	2,866,634	24.00%	2,708,358	158,276	5.84%
Information Technology	11,165,807	13,127,860	1,925,227	14.67%	985,007	940,220	95.45%
Total General Government	**44,934,469**	**48,930,480**	**8,370,877**	**17.11%**	**6,944,141**	**1,426,736**	**20.55%**
PUBLIC WORKS	**25,446,506**	**25,709,627**	**6,224,917**	**24.21%**	**5,745,671**	**479,246**	**8.34%**
COMMUNITY DEVELOPMENT	**14,188,110**	**15,648,958**	**2,900,517**	**18.53%**	**2,936,201**	**(35,684)**	**-1.22%**
PARKS AND RECREATION	**19,447,561**	**19,839,950**	**4,753,628**	**23.96%**	**4,283,052**	**470,576**	**10.99%**
PUBLIC SAFETY							
Fire	46,683,831	46,769,013	11,929,691	25.51%	11,584,788	344,903	2.98%
Police	68,446,889	68,645,793	16,224,551	23.64%	16,413,188	(188,637)	-1.15%
Total Public Safety	**115,130,720**	**115,414,806**	**28,154,242**	**24.39%**	**27,997,976**	**156,266**	**0.56%**
LIBRARY	**10,426,621**	**10,466,088**	**2,622,551**	**25.06%**	**2,431,425**	**191,126**	**7.86%**
OTHER FINANCING USES							
Operating Transfer Out - Special Revenue Funds	885,578	885,578	885,578	100.00%	853,540	32,038	3.75%
Operating Transfer Out - Rental income		14,065	14,065	100.00%	-	14,065	N/A
Operating Transfer Out - Debt Services	2,501,494	2,501,494	2,501,494	100.00%	2,504,721	(3,227)	-0.13%
Operating Transfer Out - Special Liability	-	-	-	N/A	1,900,000	(1,900,000)	-100.00%
Operating Transfer Out - Cemetery	618,081	618,081	618,081	100.00%	-	618,081	N/A
Operating Transfer Out- SCGTC	548,829	548,829	-	0.00%	-	-	N/A
Total Other Financing Uses	**4,553,982**	**4,568,047**	**4,019,218**	**87.99%**	**5,258,261**	**(1,239,043)**	**-23.56%**
STADIUM OPERATION	**5,585,806**	**5,585,806**	**1,254,875**	**22.47%**	**-**	**1,254,875**	**N/A**
TOTAL GENERAL FUND	**$ 239,713,775**	**$ 246,163,762**	**$ 58,300,825**	**23.68%**	**$ 55,596,727**	**$ 2,704,098**	**4.86%**

(1) The increase in the year-over-year expenditures in the City Manager's department is due to a 60% vacancy rate in key positions in the prior fiscal year.

Special Revenue Funds

The table below is the summary of revenues and expenditures of select Special Revenue Funds as of September 30, 2018.

CITY OF SANTA CLARA
SPECIAL REVENUE FUNDS
REVENUE AND EXPENDITURE - OVERVIEW AND COMPARISON BY FUND

	REVENUES - FISCAL YEAR 2018-19				PRIOR YEAR REVENUE COMPARISON		
Fund Description	Adopted Budget	Amended Budget	Actual Through 9/30/2018	Percentage received	Actual Through 9/30/2017	$ Change From Prior Year	Percent Change
Housing Authority Fund	$ 260,000	$ 281,998	$ 27,175	9.64%	$ 20,317	$ 6,858	33.75%
City Affordable Housing Fund	696,703	1,089,854	27,967	2.57%	961,655	(933,688)	-97.09%
Housing Successor Fund	581,000	806,000	857,825	106.43%	715,748	142,077	19.85%
Housing and Urban Development	2,671,456	3,824,498	469,362	12.27%	246,114	223,248	90.71%
TOTAL	**$ 4,209,159**	**$ 6,002,350**	**$ 1,382,329**	**23.03%**	**$ 1,943,834**	**$ (561,505)**	**-28.89%**

	EXPENDITURES - FISCAL YEAR 2018-19				PRIOR YEAR EXPENDITURE COMPARISON		
Fund Description	Adopted Budget	Amended Budget	Actual through 9/30/2018	Percentage Used	Actual through 9/30/2017	$ Change From Prior Year	Percent Change
Housing Authority Fund	$ 288,989	$ 310,987	$ 5,747	1.85%	$ 10,590	$ (4,843)	-45.73%
City Affordable Housing Fund	1,638,098	2,031,249	69,596	3.43%	71,627	(2,031)	-2.84%
Housing Successor Fund	688,327	913,327	126,132	13.81%	148,399	(22,267)	-15.00%
Housing and Urban Development	3,261,281	4,414,323	332,560	7.53%	143,049	189,511	132.48%
TOTAL	**$ 5,876,695**	**$ 7,669,886**	**$ 534,035**	**6.96%**	**$ 373,665**	**$ 160,370**	**42.92%**

Governmental Capital Improvement Funds

The re-appropriation of prior year budget amounts "carryforwards" is necessary when services or projects are started but not completed at the end of fiscal year. This is especially true for the Capital Improvement Program (CIP) that typically spans several years.

The table below lists the total amended budget amount which consists of current year appropriations and prior year carryforwards in Governmental Capital Improvement Funds. The Street Beautification, Gas Tax, and Traffic Mitigation CIP funds have been combined with the Streets & Highways CIP fund beginning in fiscal year 2018-19.

CITY OF SANTA CLARA
GOVERNMENTAL CAPITAL IMPROVEMENT FUNDS
SUMMARY OF EXPENDITURES

	EXPENDITURES - FISCAL YEAR 2018-19				
Fund Description	Current Year Appropriation	Prior Year [1] Carryforward	Total Amended Budget	Actual Through 9/30/2018	Percentage Used
Parks & Recreation	$ 1,751,400	$ 18,341,518	$ 20,092,918	$ 2,074,632	10.33%
Streets & Highways	10,052,654	17,793,106	27,845,760	2,964,833	10.65%
Storm Drain	1,995,000	1,190,292	3,185,292	73,167	2.30%
Fire	673,000	450,666	1,123,666	120,229	10.70%
Library	220,000	-	220,000	1,767,643 [2]	803.47%
Public Buildings	3,672,105	1,702,432	5,374,537	499,922	9.30%
General Gov't - Other	11,692,525	6,938,341	18,630,866	8,608,692	46.21%
TOTAL	**$ 30,056,684**	**$ 46,416,355**	**$ 76,473,039**	**$ 16,109,118**	**21.07%**

(1) Prior year carryforward agrees to adopted fiscal year 2018-19 budget.

(2) Additional carryforward actions will be included as part of the fiscal year 2017-18 Budget Year-End Report in December 2018.

Enterprise Funds

The tables below are a summary of revenues and expenses of Enterprise Operating Funds and summary of expenses of Enterprise Capital Improvement Funds as of September 30, 2018.

CITY OF SANTA CLARA
ENTERPRISE OPERATING FUNDS
REVENUES AND EXPENSES - OVERVIEW AND COMPARISON BY FUND

	REVENUES - FISCAL YEAR 2018-19				PRIOR YEAR REVENUE COMPARISON		
Fund Description	Adopted Budget	Amended Budget	Actual Through 9/30/2018	Percentage received	Actual Through 9/30/2017	$ Change From Prior Year	Percent Change
Electric Utility Fund	$ 450,091,800	$ 450,951,908	$ 111,754,552	24.78%	$ 114,302,978	$ (2,548,426)	-2.23%
Water Utility Fund	50,333,600	52,786,856	14,293,809	27.08%	13,487,595	806,214	5.98%
Sewer Utility Fund	41,742,075	41,799,661	10,312,813	24.67%	9,926,075	386,738	3.90%
Cemetery Fund	600,150	600,685	152,077	25.32%	119,871	32,206	26.87%
Solid Waste Utility Fund	24,726,835	25,344,682	6,345,676	25.04%	5,720,842	624,834	10.92%
Water Recycling Fund	7,080,000	7,940,000	2,397,923	30.20%	1,701,675	696,248	40.92%
TOTAL REVENUE	**$ 574,574,460**	**$ 579,423,792**	**$ 145,256,850**	**25.07%**	**$ 145,259,036**	**$ (2,186)**	**0.00%**

	EXPENSES - FISCAL YEAR 2018-19				PRIOR YEAR EXPENSE COMPARISON		
Fund Description	Adopted Budget	Amended Budget	Actual through 9/30/2018	Percentage Used	Actual through 9/30/2017	$ Change From Prior Year	Percent Change
Electric Utility Fund	$ 421,626,016	$ 422,486,124	$ 99,445,721	23.54%	$ 110,934,208	$ (11,488,487)	-10.36%
Water Utility Fund	44,431,411	46,884,667	12,612,546	26.90%	6,358,900	6,253,646	98.34%
Sewer Utility Fund	26,014,588	26,072,174	6,303,289	24.18%	6,148,089	155,200	2.52%
Cemetery Fund	1,245,504	1,246,039	312,671	25.09%	247,459	65,212	26.35%
Solid Waste Utility Fund	24,346,883	24,964,730	5,281,193	21.15%	5,429,632	(148,439)	-2.73%
Water Recycling Fund	4,934,172	5,794,172	1,202,837	20.76%	987,734	215,103	21.78%
TOTAL - Operating Appropriations	**$ 522,598,574**	**$ 527,447,906**	**$ 125,158,257**	**23.73%**	**$ 130,106,022**	**$ (4,947,765)**	**-3.80%**

CITY OF SANTA CLARA
ENTERPRISE CAPITAL IMPROVEMENT FUNDS
SUMMARY OF EXPENSES

	EXPENSES - FISCAL YEAR 2018-19				
Fund Description	Current Year Appropriation	Prior Year Carryforward	Total Amended Budget	Actual Through 9/30/2018	Percentage Used
Electric Utility Fund	$ 42,476,280	$ 54,759,614	$ 97,235,894	$ 5,043,397	5.19%
Street Lighting [1]	800,000	4,630,000	5,430,000	22,247	0.41%
Water Utility Fund	4,300,000	10,484,739	14,784,739	1,456,849	9.85%
Sewer Utility Fund	22,590,086	20,289,514	42,879,600	2,854,678	6.66%
Cemetery Fund	-	28,085	28,085	-	0.00%
Solid Waste Utility Fund	470,000	1,135,000	1,605,000	110,942	6.91%
Water Recycling Fund	50,000	-	50,000	-	0.00%
TOTAL - CIP Appropriations	**$ 70,686,366**	**$ 91,326,952**	**$ 162,013,318**	**$ 9,488,113**	**5.86%**

(1) Street Lighting fund is part of Electric Capital Improvement Funds.

Fund Reserves

By policy, City Council established the City's General Contingency Reserve, under which reserves for Budget Stabilization and Capital Projects were established.

- Budget Stabilization Reserve is set aside for weathering economic downturns, emergency financial crisis, or disaster situations. The reserve target is equal to the expenditures of the City's General Fund operations for three months (90-day or 25% General Fund Adopted Operating Budget).
- Capital Projects Reserve earmarks funds for the Capital Improvement Program.

Other General Reserves and Enterprise Fund Reserves included in this report are highlighted as follows:

- Building Inspection Reserve is to account for surplus funds from user fees in the Community Development Department's Building Inspection Division, and is restricted to fund Building Division costs.
- Land Sale Reserve is net proceeds from the sale of City owned land, and is available to be appropriated for General Fund expenditures.
- The Electric Utility Reserve assures that rates were set properly and sufficient operating cash is available to ensure debt service coverage.
- The Replacement and Improvement Reserve in the Water and Sewer Utility Funds is for future capital improvement.
- The Water Conservation Reserve is to enhance water conservation activities in response to the drought.

The table below summarizes the reserve balances.

	GENERAL FUND	ELECTRIC	WATER	SEWER
Budget Stabilization Reserve	$ 54,183,192			
Capital Projects Reserve	20,918,836			
Building Inspection Reserve	6,552,108			
Land Sale Reserve	21,229,741			
Rate Stabilization Fund Reserve		$ 25,000,000		
Cost Reduction Fund Reserve		95,708,577		
DVR Power Plant Contracts Reserve		5,078,163		
Replacement & Improvement			$ 303,090	$ 1,507,553
Water Conservation			33,125	
TOTALS	**$ 102,883,877**	**$ 125,786,740**	**$ 336,215**	**$ 1,507,553**

Long-Term Interfund Advances

The funds below have made advances which are not expected to be repaid within the next year.

DETAIL OF LONG TERM INTERFUND ADVANCE BALANCES:

Fund/Department Receiving Advance/Commitment	Fund Making Advance/Commitment	Amount of Advance/Commitment to Date
Cemetery	General Fund	$ 6,275,256
Santa Clara Golf & Tennis Club	General Fund	4,224,133
Parks and Recreation Facilities	General Fund - Land Sale Reserve	10,227,098
TOTALS		**$ 20,726,487**

City of Santa Clara

The Center of What's Possible

MONTHLY INVESTMENT REPORT

September 2018

City of Santa Clara

Monthly Investment Report

TABLE OF CONTENTS

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4	List of Securities Brokers and Primary Dealers	4
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CITY OF SANTA CLARA
SUMMARY OF INVESTMENT PORTFOLIO

All securities held by the City of Santa Clara as of September 30, 2018 were in compliance with the City's Investment Policy Statement regarding current market strategy and long-term goals and objectives. All securities held are rated "A" or higher by two nationally recognized rating agencies. There is adequate cash flow and maturity of investments to meet the City's needs for the next six months.

The following table provides the breakdown of the total portfolio among the City, the Sports and Open Space Authority (SOSA), and the Housing Authority (HA) as of September 30, 2018.

	BOOK VALUE	PERCENTAGE
City	$690,537,817	99.53%
SOSA	240,897	0.03%
HA	3,043,221	0.44%
Unrestricted	$693,821,935	100.00%
Restricted Bond Proceeds	2,084,340	
Total Investments	$695,906,275	

On September 30, 2018 the book value and market value of the City's unrestricted pooled cash portfolio were $693,821,935 and $682,116,169, respectively.

Investment Strategy and Market Update

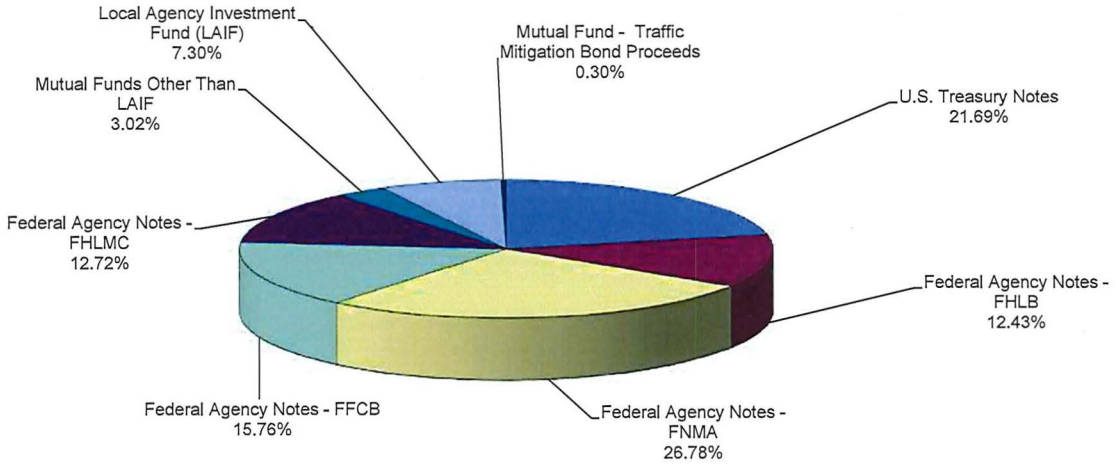
The City's investment strategy for September 2018 was to invest funds not required to meet current obligations, in securities listed in the prevailing Investment Policy Statement, with maturities not to exceed five years from date of purchase. This strategy ensures safety of the City's funds, provides liquidity to meet the City's cash needs, and earns a reasonable portfolio return.

As of September 30, 2018, 67.69% of the City's portfolio consists of securities issued by four different Federal Agencies. In addition, to comply with the 1986 Tax Reform Act's arbitrage regulations, a portion of the City's bond proceeds is invested in yield-restricted investments. These yield-restricted investments are not included in the calculation of the City's portfolio yield. The average maturity of the City's portfolio was 2.05 years and the City's portfolio yield vs. the 12-month moving average yield of two-year Treasury Notes (Benchmark Return) was as follows:

PERIOD	CITY'S PORTFOLIO RETURN	BENCHMARK RETURN	AVERAGE DAYS TO MATURITY
September 2018	1.75%	2.29%	747
August 2018	1.66%	2.18%	730
September 2017	1.31%	1.24%	730

CITY OF SANTA CLARA
SUMMARY OF INVESTMENTS SEPTEMBER 30, 2018

INVESTMENT TYPE		BOOK VALUE	% OF PORTFOLIO	PER INVESTMENT POLICY
U.S. Treasury Notes	$	150,912,217	21.69%	No Limit
Federal Agency Notes - FHLB		86,466,183	12.43%	40%
Federal Agency Notes - FNMA		186,397,091	26.78%	40%
Federal Agency Notes - FFCB		109,672,494	15.76%	40%
Federal Agency Notes - FHLMC		88,515,216	12.72%	40%
Mutual Funds Other Than LAIF		21,025,597	3.02%	10% Per Fund
Local Agency Investment Fund (LAIF)		50,833,137	7.30%	$65 M
Mutual Fund - Traffic Mitigation Bond Proceeds		2,084,340	0.30%	10% Per Fund
TOTAL INVESTMENTS	$	695,906,275	100.00%	

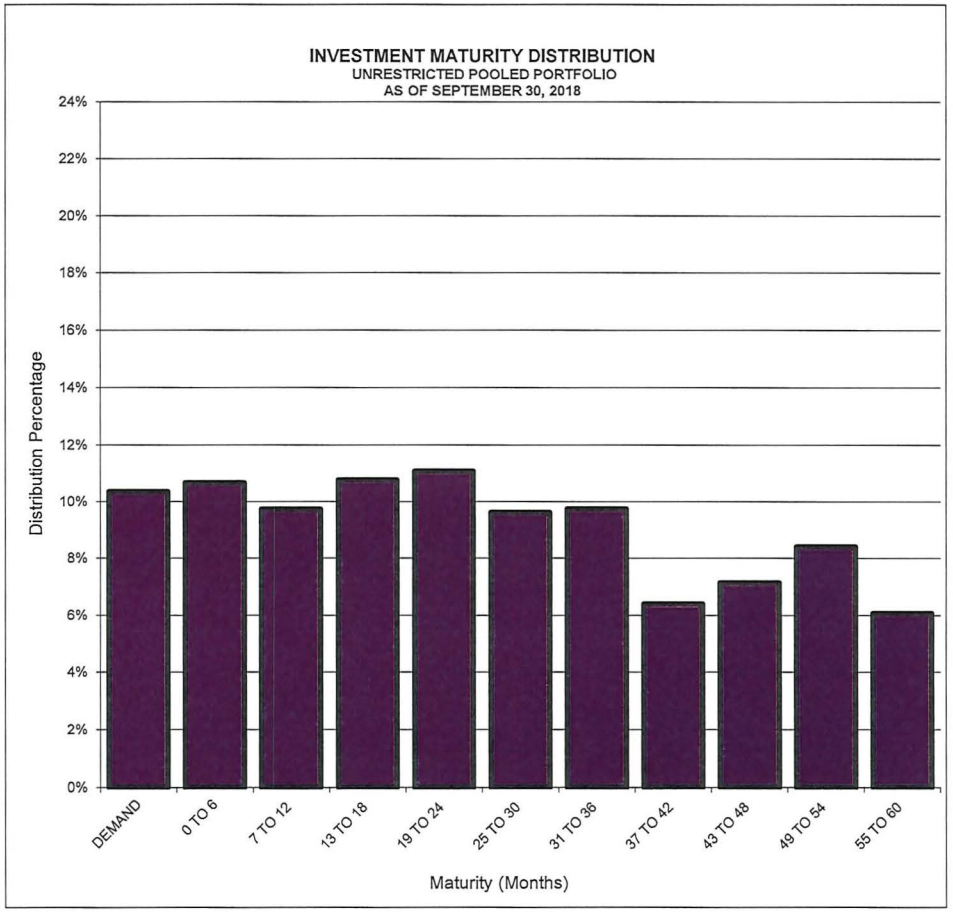


INVESTMENT MATURITY DISTRIBUTION
AS OF SEPTEMBER 30, 2018
UNRESTRICTED POOLED PORTFOLIO

MATURITY (IN MONTHS)	BOOK VALUE	NUMBER OF INVESTMENTS	DISTRIBUTION
DEMAND	$ 71,858,734 (a)	2	10.36%
0 TO 6	74,068,697	9	10.67%
7 TO 12	67,521,401	9	9.73%
13 TO 18	74,746,019	10	10.77%
19 TO 24	76,849,746	11	11.08%
25 TO 30	66,713,871	9	9.62%
31 TO 36	67,652,303	13	9.75%
37 TO 42	44,397,799	8	6.40%
43 TO 48	49,566,203	9	7.14%
49 TO 54	58,352,771	9	8.41%
55 TO 60	42,094,391	7	6.07%
TOTAL	$ 693,821,935	96	100.00%

Average Maturity of Unrestricted Pool: 2.05 Years

(a) $20 million is earmarked for the City's Electric Utility power-trading.



CITY OF SANTA CLARA

List of Securities Brokers and Primary Dealers
in U.S. Government Securities and Mutual Funds

Raymond James

Higgins Capital, Inc.

Wedbush Securities

Cantor Fitzgerald & Company

Mutual Securities, Inc.

UnionBanc Investment Services, LLC.

Ladenburg Thalmann & Co. Inc.

UBS Financial Services

All individuals securities purchased by the City of Santa Clara from Securities Brokers/Primary Dealers are delivered to the City's safekeeping account with Wells Fargo Bank, N.A..

FINANCE DEPARTMENT
CITY OF SANTA CLARA
INVESTMENT INVENTORY WITH MARKET VALUE

ATTACHMENT A

(RPTMKT)

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INVESTMENTS OUTSTANDING AS OF 09/30/18
MAJOR SORT KEY IS ICC#

	INVEST NUMBER	DESCRIPTION PURCHASE MATURITY DATE	CUSIP	BANK BROK	FUND SAFE	CPN RATE YTM TR	PAR/SHARES BOOK	MARKET VALUE MARKET PRICE	CURR ACCR INT PRICE SOURCE	UNREALIZED GAIN UNREALIZED LOSS
A	17295	TREASURY NOTES	912828WS5	25	1	1.6250	5,000,000.00	4,966,405.00	20,533.29	
		01/13/17 06/30/19		32	000	1.3017	5,015,833.80	99.32810000000	IDC	-49,428.80
A	17296	TREASURY NOTES	912828Q37	25	1	1.2500	5,000,000.00	4,807,225.00	31,421.70	
		02/14/17 03/31/21		31	000	1.8037	4,920,332.34	96.14450000000	IDC	-113,107.34
A	17322	TREASURY NOTES	9128284G2	25	1	2.3750	5,000,000.00	4,939,845.00	54,832.65	
		06/19/18 04/15/21		34	000	2.6621	4,982,222.29	98.79690000000	IDC	-21,287.81
A	17321	TREASURY NOTES	912828U65	25	1	1.7500	10,000,000.00	9,653,910.00	58,811.48	3,130.56
		05/22/18 11/30/21		31	000	2.8056	9,650,779.44	96.53910000000	IDC	
A	17306	TREASURY NOTES	912828U81	25	1	2.0000	5,000,000.00	4,860,740.00	25,271.74	
		11/09/17 12/31/21		30	000	1.9150	5,014,199.08	97.21480000000	IDC	-153,459.08
A	17312	TREASURY NOTES	912828V72	25	1	1.8750	5,000,000.00	4,836,525.00	15,794.84	
		02/26/18 01/31/22		31	000	2.5306	4,891,374.13	96.73050000000	IDC	-54,849.13
A	17297	TREASURY NOTES	912828J43	25	1	1.7500	5,000,000.00	4,812,890.00	7,493.09	
		03/03/17 02/28/22		25	000	2.0678	4,947,504.11	96.25780000000	IDC	-134,614.11
A	17309	TREASURY NOTES	912828W89	25	1	1.8750	5,000,000.00	4,828,515.00	47,132.55	
		01/25/18 03/31/22		34	000	2.3684	4,906,567.41	96.57030000000	IDC	-78,052.41
A	17308	TREASURY NOTES	912828X47	25	1	1.8750	5,000,000.00	4,824,415.00	39,232.34	
		01/22/18 04/30/22		30	000	2.3610	4,907,996.41	96.48830000000	IDC	-83,581.41
A	17300	TREASURY NOTES	912828XD7	25	1	1.8750	5,000,000.00	4,819,920.00	31,506.15	
		06/09/17 05/31/22		33	000	1.7728	5,019,460.31	96.39840000000	IDC	-199,540.31
A	17315	TREASURY NOTES	9128282P4	25	1	1.8750	5,000,000.00	4,810,740.00	15,794.84	
		03/27/18 07/31/22		30	000	2.5915	4,865,238.07	96.21480000000	IDC	-54,498.07
A	17303	TREASURY NOTES	912828L24	25	1	1.8750	5,000,000.00	4,805,665.00	8,028.31	
		09/29/17 08/31/22		25	000	1.9133	4,992,700.00	96.11330000000	IDC	-187,035.00
A	17304	TREASURY NOTES	912828L57	25	1	1.7500	5,000,000.00	4,777,930.00	43,990.38	
		10/06/17 09/30/22		34	000	1.9583	4,955,567.91	95.55860000000	IDC	-177,637.91
A	17318	TREASURY NOTES	9128282W9	25	1	1.8750	5,000,000.00	4,801,560.00	47,132.55	
		04/20/18 09/30/22		31	000	2.7400	4,825,240.14	96.03120000000	IDC	-18,557.19
A	17305	TREASURY NOTES	912828M49	25	1	1.8750	5,000,000.00	4,797,460.00	39,232.34	
		10/31/17 10/31/22		31	000	2.0717	4,958,148.79	95.94920000000	IDC	-160,688.79
A	17307	TREASURY NOTES	912828M80	25	1	2.0000	5,000,000.00	4,817,385.00	33,606.56	
		12/18/17 11/30/22		30	000	2.1689	4,964,147.41	96.34770000000	IDC	-146,762.41
A	17320	TREASURY NOTES	912828N30	25	1	2.1250	10,000,000.00	9,675,390.00	53,702.45	
		05/15/18 12/31/22		34	000	2.8356	9,702,261.98	96.75390000000	IDC	-26,871.98
A	17311	TREASURY NOTES	912828P38	25	1	1.7500	5,000,000.00	4,758,400.00	14,741.85	
		02/14/18 01/31/23		32	000	2.5665	4,828,466.47	95.16800000000	IDC	-70,066.47
A	17314	TREASURY NOTES	912828P79	25	1	1.5000	10,000,000.00	9,405,470.00	12,845.30	
		02/28/18 02/28/23		34	000	2.6828	9,505,722.89	94.05470000000	IDC	-100,252.89
A	17317	TREASURY NOTES	912828Q29	25	1	1.5000	10,000,000.00	9,396,090.00	75,412.09	
		04/11/18 03/31/23		25	000	2.6243	9,483,798.20	93.96090000000	IDC	-83,200.00
A	17319	TREASURY NOTES	912828R28	25	1	1.6250	10,000,000.00	9,437,500.00	68,002.71	
		05/09/18 04/30/23		31	000	2.8244	9,450,849.18	94.37500000000	IDC	-9,375.00
A	17323	TREASURY NOTES	912828R69	25	1	1.6250	10,000,000.00	9,428,520.00	54,610.66	
		07/17/18 05/31/23		32	000	2.7633	9,505,242.49	94.28520000000	IDC	-55,855.00
A	17326	TREASURY NOTES	912828Y61	25	1	2.7500	5,000,000.00	4,955,665.00	23,165.76	
		09/18/18 07/31/23		32	000	2.8995	4,984,519.36	99.11330000000	IDC	-10,545.94
A	17328	TREASURY NOTES	912828Y61	25	1	2.7500	5,000,000.00	4,955,665.00	23,165.76	3,165.00
		09/28/18 07/31/23		33	000	2.9617	4,974,544.84	99.11330000000	IDC	

FINANCE DEPARTMENT
CITY OF SANTA CLARA
INVESTMENT INVENTORY WITH MARKET VALUE

ATTACHMENT A

(RPTMKT)

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INVESTMENTS OUTSTANDING AS OF 09/30/18
MAJOR SORT KEY IS ICC#

	INVEST NUMBER	DESCRIPTION PURCHASE MATURITY DATE	CUSIP	BANK BROK	FUND SAFE	CPN RATE YTM TR	PAR/SHARES BOOK	MARKET VALUE MARKET PRICE	CURR ACCR INT PRICE SOURCE	UNREALIZED GAIN UNREALIZED LOSS
A	17324	TREASURY NOTES	9128282D1	25	1	1.3750	5,000,000.00	4,641,210.00	5,887.43	
		09/13/18 08/31/23		31	000	2.8673	4,659,500.17	92.82420000000	IDC	-15,821.25
	SUBTOTAL (Inv Type) 12 TREASURY NOTES		21.75%(M)			1.8304	155,000,000.00	148,815,040.00	851,348.82	6,295.56
						2.4647	150,912,217.22	96.00970300000		-2,005,088.30
A	17230	FHLB MEDIUM TERM NOTES	313376BR5	25	1	1.7500	10,000,000.00	9,990,340.00	52,013.89	
		10/30/15 12/14/18		31	000	1.0933	10,032,061.35	99.90340000000	IDC	-41,721.35
A	17219	FHLB MEDIUM TERM NOTES	3130A0JR2	25	1	2.3750	7,250,000.00	7,221,014.50	51,656.25	
		10/08/15 12/13/19		25	000	1.3001	7,363,206.97	99.60020000000	IDC	-142,192.47
A	17280	FHLB MEDIUM TERM NOTES	313378J77	25	1	1.8750	5,000,000.00	4,933,595.00	4,687.50	
		11/09/16 03/13/20		31	000	1.1239	5,055,002.79	98.67190000000	IDC	-121,407.79
A	17256	FHLB MEDIUM TERM NOTES	313370US5	25	1	2.8750	5,000,000.00	5,001,490.00	7,986.11	
		07/22/16 09/11/20		31	000	1.1759	5,165,094.91	100.0298000000	IDC	-163,604.91
A	17282	FHLB MEDIUM TERM NOTES	3130A1W95	25	1	2.2500	5,000,000.00	4,906,890.00	34,375.00	
		11/18/16 06/11/21		33	000	1.6966	5,079,528.81	98.13780000000	IDC	-172,638.81
A	17286	FHLB MEDIUM TERM NOTES	3130A8QS5	25	1	1.1250	5,000,000.00	4,767,740.00	12,031.25	
		11/29/16 07/14/21		30	000	1.8143	4,901,235.93	95.35480000000	IDC	-133,495.93
A	17277	FHLB MEDIUM TERM NOTES	313378JP7	25	1	2.3750	5,000,000.00	4,927,065.00	6,927.08	
		11/01/16 09/10/21		31	000	1.4290	5,136,535.51	98.54130000000	IDC	-209,470.51
	SUBTOTAL (Inv Type) 21 FHLB MEDIUM TERM NOTES		6.10%(M)			2.0713	42,250,000.00	41,748,134.50	169,677.08	.00
						1.3373	42,732,666.27	98.81215300000		-984,531.77
A	17257	FHLB COUPON NOTES	3130A8RP0	25	1	1.0500	10,000,000.00	9,992,360.00	45,208.33	
		07/26/16 10/26/18		31	000	1.1007	9,997,520.19	99.92360000000	IDC	-5,160.19
A	17249	FHLB COUPON NOTES	3130A86L2	25	1	1.2000	5,000,000.00	4,976,445.00	5,000.00	
		06/06/16 03/01/19		26	000	1.2000	5,000,000.00	99.52890000000	IDC	-23,555.00
A	17294	FHLB COUPON NOTES	3130AAJZ2	25	1	1.7500	3,750,000.00	3,689,538.75	28,072.92	
		01/27/17 04/27/20		32	000	1.7500	3,750,000.00	98.38770000000	IDC	-60,461.25
A	17253	FHLB COUPON NOTES	3130A8NS8	25	1	1.2400	5,000,000.00	4,862,555.00	13,433.33	
		07/13/16 07/13/20		25	000	1.2824	4,995,877.82	97.25110000000	IDC	-133,322.82
A	17235	FHLB COUPON NOTES	3130A7CT0	25	1	1.5600	10,000,000.00	9,764,660.00	15,166.67	
		02/26/16 08/26/20		26	000	1.5669	9,998,667.07	97.64660000000	IDC	-234,007.07
A	17278	FHLB COUPON NOTES	3130A9MG3	25	1	1.5000	5,000,000.00	4,800,690.00	37,708.33	
		11/01/16 09/30/21		34	000	1.5508	4,991,451.51	96.01380000000	IDC	-190,761.51
A	17299	FHLB COUPON NOTES	3130ABH66	25	1	2.0800	5,000,000.00	4,814,075.00	36,400.00	
		05/25/17 05/25/22		30	000	2.0800	5,000,000.00	96.28150000000	IDC	-185,925.00
	SUBTOTAL (Inv Type) 22 FHLB COUPON NOTES		6.27%(M)			1.4346	43,750,000.00	42,900,323.75	180,989.58	.00
						1.4584	43,733,516.59	98.05788300000		-833,192.84
A	17239	FNMA COUPON NOTE	3136G3AQ8	25	1	1.3200	11,500,000.00	11,409,357.00	10,120.00	
		03/24/16 06/07/19		34	000	1.3874	11,494,385.64	99.21180000000	IDC	-85,028.64

FINANCE DEPARTMENT
CITY OF SANTA CLARA
INVESTMENT INVENTORY WITH MARKET VALUE

ATTACHMENT A

(RPTMKT)

RUN: 10/01/18 11:22:23

INVESTMENTS OUTSTANDING AS OF 09/30/18
MAJOR SORT KEY IS ICC#

	INVEST NUMBER	DESCRIPTION PURCHASE MATURITY DATE	CUSIP	BANK BROK	FUND SAFE	CPN RATE YTM TR	PAR/SHARES BOOK	MARKET VALUE MARKET PRICE	CURR ACCR INT PRICE SOURCE	UNREALIZED GAIN UNREALIZED LOSS
A	17263	FNMA COUPON NOTE	3135G0M91	25	1	1.1250	10,000,000.00	9,881,010.00	20,312.50	
		08/10/16 07/26/19		32	000	1.1546	9,997,101.48	98.81010000000	IDC	-116,091.48
A	17285	FNMA COUPON NOTE	3136G3K38	25	1	1.2600	5,000,000.00	4,943,710.00	10,325.00	
		11/23/16 08/02/19		30	000	1.3937	4,993,466.90	98.87420000000	IDC	-49,756.90
A	17252	FNMA COUPON NOTE	3136G3WV3	25	1	1.1000	10,000,000.00	9,848,230.00	55,305.56	
		06/30/16 09/30/19		32	000	1.1000	10,000,000.00	98.48230000000	IDC	-151,770.00
A	17260	FNMA COUPON NOTE	3135G0J95	25	1	1.3500	5,000,000.00	4,924,375.00	28,687.50	
		07/26/16 10/28/19		33	000	1.3508	4,999,930.99	98.48750000000	IDC	-75,555.99
A	17246	FNMA COUPON NOTE	3136G3QV0	25	1	1.5000	10,000,000.00	9,830,840.00	52,500.00	
		05/25/16 02/25/20		33	000	1.5000	10,000,000.00	98.30840000000	IDC	-169,160.00
A	17275	FNMA COUPON NOTE	3135G0Q63	25	1	1.3000	5,000,000.00	4,894,500.00	32,680.56	
		10/24/16 03/30/20		31	000	1.3095	4,999,067.84	97.89000000000	IDC	-104,567.84
A	17273	FNMA COUPON NOTE	3136G4DC4	25	1	1.3000	5,000,000.00	4,875,350.00	16,430.56	
		10/13/16 06/30/20		32	000	1.3139	4,998,654.13	97.50700000000	IDC	-123,304.13
A	17258	FNMA COUPON NOTE	3136G3S89	25	1	1.4200	4,025,000.00	3,928,335.60	10,160.89	
		07/27/16 07/27/20		26	000	1.4200	4,025,000.00	97.59840000000	IDC	-96,664.40
A	17259	FNMA COUPON NOTE	3136G3T39	25	1	1.3500	5,000,000.00	4,863,105.00	11,812.50	
		07/28/16 07/28/20		25	000	1.3500	5,000,000.00	97.26210000000	IDC	-136,895.00
A	17251	FNMA COUPON NOTE	3136G3WY7	25	1	1.2700	10,000,000.00	9,704,780.00	63,852.78	
		06/30/16 09/30/20		26	000	1.2700	10,000,000.00	97.04780000000	IDC	-295,220.00
A	17270	FNMA COUPON NOTE	3136G4BD4	25	1	1.3500	5,540,000.00	5,339,402.14	37,810.50	
		09/29/16 03/29/21		33	000	1.3500	5,540,000.00	96.37910000000	IDC	-200,597.86
A	17266	FNMA COUPON NOTE	3136G33W3	25	1	1.5000	5,800,000.00	5,576,740.60	29,725.00	
		08/30/16 05/28/21		26	000	1.5000	5,800,000.00	96.15070000000	IDC	-223,259.40
A	17267	FNMA COUPON NOTE	3136G33W3	25	1	1.5000	4,200,000.00	4,038,329.40	21,525.00	
		08/30/16 05/28/21		26	000	1.5000	4,200,000.00	96.15070000000	IDC	-161,670.60
A	17262	FNMA COUPON NOTE	3136G3T21	25	1	1.6000	5,000,000.00	4,817,635.00	14,222.22	
		07/27/16 07/27/21		34	000	1.6000	5,000,000.00	96.35270000000	IDC	-182,365.00
A	17276	FNMA COUPON NOTE	3136G4CY7	25	1	1.5000	3,400,000.00	3,248,914.20	25,641.67	
		11/01/16 09/30/21		26	000	1.5423	3,395,152.06	95.55630000000	IDC	-146,237.86
A	17272	FNMA COUPON NOTE	3136G4EV1	25	1	1.6250	5,000,000.00	4,759,650.00	34,531.25	
		10/28/16 10/28/21		32	000	1.6250	5,000,000.00	95.19300000000	IDC	-240,350.00
	SUBTOTAL (Inv Type) 23 FNMA COUPON NOTE		15.62%(M)			1.3461	109,465,000.00	106,884,263.94	475,643.49	.00
						1.3644	109,442,759.04	97.64241000000		-2,558,495.10
A	17208	FNMA MEDIUM TERM NOTE	3135G0ZA4	25	1	1.8750	10,000,000.00	9,981,090.00	21,875.00	
		07/22/15 02/19/19		25	000	1.3503	10,025,533.26	99.81090000000	IDC	-44,443.26
A	17215	FNMA MEDIUM TERM NOTE	3136G0T68	25	1	1.3300	10,000,000.00	9,855,120.00	58,002.78	
		09/23/15 10/24/19		25	000	1.3842	9,992,117.63	98.55120000000	IDC	-136,997.63
A	17225	FNMA MEDIUM TERM NOTE	3135G0A78	25	1	1.6250	10,000,000.00	9,857,690.00	31,597.22	
		10/21/15 01/21/20		34	000	1.3745	10,036,345.14	98.57690000000	IDC	-178,655.14
A	17226	FNMA MEDIUM TERM NOTE	3135G0D75	25	1	1.5000	10,000,000.00	9,786,480.00	41,249.99	
		10/23/15 06/22/20		26	000	1.4280	10,013,837.44	97.86480000000	IDC	-227,357.44
A	17238	FNMA MEDIUM TERM NOTE	3135G0F73	25	1	1.5000	10,000,000.00	9,718,990.00	50,416.67	
		03/17/16 11/30/20		32	000	1.6011	9,975,701.11	97.18990000000	IDC	-256,711.11

FINANCE DEPARTMENT
CITY OF SANTA CLARA
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INVESTMENTS OUTSTANDING AS OF 09/30/18
MAJOR SORT KEY IS ICC#

	INVEST NUMBER	DESCRIPTION PURCHASE MATURITY DATE	CUSIP	BANK BROK	FUND SAFE	CPN RATE YTM TR	PAR/SHARES BOOK	MARKET VALUE MARKET PRICE	CURR ACCR INT PRICE SOURCE	UNREALIZED GAIN UNREALIZED LOSS
A	17279	FNMA MEDIUM TERM NOTE	3135G0H55	25	1	1.8750	5,000,000.00	4,893,575.00	24,218.75	
		11/16/16 12/28/20		25	000	1.5842	5,035,049.97	97.87150000000	IDC	-141,474.97
A	17248	FNMA MEDIUM TERM NOTE	3136G02F7	25	1	1.6000	2,000,000.00	1,932,918.00	12,800.00	
		06/03/16 05/07/21		26	000	1.4741	2,007,255.36	96.64590000000	IDC	-74,337.36
A	17268	FNMA MEDIUM TERM NOTE	3135G0N82	25	1	1.2500	10,000,000.00	9,552,350.00	15,277.77	
		08/25/16 08/17/21		31	000	1.2981	9,986,086.63	95.52350000000	IDC	-433,736.63
A	17271	FNMA MEDIUM TERM NOTE	3135G0Q89	25	1	1.3750	5,000,000.00	4,776,755.00	33,229.17	
		10/11/16 10/07/21		31	000	1.4501	4,987,374.31	95.53510000000	IDC	-210,619.31
A	17310	FNMA MEDIUM TERM NOTE	3135G0T78	25	1	2.0000	5,000,000.00	4,809,720.00	48,888.89	
		01/29/18 10/05/22		26	000	2.4969	4,895,030.56	96.19440000000	IDC	-85,310.56
	SUBTOTAL (Inv Type) 24 FNMA MEDIUM TERM NOTE		10.99%(M)			1.5615	77,000,000.00	75,164,688.00	337,556.24	.00
						1.4916	76,954,331.41	97.61647800000		-1,789,643.41
A	17224	FFCB MEDIUM TERM NOTES	3133EFHU4	25	1	.8750	10,000,000.00	9,996,900.00	41,805.56	922.10
		10/19/15 10/09/18		32	000	.9571	9,995,977.90	99.96900000000	IDC	
A	17234	FFCB MEDIUM TERM NOTES	3133EFYZ4	25	1	1.3750	10,000,000.00	9,661,730.00	19,479.17	
		02/18/16 02/10/21		26	000	1.4900	9,972,363.94	96.61730000000	IDC	-310,633.94
A	17316	FFCB MEDIUM TERM NOTES	3133EJGU7	25	1	2.7100	5,000,000.00	4,943,325.00	39,520.83	
		03/29/18 12/16/22		34	000	2.6380	5,015,195.13	98.86650000000	IDC	-71,870.13
A	17327	FFCB MEDIUM TERM NOTES	3133EJWV7	25	1	2.9000	5,000,000.00	4,968,310.00	18,930.55	
		09/18/18 08/14/23		31	000	3.0010	4,990,744.44	99.36620000000	IDC	-8,740.00
	SUBTOTAL (Inv Type) 26 FFCB MEDIUM TERM NOTES		4.32%(M)			1.6850	30,000,000.00	29,570,265.00	119,736.11	922.10
						1.7554	29,974,281.41	98.56755000000		-391,244.07
A	17261	FFCB COUPON NOTES	3133EGJY2	25	1	1.1400	7,309,000.00	7,201,199.56	40,272.59	
		07/26/16 10/07/19		31	000	1.1999	7,302,599.06	98.52510000000	IDC	-101,399.50
A	17264	FFCB COUPON NOTES	3133EGBK0	25	1	1.3000	10,000,000.00	9,841,230.00	45,500.00	
		08/11/16 11/25/19		34	000	1.3014	9,999,771.86	98.41230000000	IDC	-158,541.86
A	17221	FFCB COUPON NOTES	3130A6JG3	25	1	1.7000	8,950,000.00	8,803,157.35	70,580.69	
		10/14/15 04/14/20		32	000	1.6849	8,952,583.20	98.35930000000	IDC	-149,425.85
A	17255	FFCB COUPON NOTES	3133EGLG8	25	1	1.3700	10,000,000.00	9,710,200.00	63,933.33	
		07/15/16 10/13/20		33	000	1.4079	9,990,875.89	97.10200000000	IDC	-280,675.89
A	17254	FFCB COUPON NOTES	3133EGLH6	25	1	1.4200	10,000,000.00	9,684,060.00	31,161.11	
		07/12/16 01/12/21		32	000	1.4384	9,995,555.02	96.84060000000	IDC	-311,495.02
A	17245	FFCB COUPON NOTES	3133EGAZ8	25	1	1.5800	6,290,000.00	6,104,696.60	12,146.69	
		05/19/16 02/17/21		34	000	1.6200	6,283,992.48	97.05400000000	IDC	-179,295.88
A	17250	FFCB COUPON NOTES	3133EFX36	25	1	1.6800	7,175,000.00	6,967,355.50	58,930.67	
		06/23/16 04/05/21		31	000	1.6198	7,187,367.33	97.10600000000	IDC	-220,011.83
A	17283	FFCB COUPON NOTES	3133EGEV3	25	1	1.6200	5,000,000.00	4,834,460.00	24,075.00	
		11/18/16 06/14/21		31	000	1.7211	4,985,467.80	96.68920000000	IDC	-151,007.80
A	17298	FFCB COUPON NOTES	3133EHDP5	25	1	2.2700	5,000,000.00	4,850,855.00	2,522.22	
		03/23/17 03/23/22		32	000	2.2700	5,000,000.00	97.01710000000	IDC	-149,145.00
A	17301	FFCB COUPON NOTES	3133EHNV1	25	1	2.0500	10,000,000.00	9,600,860.00	57,513.89	
		06/20/17 06/20/22		26	000	2.0500	10,000,000.00	96.00860000000	IDC	-399,140.00

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	SUBTOTAL (Inv Type) 27 FFCB COUPON NOTES	11.34%(M)				1.5854	79,724,000.00	77,598,074.01	406,636.19	.00
						1.6005	79,698,212.64	97.33339300000		-2,100,138.63
A	17290	FHLMC MEDIUM TERM NOTES	3137EACA5	25	1	3.7500	5,000,000.00	5,032,625.00	2,083.33	
		12/20/16 03/27/19		34	000	1.4151	5,056,535.67	100.6525000000	IDC	-23,910.67
A	17284	FHLMC MEDIUM TERM NOTES	3137EADZ9	25	1	1.1250	5,000,000.00	4,964,650.00	25,937.50	
		11/22/16 04/15/19		34	000	1.2521	4,993,763.27	99.29300000000	IDC	-29,113.27
A	17209	FHLMC MEDIUM TERM NOTES	3137EADG1	25	1	1.7500	10,000,000.00	9,950,050.00	58,819.44	
		08/05/15 05/30/19		30	000	1.3840	10,035,416.86	99.50050000000	IDC	-85,366.86
A	17213	FHLMC MEDIUM TERM NOTES	3137EADK2	25	1	1.2500	6,000,000.00	5,934,444.00	12,500.00	
		09/04/15 08/01/19		25	000	1.3752	5,992,730.20	98.90740000000	IDC	-58,286.20
A	17233	FHLMC MEDIUM TERM NOTES	3137EADR7	25	1	1.3750	10,000,000.00	9,782,200.00	57,291.67	
		12/07/15 05/01/20		32	000	1.6350	9,950,031.11	97.82200000000	IDC	-167,831.11
	SUBTOTAL (Inv Type) 28 FHLMC MEDIUM TERM NOTES	5.21%(M)				1.7573	36,000,000.00	35,663,969.00	156,631.94	.00
						1.4379	36,028,477.11	99.06658100000		-364,508.11
A	17287	FHLMC COUPON NOTES	3134GAYE8	25	1	1.1250	10,000,000.00	9,982,540.00	38,437.50	
		12/08/16 11/28/18		31	000	1.1826	9,997,153.33	99.82540000000	IDC	-14,613.33
A	17281	FHLMC COUPON NOTES	3134G92B2	25	1	.9500	10,000,000.00	9,954,140.00	16,097.22	
		11/17/16 01/30/19		34	000	1.1342	9,990,895.52	99.54140000000	IDC	-36,755.52
A	17289	FHLMC COUPON NOTES	3134GAA79	25	1	1.2500	3,975,000.00	3,954,969.98	14,768.23	
		12/15/16 03/14/19		26	000	1.3182	3,973,019.78	99.49610000000	IDC	-18,049.80
A	17274	FHLMC COUPON NOTES	3134GASB1	25	1	1.1000	5,000,000.00	4,960,730.00	23,680.56	
		10/26/16 04/26/19		30	000	1.1264	4,998,702.85	99.21460000000	IDC	-37,972.85
A	17288	FHLMC COUPON NOTES	3134GAA61	25	1	1.5500	5,000,000.00	4,928,075.00	21,097.22	
		12/23/16 12/23/19		32	000	1.5778	4,997,976.85	98.56150000000	IDC	-69,901.85
A	17269	FHLMC COUPON NOTES	3134GANV2	25	1	1.5000	5,000,000.00	4,849,960.00	18,958.33	
		09/30/16 12/30/20		32	000	1.5000	5,000,000.00	96.99920000000	IDC	-150,040.00
A	17302	FHLMC COUPON NOTES	3134GBZS4	25	1	2.1500	5,000,000.00	4,820,985.00	45,986.11	
		07/27/17 04/27/22		33	000	2.1500	5,000,000.00	96.41970000000	IDC	-179,015.00
A	17313	FHLMC COUPON NOTES	3134GSFR1	25	1	3.0000	5,000,000.00	4,943,125.00	15,416.67	
		02/28/18 02/24/23		33	000	3.0000	5,000,000.00	98.86250000000	IDC	-56,875.00
A	17325	FHLMC COUPON NOTES	3134GSVB8	25	1	3.2500	3,535,000.00	3,518,152.19	5,744.38	
		09/13/18 09/13/23		34	000	3.2871	3,528,990.50	99.52340000000	IDC	-10,838.31
	SUBTOTAL (Inv Type) 29 FHLMC COUPON NOTES	7.59%(M)				1.5941	52,510,000.00	51,912,677.17	200,186.22	.00
						1.6530	52,486,738.83	98.86245900000		-574,061.66
A	16059	STATE OF CA DEMAND DEP		96	1	1.8990	50,833,136.83	50,833,136.83	264,237.84	0.00
		09/30/97 10/01/18		96	000	1.8990	50,833,136.83	100.0000000000	USERPR	
	SUBTOTAL (Inv Type) 99 LOCAL AGENCY INVESTMENT	7.43%(M)				1.8990	50,833,136.83	50,833,136.83	264,237.84	.00
						1.8990	50,833,136.83	100.0000000000		

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	INVEST NUMBER	DESCRIPTION PURCHASE MATURITY DATE	CUSIP	BANK BROK	FUND SAFE	CPN RATE YTM TR	PAR/SHARES BOOK	MARKET VALUE MARKET PRICE	CURR ACCR INT PRICE SOURCE	UNREALIZED GAIN UNREALIZED LOSS
A	17046	MUTUAL FUNDS-FIDELITY		25	1	2.0206	21,025,597.25	21,025,597.25*	2,362.13	0.00
		11/01/08 10/01/18		101	000	2.0206	21,025,597.25	100.0000000000	BOOK	
A	17236	MUTUAL FUNDS-FIDELITY		101	494	1.8411	.00	.00*	.00	0.00
		03/08/16 10/01/18		101	000	1.8411	.00	.00000000000	BOOK	
	SUBTOTAL (Inv Type) 305 MUTUAL FUNDS-FIDELITY		3.07%(M)			2.0206	21,025,597.25	21,025,597.25	2,362.13	.00
						2.0206	21,025,597.25	100.0000000000		
A	16064	DREYFUS TREASURY CASH MANAGEMEN		20	800	1.9935	2,084,340.51	2,084,340.51	231.02	0.00
		10/31/97 10/01/18		102	000	1.9935	2,084,340.51	100.0000000000	USERPR	
A	17201	MUTUAL FUNDS-DREYFUS		5	51	1.5888	.00	.00*	.00	0.00
		06/16/14 10/01/18		102	000	1.5888	.00	.00000000000	BOOK	
	SUBTOTAL (Inv Type) 315 MUTUAL FUNDS-DREYFUS		.30%(M)			1.9935	2,084,340.51	2,084,340.51	231.02	.00
						1.9935	2,084,340.51	100.0000000000		
	GRAND TOTAL					1.6697	699,642,074.59	684,200,509.96	3,165,236.66	7,217.66
						1.7514	695,906,275.11	97.79293400000		-11,600,903.89

* MARKET = BOOK LESS PURCHASE INTEREST

18-1039 **Agenda Date: 11/27/2018**

REPORT TO COUNCIL

SUBJECT

Action on Amendment No. 2 to the Agreement for Services with GEI Consulting, Inc. to Provide Project Management Support for the Bucks Creek Project Relicensing

BACKGROUND

The City of Santa Clara (City) participates with Pacific Gas and Electric Company (PG&E) in the Bucks Creek Project (BCP) as part of the Grizzly Development and Mokelumne Settlement Agreement (GDMSA) which was executed between the City and PG&E on March 8, 1990. The BCP is licensed by the Federal Energy Regulatory Commission (FERC) under license number P-619. This hydroelectric project license is due to expire on December 31, 2018.

The BCP consists of two hydroelectric generation facilities including the Grizzly powerhouse, which is owned by the City. PG&E owns the second generation facility in the BCP, the Bucks Creek powerhouse. SVP's participation in the Bucks Creek Project allows it to continue to operate the Grizzly Hydroelectric Plant. This plant provides approximately 18 MW of capacity and 57.3 Gigawatt hours (GWH) of energy on an annual basis to Silicon Valley Power (SVP) in an average water year. This hydroelectric resource is one of the lowest variable cost resources available to SVP and provides valuable carbon free renewable energy to the City.

As part of the GDMSA, the City and PG&E agreed to support and share in the cost of renewing the FERC license for the BCP. The relicensing of the BCP began nearly five years ago, and in 2018, PG&E and SVP submitted the Final License Application (FLA) to the FERC. The FLA contains all of the agreed to plans and processes that will be followed during the term of the new hydro license including, but not limited to, the road maintenance plan, recreation plan, vegetation management plan. The negotiations have included no less than 47 other participating agencies or organizations (Other Agencies), including the U.S. Bureau of Land Management, U.S. Bureau of Indian Affairs, Bucks Creek Cabin Owners Association, U.S. Army Corp of Engineers, California Department of Fish and Wildlife, American Whitewater, California Trout Inc., Boy Scout Camp Timberwolf, Plumas County, etc., in addition to a handful of private individuals who sought participant status. Through various meetings, PG&E and SVP along with the Other Agencies have come to agreement of how the project will be managed during the term of the new license, however the Other Agencies have an opportunity to request certain additional mandatory requirements called 4E conditions before FERC approves the FLA. The remaining relicensing process is expected to span the next several years, with the planned FERC issuance of a renewed 40-year license to be effective in 2020, or early 2021.

FERC has the authority to extend an original hydroelectric license, such as P-619, until the Final License Application is either approved or denied.

DISCUSSION

On August 26, 2014, Council approved a five (5) year Professional Services Agreement with GEI Consultants, Inc. to provide Project Management Support for the Bucks Creek Project Relicensing.

On May 11, 2017, Amendment No. 1 was executed to increase the not-to-exceed amount by $336,262 for a total not-to-exceed amount of $890,410. At that time, the term of the Professional Agreement was extended until April 30, 2020.

Due to unforeseen costs associated with the Federal Licensing Application (FLA) process, mainly numerous meetings with other Agencies to negotiate more than 40 plans and measures which will be included in the new license, and completion of the California Environmental Quality Act compliance requirements, staff proposes to enter into Amendment No. 2 with GEI Consultants, Inc. to increase the amount by $138,431 for a total not-to-exceed amount of $1,028,841 and to extend for an additional year until April 30, 2021 in order to continue Project Management support for the Bucks Creek Relicensing.

ENVIRONMENTAL REVIEW

This action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

Amendment No. 2 will increase the contract from $890,410 to a total not-to-exceed amount of $1,028,841. Funding for this contract is included in the Electric Department’s Capital Improvement Program Bucks Creek Relicensing Project.

Failure to manage the complex Bucks Creek Relicensing project and timelines puts SVP at risk of losing access to a low variable cost, carbon-free resource for the remaining term of the GDMSA or of having onerous and expensive mandatory requirements placed on the license by the Other Agencies.

COORDINATION

This report has been coordinated with the Finance Department and City Attorney’s office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk’s Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Approve Amendment No. 2 to a Professional Agreement with GEI Consultants, Inc. to increase the not-to-exceed amount by $138,431, for a total contract not-to-exceed amount of $1,028,841 to provide continued Project Management support for the Bucks Creek Relicensing and to extend the term of the Agreement one additional year until April 30, 2021

Reviewed by: John C. Roukema, Chief Electric Utility Officer

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Amendment No. 2 to a Professional Agreement with GEI Consultants, Inc.

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AMENDMENT NO. 2
TO THE AGREEMENT FOR SERVICES
BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA,
AND
GEI CONSULTANTS, INC.

PREAMBLE

This agreement ("Amendment No. 1") is entered into between the City of Santa Clara, California, a chartered California municipal corporation (City) and GEI Consultants, Inc. a Massachusetts corporation, (Contractor). City and Contractor may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement."

RECITALS

A. The Parties previously entered into an agreement entitled "Agreement for Professional Services" dated August 26, 2014 (the "Original Agreement");

B. The Original Agreement was previously amended by Amendment No. 1, dated May 11, 2017. The Original Agreement and all previous amendments are collectively referred to herein as the "Original Agreement as Amended"; and

C. The Parties entered into the Original Agreement for the purpose of having Contractor provide project management support for the Bucks creek Project Relicensing, and the Parties now wish to amend the Original Agreement to increase the fee schedule and extend the term of the agreement for one additional year until April 30, 2021.

The Parties agree as follows:

AGREEMENT TERMS AND CONDITIONS

1. AMENDMENT TERMS AND CONDITIONS

That Exhibit B of the Original Agreement, entitled "Fee Schedule" is hereby amended to include the attached fee schedule entitled ("Bucks Creek Hydro Relicensing – GEI/TRC Projected Budget through 4/2020, attached hereto and incorporated by this reference, and to read as follows:

> In no event shall the amount billed to City by Contractor for services under this Agreement exceed one million twenty eight thousand eight hundred forty one dollars ($1,028,841.00), subject to budget appropriations.

2. AMENDMENT TERMS AND CONDITIONS

That Paragraph 2 of the Original Agreement, entitled "Term of Agreement" is hereby amended by deleting the existing Paragraph 2 in its entirety and replacing it with the following:

> Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by a written amendment to this Agreement, the term of this Agreement shall begin on the Effective Date of this Agreement and terminate at the end of the day April 30, 2021.

3. TERMS

All other terms of the Original Agreement which are not in conflict with the provisions of this Amendment No. 2 shall remain unchanged in full force and effect. In case of a conflict in the terms of the Original Agreement and this Amendment No. 2, the provisions of this Amendment No. 2 shall control.

4. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute one and the same instrument.

The Parties acknowledge and accept the terms and conditions of this Amendment No. 2 as evidenced by the following signatures of their duly authorized representatives.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

APPROVED AS TO FORM:

Approved as to Form: Dated: _____

BRIAN DOYLE
City Attorney

DEANNA J. SANTANA
City Manager
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

"CITY"

GEI CONSULTANTS, INC.
a Massachusetts corporation

Dated: August 10, 2018
By (Signature): _____
Name: GINGER GILLIN
Title: Vice President
Principal Place of Business Address: 2868 Prospect Park Drive , Suite 400 Rancho Cordova, CA 95670
Email Address:
Telephone: (916) 631-4500
Fax: (916) 634-4501

"CONTRACTOR"

Bucks Creek Hydro Relicensing - GEI/TRC Projected Budget Through 4/2020

Prepared by: Jeff Deason/Ginger Gillin

Actual

Projected*

2018													
	January	February*	March*	April*	May*	June*	July*	August*	September*	October*	November*	December*	TOTAL 2018
Anticipated activities	Agency negotiation		Filing of license supplement	Review REA and Reply Comments			FERC EA Preparation, Agency Negotiation				Comment on FERC EIS, prepare NOP and CEQA Supplement		
ILP Management (Tasks A, B, C, D, F)	$ 8,869	$ 14,000	$ 6,000	$ 6,000	$ 12,000	$ 12,000	$ 6,000	$ 6,000	$ 6,000	$ 6,000	$ 12,000	$ 12,000	$ 105,869
CEQA		$ 1,200	$ 1,200	$ 1,200	$ 1,200	$ 1,200	$ 1,200	$ 1,200	$ 1,200	$ 5,000	$ 13,000	$ 13,000	$ 40,600
Budgeted	$ 8,869	$ 15,200	$ 7,200	$ 7,200	$ 13,200	$ 13,200	$ 7,200	$ 7,200	$ 7,200	$ 11,000	$ 25,000	$ 25,000	$ 147,469

2019													
	January*	February*	March*	April*	May*	June*	July*	August*	September*	October*	November*	December*	TOTAL 2019
Anticipated activities	Review of T&C, finalize draft CEQA supplement			Comment period, public meetings CEQA, review of FERC Final EIS		Final CEQA Supplement, Final EIS		Public Hearing, CSC Decision	Review of Draft 401 Cert, SWB negotiations				
ILP Management (Tasks A, B, C, D, F)	$ 6,000	$ 6,000	$ 6,000	$ 6,000	$ 6,000	$ 10,000	$ 6,000	$ 6,000					$ 52,000
CEQA/401 CERT	$ 13,000	$ 13,000	$ 13,000	$ 13,000	$ 13,000	$ 13,000	$ 13,000	$ 13,000	$ 6,000	$ 6,000	$ 6,000	$ 6,000	$ 128,000
Budgeted	$ 19,000	$ 19,000	$ 19,000	$ 19,000	$ 19,000	$ 23,000	$ 19,000	$ 19,000	$ 6,000	$ 6,000	$ 6,000	$ 6,000	$ 180,000

2020													
	January*	February*	March*	April*	May*	June*	July*	August*	September*	October*	November*	December*	TOTAL 2020
Anticipated activities	Comment on Final 401 Cert, SWB Negotiations												
ILP Management (Tasks A, B, C, D, F)													$ -
CEQA/401 CERT	$ 6,000	$ 6,000	$ 6,000	$ 6,000									$ 24,000
Budgeted	$ 6,000	$ 6,000	$ 6,000	$ 6,000									$ 24,000

Note: Budget is estimated based on Bucks Relicensing/CEQA Schedule v.11
Numbers may change depending on City decisions through the budget amendment process.

Budget allocation depends on schedule, which grows uncertain for ILP in 2018, particularly the issuance of the Draft EIS.
$24,000 added to the 2019 projection (Sept.,Oct., Nov., Dec.) to review the DRAFT 401 Certification from the State Water Resources Board.
$24,000 added for the first four months of 2020

	TOTAL
ILP Projections	$ 158,900
CEQA/ 401 CERT Projections	$ 192,600
Total Projected Budget 1/2018 to 4/2020	$ 351,500
Budget Remaining as of 2/9/2018	$ 213,512
Budget Request 2018- 2020	$ 138,000

18-1017 **Agenda Date: 11/27/2018**

REPORT TO COUNCIL

SUBJECT
Action on Adoption of Silicon Valley Power's 2018 Integrated Resources Plan

BACKGROUND
Senate Bill 350 (Chapter 547, Statutes of 2015) (SB 350) requires publicly owned utilities with an average annual load greater than 700 gigawatt-hours, in the 2013 to 2016 period, to adopt Integrated Resource Plans (IRP) by January 1, 2019, submit them to the California Energy Commission (CEC) by April 30, 2019, and update them at least once every five years thereafter. Based on historical data, 16 public utilities are required to file an IRP. The City of Santa Clara, dba Silicon Valley Power (SVP) is one of those utilities, with a three year average load of 3,390 gigawatt-hours annually. The CEC is required to review IRPs for consistency with Public Utilities Code section 9621 and recommend corrections to deficiencies in the plans. The Energy Commission formally adopted guidelines in August 2017, and has adopted multiple revisions since with the latest revised guidelines in October 2018.

IRPs are electric system planning documents that lay out the resource needs, policy goals, physical and operational constraints, and general priorities or proposed resource choices of an electric utility, including customer-side preferred resources. These plans will provide a framework for the CEC to evaluate how utilities have chosen to align with greenhouse gas (GHG) emission reduction targets as well as energy and other policy goals outlined in SB 350, including but not limited to:

- Reductions in electricity sector GHG emissions commensurate with economy-wide reductions of 40 percent below 1990 levels by 2030;
- A Renewables Portfolio Standard of 50 percent by 2030; and
- Energy efficiency, storage, vehicle electrification policy goals.

SVP's IRP must be designed to comply with GHG emissions reduction targets for the electricity sector established by the California Air Resources Board (CARB), in coordination with the California Public Utilities Commission and the CEC. On September 10, 2018, SB 100 was signed into law, moving the renewable energy resource procurement requirement from 50 percent to 60 percent by 2030.

The law further requires that SVP consider the role of existing renewable generation, grid operational efficiencies, energy storage, and distributed energy resources, including energy efficiency as part of ensuring that SVP meets energy and reliability needs. SVP must consider how to meet needs at the hour of peak demand of electricity, excluding demand met by variable renewable generation directly connected to a California balancing authority, while reducing the need for new electricity generation resources and new transmission resources in achieving the state's energy goals at the least cost to customers.

DISCUSSION

SVP's IRP is a comprehensive plan for developing a portfolio of power supply resources to meet the environmental regulations, achieve high reliability, and maintain low priced electricity service to customers through 2030. The IRP meets the requirements of SB 350 and outlines compliance with SB 100. The IRP discusses current and anticipated California regulatory and policy changes facing SVP and the electric utility industry. Additionally, SVP's IRP presents the analyses conducted and underlying assumptions, and outlines a resource plan to reliably and affordably meet customers' energy needs through December 31, 2030.

SVP Outreach:

The stakeholder process began with SVP's Strategic Planning process launched in the spring of 2018. Stakeholders included large customers, local businesses, the community at large, and employees. In the summer and fall of 2018, SVP held additional IRP specific meetings with interested stakeholders including residential and commercial customers. SVP utilized the City's Open Hall platform to survey additional customers for input and insight on powering their energy future. The survey ran from June to September 2018.

The survey indicated the following electric service priorities according to the 216 responses (in order of highest preference):

- High reliability (keeping the lights on and avoiding blackouts)
- Affordable Rates
- Minimizing Environmental Impacts
- Quality of Customer Service

The survey respondents indicated their desire to have SVP prioritize in the IRP design keeping costs down (44.4% of respondents) and exceeding the compliance requirements (25.6%). Many free-response comments were supportive of reducing SVP's carbon footprint through additional renewable resource purchases.

IRP Highlights:

2030 GHG Target

The retirement of SVP's interest in the San Juan Coal Generation Station and the cessation of the Graphic Packaging co-generation plant power purchase agreement both in December 2017 resulted in a combined average annual GHG reduction of 434,983 metric tons carbon-dioxide equivalent ($MTCO_2e$). This gives SVP a great start at attaining the newly assigned, utility specific GHG emission limit target for 2030.

As set by CARB, SVP's GHG emission limit is targeted to be between 275,000 to 485,000 $MTCO_2e$ in total in 2030, a 0.915 percent share of electricity sector emissions. Based on SVP's current portfolio of owned assets, how the assets are currently used, and planned additional procurements, the GHG emissions are projected to be 448,797 $MTCO_2e$ in 2030 which is within the target range. SVP will continue to work on further carbon reductions to our existing natural gas generation facilities, through equipment enhancements that reduce GHG pollutants, and eventual plant retirements as SVP works toward carbon free energy by 2045 in accordance with SB100.

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The forecast modeling indicates that SVP has the ability to meet all GHG allowance requirements through 2030 from already procured renewable generation or from previously banked allowances that came from SVP's early action in renewable generation which exceeded minimum requirements.

2030 60% Renewable Portfolio Standard (RPS)

SVP anticipated that the change to the RPS requirement from 50 percent to 60 percent eligible renewables might happen. SVP modelled both scenarios with more focus on the 50 percent requirement as required by SB350. However, after SB 100 was signed into law in September, SVP made the decision to move forward using only the 2030 RPS 60 percent requirement for the IRP. In preparation for the rising RPS, SVP has new renewable contracts coming on line in 2021 (combined 49.5 MW Altamont wind projects and the 40MW Central Valley solar project) and in 2022 (200MW Viento Loco New Mexico Wind Project).

The forecast modeling indicates that SVP has the ability to meet the 2030 RPS 60 percent requirement from the already procured renewable generation or from previously banked renewable energy credits (RECs) due to SVP's early action in renewable generation which exceeded minimum requirements. The models indicate that SVP will start utilizing the banked RECs beginning in 2025 through 2030, as SVP also adds additional generation resources to meet load requirements. SVP modeled only wind and solar as resources to fill procurement gaps in the IRP, however SVP continues to evaluate all viable renewable resources as we move forward. Having the banked RECs gives SVP the ability to choose best fit energy procurement that meets customer needs and priorities including reliability and cost.

Vehicle Electrification, Energy Efficiency, Storage

In accordance with the guidelines, the IRP also addresses other impacts on how utilities plan for the future. SVP continues to plan the needed infrastructure for both electric vehicle (EV) adoption and for the distribution system as the state encourages greater building electrification. The CEC currently projects an estimated 24,000 EVs in use by Santa Clara residents by 2030. SVP has a wide variety of energy efficiency programs that contribute to the State's goal of doubling of energy efficiency by 2030. Finally, SVP continues to explore energy storage opportunities in partnership with our customers.

Disadvantaged Communities

Disadvantaged Communities is a state defined designation resulting from the passage of SB 535 (2012). These defined areas have high amounts of air pollution and vulnerable population, but within Santa Clara it is a low population area. In Santa Clara, the designated Disadvantage Community area is generally zoned industrial and commercial and represents the heart of Santa Clara's economic engine. It includes large industrial, commercial, manufacturing, high tech, and SVP generation. The pollution is not created solely by these industries. This area is bordered by Highway 101 and the San Jose Airport, with three major expressways crossing in the designated area. The closing of Graphic Packaging co-generation plant has already created air emission reductions though at a cost of jobs. As vehicle electrification gains ground, there should be additional reduction in GHG pollutants and other pollutants that will impact this area.

SB 350 requires SVP's governing board - the Santa Clara City Council - adopt the IRP in substantial form by January 1, 2019. Because the final IRP submittal requires numbers and information from calendar year 2018 to be included in the submission, the final IRP may be submitted to the CEC up until April 30, 2019 with the appropriate updates.

ENVIRONMENTAL REVIEW

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment (CEQA Guideline 15061 (b)(3)). The 2018 Integrated Resource Plan does not include the potential for a significant environmental effect and therefore is not subject to CEQA.

FISCAL IMPACT

There is no fiscal impact associated with the approval of the 2018 Integrated Resource Plan.

COORDINATION

This report has been coordinated with the Finance Department and City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1) Adopt Silicon Valley Power's 2018 Integrated Resource Plan in substantial form and for submittal to the California Energy Commission; and
2) Authorize the City Manager to submit the final Integrated Resource Plan prior to April 30, 2019.

Reviewed by: John C. Roukema, Chief Electric Utility Officer
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Silicon Valley Power 2018 Integrated Resource Plan

FINAL

2018 INTEGRATED RESOURCE PLAN

Silicon Valley Power

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COOPERATIVELY PREPARED WITH AND FOR

12 NOVEMBER 2018

BLACK & VEATCH

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Acronym List

AAGR	Annual Average Growth Rate
BESS	Battery Energy Storage System
CAISO	California Independent System Operator
CARB	California Air Resources Board
California ISO	California Independent System Operator, also CAISO
CEC	California Energy Commission (also Energy Commission)
CEC Guidelines	The CEC document, *Publically Owned Utility Integrated Resource Plan Submission and Review Guidelines* (July 2017 and October 2018)
CO_2	Carbon Dioxide
CO_2e	Carbon Dioxide Equivalent
COTP	California-Oregon Transmission Project
CPUC	California Public Utilities Commission
CPWC	Cumulative Present Worth Cost
CRAT	Capacity Resource Accounting Table
EBT	Energy Balance Table
Energy Commission	California Energy Commission (also CEC)
EPA	U.S. Environmental Protection Agency
ES	Energy Storage
FY	Fiscal Year (July 1- June 30 for SVP; October 1-September 30 for the US Government)
GEAT	GHG Emissions Accounting Table
GHG	Greenhouse Gas
IEPR	Integrated Energy Policy Report
IRP	Integrated Resource Plan Adopted by a POU
IRP Filing	POU Adopted IRP Accompanied By The Required Supporting Information
LCOE	Levelized Cost of Energy
LMP	Locational Marginal Price
LSE	Load Serving Entity
MMBTU	One Million British Thermal Units
M-S-R PPA	California Joint Powers Agency, M-S-R Public Power Agency, of which the City of Santa Clara is a member along with Modesto Irrigation District and the City of Redding

M-S-R-REA	M-S-R Energy Authority
Mt	Metric Ton
MW	Megawatt
MWh	Megawatt-hour
MSSA	Metered Subsystem Aggregation Agreement
MTCO2e	Metric Tons of CO_2 equivalent
NCPA	Northern California Power Agency, members include the City of Santa Clara, Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville and Ukiah, the Plumas-Sierra Rural Electric Cooperative, the Truckee-Donner Public Utility District, the Bay Area Rapid Transit District and the Port of Oakland
NERC	North American Electric Reliability Council
NPV	Net Present Value
NQC	Net Qualifying Capacity
PCC	Portfolio Content Categories
PEV	Plug-In Electric Vehicle
POU	Publicly Owned Utility
PUC	Public Utilities Code
RA	Resource Adequacy
RE	Renewable Energy
REC	Renewable Energy Credit
RFP	Request for Proposal
RPS	Renewables Portfolio Standard
RPT	RPS Procurement Table
SB 100	Senate Bill 100 (The 100 Percent Clean Energy Act of 2017)
SB 350	Senate Bill 350 (De León, Chapter 547, Statutes of 2015)
SVP	Silicon Valley Power
TAC	Transmission Access Charge
TANC	Transmission Agency of Northern California
WAPA	Western Area Power Administration (also Western)
Western	Western Area Power Administration, (also WAPA)

1.0 Executive Summary

This report (Report) presents the Integrated Resource Plan (IRP) for the City of Santa Clara d.b.a. Silicon Valley Power (SVP), a municipal electric utility with 55,198 customers as of 2017. SVP serves the City of Santa Clara (City or Santa Clara) with a service area of approximately 19 square miles. SVP is dedicated to their community, customers, and employees. SVP provides safe, reliable, affordable, and sustainable energy solutions while deploying and scheduling resources that optimize the dispatch of SVP's generation and complying with statutory and regulatory requirements.

The goal of the IRP is to lay out a detailed plan to help ensure that the utility is able to meet its customer's annual peak and energy needs over the planning horizon in a cost-effective manner, while also meeting system reliability needs and other policies. The IRP summarized in this document provides an assessment of the future electric energy needs of SVP customers over the next 20 years (from 2019 through 2038) and summarizes the preferred plan for meeting those needs in a safe, reliable, cost-effective and environmentally responsible manner.

This IRP was developed in response to the Clean Energy and Pollution Reduction Act of 2015 (California Senate Bill 350; herein SB 350), which established new clean energy, clean air, and greenhouse gas (GHG) reduction goals for 2030, and established a number of requirements for publicly owned utilities (POUs). The most far-reaching goals and requirements include:

- An increase in the procurement of energy from renewable electricity sources, from 33 percent by 2020 to 60 percent by 2030 (SB 100). While the CEC IRP guidelines are based on the 50 percent renewable procurement by SB 350, with the recent passing of SB 100, SVP's modeling assumed a target of 60 percent procurement by 2030
- Consideration of programs that will help the State double energy efficiency savings in electricity and natural gas end uses by 2030
- A reduction in GHG emissions consistent with the targets set forth by the California Air Resources Board (CARB) in its July, 2018 report[1]
- Publicly owned utilities (POUs)[2], such as SVP, must develop an IRP that positions the POU to achieve the above goals and other objectives such as those related to reliability and cost-effectiveness. The IRP is to be approved by the POU boards by January 1, 2019 and submitted to the California Energy Commission (CEC) by April 30, 2019.

The recommended plan meets the 2030 renewable energy target as well as the intermediate targets for renewable energy and GHG emissions reduction. Meeting the GHG targets assumes that only SVP-owned resources count towards the emissions target. SVP finds that the generic emissions rate of 0.428 Mt CO2e/MWh for spot market purchases per the CEC guidelines to be too high. If this rate is applied, SVP's portfolio emissions will exceed the GHG target. Section 2.4.1.2 describes SVP's approach to the accounting of carbon emissions.

[1] California Air Resources Board, *Staff Report: Senate Bill 350 Integrated Resource Planning Electricity Sector Greenhouse Gas Planning Targets*, July 2018; SB 350 required CARB to develop recommendations based on the goal of achieving a 40% reduction in GHG by 2030.

[2] SB 350 is reflected in Public Utilities Code (PUC) Section 9621, which applies to POU's with an average electrical demand exceeding 700 gigawatt-hours, based on a three-year average commending January 1, 2013.

The 2018 IRP was developed through extensive analysis and incorporated input from internal and external partners and stakeholders. The analyses and underlying assumptions that produced a 20-Year Resource Plan to meet customers' energy needs through 2038 is outlined in this report. While the IRP is only required to extend to 2030, the CEC encouraged POUs to consider time periods extending beyond 2030 in its *Commission Guidelines*.[3] Incorporated into the IRP are anticipated changes facing SVP, the utility industry, and California over the planning period.

Although significant changes within the electric utility industry are anticipated to occur over the 20-year planning horizon for the IRP, SVP must plan for sufficient supplies of electricity while also maintaining competitive prices and achieving safety, environmental, operational, and reliability goals. During the preparation of the IRP, SVP considered a wide variety of supply and demand-side alternatives that could meet these many objectives. The IRP process has also taken into consideration the need to establish a flexible plan that will allow SVP to respond to uncertainty regarding technological and future regulatory change. Goals established to guide development of the IRP are presented in Figure 1-1.

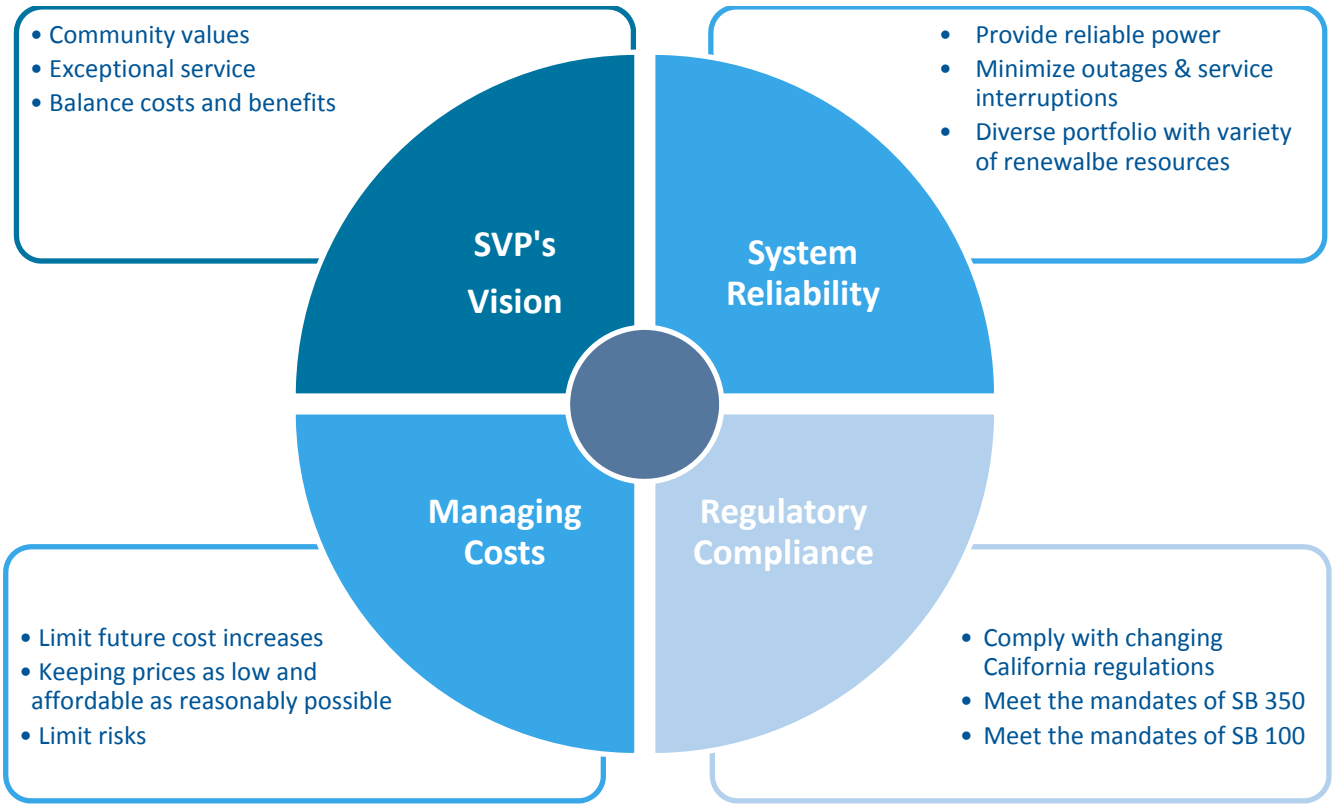


Figure 1-1 SVP's IRP Objectives

[3] Vidaver David, Garry O'Neill-Mariscal, Melissa Jones, Paul Deaver, and Robert Kennedy, 2017, *Publicly Owned Utility Integrated Resource Plan Submission and Review Guidelines*, California Energy Commission. Publication Number: CEC-200-2017-004-CMD, p. 10.

A summary of the 20-Year Resource Plan is provided in Section 1.1. Supporting information, including studies, data, analyses and results plus associated exhibits for the IRP analysis is provided in the following sections of the Report:

- Section 2.0 Purpose and Background
- Section 3.0 Existing Resources and System Description
- Section 4.0 Energy and Demand Forecast
- Section 5.0 Customer Programs, Energy Efficiency and Demand Response Resources
- Section 6.0 The Need for Additional Resources and Resource Options
- Section 7.0 Modeling Assumptions, Tools, and Methodology
- Section 8.0 Evaluation and Results
- Section 9.0 Conclusions and Recommended Expansion Plan

Standardized tables requested by the CEC are in Appendix A. The organization and contents of this IRP reflect the requirements established in the CEC IRP Guidelines. The major requirements set forth in these guidelines and the primary section in which the required information is provided is shown in Table 1-1.

Table 1-1 Summary of Key IRP Filing Requirements and Location in SVP's IRP

ITEM	SELECTED TEXT FROM THE *CEC GUIDELINES*	LOCATION IN SVP'S IRP
A. Planning Horizon and Objective of Expansion Plan	"adopt an IRP that ensures the utility achieves the specific goals and targets by 2030, including…greenhouse gas emissions reductions of 40 percent below 1990 levels, and…at least 50 percent of eligible renewable resources…The minimum planning horizon…begins no later than January 1 of the year that the POU's governing board adopts the plan and ends no earlier than December 31, 2030…POUs are encouraged to undertake and present analysis….that addresses the post-2030 period"	Section 8
B. Scenarios and Sensitivity Analysis	"IRP Filings…. must meet the requirements of PUC Section 9621. POUs are encouraged to also evaluate other scenarios and sensitivity analyses to consider the feasibility and cost-effectiveness (and rate impacts) of alternative resource options."	Section 8
C. Standardized Tables	"POUs must submit the following four Standardized Tables… • Capacity Resource Accounting Table (CRAT) • Energy Balance Table (EBT) • RPS Procurement Table (RPT) • GHG Emissions Accounting Table (GEAT)"	Appendix A
D. Supporting Information	"(1) analyses, studies, data, and work papers, or other material that the POU used or relied upon (including inputs and assumptions) in creating the IRP… and (2) additional information required by these guidelines. Supporting Information supplements the data submitted in the Standardized Tables."	Section 4, 5, 6; all Appendices

ITEM	SELECTED TEXT FROM THE *CEC GUIDELINES*	LOCATION IN SVP'S IRP
E. Demand Forecast	"1. Reporting Requirements…annual forecasted peak demand (MW) in the CRAT and annual forecasted retail sales, other loads, and net energy for load in the EBT… 2. Demand Forecast Method and Assumptions. 3. Demand Forecast – Other Regions. If the POU uses system modeling…the IRP Filing must include the demand forecast assumptions for regions outside the POU jurisdiction."	Section 4, Appendix A
F. Resource Procurement Plan	"…the mix of resources… in the IRP [as]…reported on the CRAT, EBT, and GEAT, and RPS procurement must also be reported on the RPT [along with] all inputs, assumptions, and methodologies …The IRP Filing must address: 1. Diversified Procurement Portfolio 2. RPS Planning Requirements 3. Energy Efficiency and Demand Response Resources 4. Energy Storage 5. Transportation Electrification"	Section 4, 5, 8, Appendix A
G. System and Local Reliability	"Filing POUs [must] adopt an IRP to… meets the goal of ensuring system and local reliability… and report: 1. Reliability Criteria…the planning reserve margin and how it was determined. 2. Local Reliability Area. The IRP Filing must identify any local transmission constrained areas in the POU service territory…" 3. Net Demand in Peak hours… how renewable resources, multi-hour energy storage, and distributed energy resources, including energy efficiency, were considered for meeting reliability needs during net peak hour	Section 4
H. Greenhouse Gas Emissions	"POUs must report in the GEAT estimated emissions intensities (in metric tons of carbon dioxide equivalent [CO_2e] per megawatt hour…for each supply resource reported in the EBT."	Section 8, Appendix A
I. Retail Rates	"…the IRP Filing must include, as Supporting Information, a report or study on rate impacts under the IRP scenario, if that report or study was considered by the local governing authority as part of its IRP planning."	Section 8
J. T&D Systems	"…adopt and IRP [that] achieves the goal of strengthening the diversity, sustainability, and resilience of the bulk transmission and distribution systems, and local communities."	Section 3
K. Localized Air Pollutants and Disadvantaged Communities	"…adopt IRPs to…[achieve] the goal of minimizing localized air pollutants and other GHG emissions, with early priority on disadvantaged communities…[discuss] how current programs and policies in place…address local air pollution…[and] how programs assist and prioritize disadvantaged communities."	Section 8

ITEM	SELECTED TEXT FROM THE *CEC GUIDELINES*	LOCATION IN SVP'S IRP
Summarized from Chapter 2 of Vidaver David, Garry O'Neill-Mariscal, Melissa Jones, Paul Deaver, and Robert Kennedy. 2017 and 2018. *Publicly Owned Utility Integrated Resource Plan Submission and Review Guidelines.* California Energy Commission. Publication Number: CEC-200-2017-004-CMD and CEC-200-2018-004-SD.		

1.1 SUMMARY OF THE 20-YEAR RESOURCE PLAN

The SVP IRP, described herein, was based on the load forecast developed by SVP and described in Section 4. The expansion plans were designed to meet the SVP's load requirements and other planning objectives stated herein.

Section 6 of this report explains that the Existing System Scenario combined with Renewable Energy Credits (RECs) and new renewable additions are expected to meet the SVP renewable generation and environmental mandates through 2030 as well as through 2038, which is the end of the planning period.

Two expansion plans were developed and evaluated to add additional renewable resources based on the cost and characteristics of selected solar and wind options described in Section 6. The base case assumes a balanced procurement scenario adding an equal amount of wind and solar, in terms of generation, to the portfolio. An alternate case, assuming 80 percent wind additions and 20 percent solar additions was also evaluated as described in Section 6. Based on these characteristics and additional assumptions and methods described in Section 7, the long-term cumulative present worth cost (CPWC) of two competing resource expansion plans are developed and presented in Section 8. Additionally, multiple sensitivity cases were also evaluated as described below. The CPWC considers the cost of generation which includes fuel costs, variable O&M and emissions cost for existing resources. The calculations also include the build cost of new resource additions and the cost or revenue from spot market purchases and sales.

The following five scenarios were evaluated as part of the IRP analysis.

- Base Case: Existing system with a renewable target of 60 percent by 2030. Note: SVP initially approached the analysis for the IRP based on the renewable target of 50 percent by 2030. However, with the recent signing of SB 100, SVP decided to model meeting the renewable target of 60 percent by 2030. This case, assumes expected load growth and a balanced procurement scenario adding an equal amount of wind and solar to the portfolio.
- High Wind Case: SVP's expected load growth with an 80 percent wind and 20 percent solar expansion plan
- High Load Sensitivity: Base Case with high load growth assumptions. Renewable additions to this case were at 50 percent solar and 50 percent wind ratio
- Low Load Sensitivity: Base Case with low load growth assumptions
- High GHG Price Sensitivity: Base Case with high carbon price forecast

Except for the High Wind Case, all expansion plans are based on 50 percent wind and 50 percent solar additions. Only solar and wind resources were evaluated as future resources due to SVP's

need for additional renewable energy resources and SVP's customer desire for additional renewable energy at a reasonable cost. The list of projects considered for inclusion in the expansion plans is shown in Table 1-2. All cases include the addition of a new contract for a wind resource, Viento Loco in 2022 with an installed capacity of 200MW.

Table 1-2 Projects Considered by SVP in the IRP Expansion Plans (All Capacities are the Maximum Rated and Not Firm Capacities)

	PROJECT 1	PROJECT 2
Name	NorCal Solar	NorCal Wind
Location	NorCal	NorCal
Type	PV	Wind
Capacity (MW)	10	100
Scalable	No	Yes
AC Capacity Factor (%)	30%	40.0%
Annual Energy (MWh)	26,280	350,400
Energy Storage? (Yes/No/Maybe)	Not included	Not included
ES Capacity (MW, %)	Not included	Not included
ES Duration (Hrs)	Not included	Not included
Transmission Requirements	None	To COTP, WAPA
LMP Market Location (To Value)	NP15	NP15
Transmission Access Charge (TAC) Costs (2018-$/kW/mo)	0.000	2.258
Transmission Costs (2018-$/MWh)	0.000	0.000
Transmission Escalation Rate		5.00%

The results of the various cases are reported in Section 8 and are also summarized in Table 1-3. As presented in the table, all the cases and sensitivities were solved to meet the 60 percent renewable target by 2030 while also meeting intermediate renewable targets. Of the two expansion plans considered, the table shows that the High Wind Case has the lowest CPWC followed closely by the Base Case. The next subsection explains the reasoning for the selection of the Base Case as the preferred case. Since the completion of the modeling, SVP has made updates to the assumptions underlying the IRP. These updates are reflected in the Standardized Tables and are to take precedence over the numbers provided in this Report. The change includes a reduction in the

generation from a few RPS-eligible facilities, which results in increased market purchases and additional withdrawals from banked RECs. In total, SVP continues to maintain a healthy REC balance for the duration of the planning period. Since this change is common to all cases and sensitivities modeled, the relative ranking of the results presented on in this report is not expected to change.

Table 1-3 CPWC and Renewable Summary by Case

CASE	DESCRIPTION	CPWC ($1,000s)	% HIGHER THAN LOWEST CPWC	2030 RENEWABLE % OF RETAIL SALES	INTERMEDIATE MILESTONE RENEWABLES MET?
Base Case	Expected Load Growth with 50/50 solar and wind additions	$1,682,712	6%	60%	Yes
High Wind Case	Expected Load Growth with 80/50 wind and solar additions	$1,583,361	0%	60%	Yes
High GHG Sensitivity	Base Case and high GHG price forecast	$1,833,029	16%	60%	Yes
High Load Sensitivity	High Load Growth with 50/50 solar and wind additions	$2,888,563	82%	60%	Yes
Low Load Sensitivity	Low Load Growth with 50/50 solar and wind additions	$1,342,780	-15%	60%	Yes

1.1.1 Preferred and Recommended Case, Base Case

The Base Case is SVP's preferred and recommended case. Under this case, a balanced procurement plan is adopted adding equal amounts of solar and wind resources to the portfolio. The procurement under this case is based on the recent signing of SB 100 which targets 60 percent renewables by 2030. This scenario considers the existing system, known new contracts, RECs and addition of renewable generation. By the end of the planning period, the scenario adds 670 MWs of new solar and 500 MWs of new wind. Due to the difference in capacity factor of these resources, the generation translates into a 50-50 split between wind and solar. While this case is not the cheapest option, it allows for a balanced procurement of resources for SVP and avoids reliance on one single technology. Additionally, this case provides SVP flexibility to modify the procurement as needed while progressing through the planning period. Table 1-4 provides a breakdown of the CPWC results for the Base Case by year and Table 1-5 provides an overview of the renewables adequacy combined with RECs to meet the renewable targets.

1.1.2 Recommendation

The Base Case is the recommended plan in this IRP for SVP. This plan offers the best combination of low cost, flexibility, reliability, and environmental responsibility as measured by the goals established for POUs by the state. The four detailed tables required by the CEC Guidelines are provided in Appendix A for this preferred expansion plan. Internal IRP approval by Santa Clara's City Council is expected in November 2018.

Table 1-4 CPWC Results for the Preferred and Recommended SVP Case, Base Case

Cumulative Present Worth for the Base Case, $2017 at a 4.5% discount rate							
Year	Generation Cost ($000)	New Resource Additions		Market Activity		Total System Cost ($000)	Cumulative Present Worth ($000)
		New Build Cost ($000)	Fixed O&M ($000)	Market Purchases ($000)	Market Sales ($000)		
2019	49,458	-	-	22,114	4,877	66,696	66,696
2020	51,690	-	-	35,711	3,167	84,235	150,931
2021	44,582	-	-	19,747	5,359	58,970	209,901
2022	40,552	-	-	15,129	7,549	48,132	258,033
2023	39,239	-	-	18,042	6,950	50,331	308,364
2024	44,709	-	-	32,231	1,743	75,197	383,561
2025	43,948	-	-	35,136	1,345	77,739	461,300
2026	43,854	-	-	36,995	1,151	79,699	540,999
2027	41,693	-	-	35,636	926	76,403	617,402
2028	40,084	-	-	36,021	709	75,396	692,798
2029	38,758	-	-	37,425	550	75,634	768,432
2030	35,546	20,553	4,106	20,581	1,266	79,520	847,952
2031	35,501	19,668	3,929	23,518	822	81,793	929,745
2032	33,727	36,845	7,403	17,330	1,096	94,210	1,023,955
2033	30,959	52,506	10,533	14,563	1,687	106,874	1,130,829
2034	31,761	50,975	10,204	17,142	1,372	108,710	1,239,539
2035	26,932	64,574	12,940	11,383	4,064	111,766	1,351,305
2036	27,152	61,793	12,416	12,122	4,050	109,434	1,460,739
2037	23,805	73,596	14,757	8,861	8,761	112,258	1,572,996
2038	24,115	70,427	14,122	9,533	8,481	109,716	1,682,712

Table 1-5 Renewable Energy and REC Adequacy in the Preferred and Recommended Scenario, Base Case

Renewable Energy Achieved (GWh) and Renewable Energy Credits (1,000)																					
Silicon Valley Power																					
Technology	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Solar		62	62	158	157	157	157	156	155	155	155	154	521	521	864	1,203	1,228	1,569	1,574	1,910	1,910
Wind		453	454	1,022	1,422	1,422	1,423	1,416	1,416	1,416	1,417	1,417	1,767	1,725	1,803	2,021	2,021	2,371	2,377	2,721	2,721
Small Hydro		544	544	544	544	544	308	307	307	307	308	307	307	307	308	177	177	177	177	177	177
Landfill Gas		98	98	98	98	98	98	98	98	95	96	84	84	84	84	84	-	-	-	-	-
Geothermal		342	336	329	322	316	310	303	297	291	285	280	274	269	263	258	253	248	243	238	233
Total RECs Generated		1,499	1,494	2,150	2,543	2,536	2,295	2,280	2,274	2,265	2,260	2,242	2,954	2,905	3,323	3,742	3,679	4,365	4,371	5,046	5,041
RPS Target, %		31%	33%	36%	39%	42%	45%	48%	50%	53%	55%	58%	60%	63%	65%	68%	71%	73%	76%	79%	81%
RPS Target		1,190	1,394	1,584	1,758	1,937	2,128	2,304	2,429	2,556	2,705	2,856	3,010	3,175	3,344	3,515	3,689	3,867	4,047	4,231	4,419
REC Sales Obligation		(111)	(111)	(111)	(111)	(72)	(72)	(72)	(72)	(72)	-	-	-	-	-	-	-	-	-	-	-
RECs Available for compliance		1,387	1,382	2,039	2,432	2,464	2,223	2,208	2,202	2,193	2,260	2,242	2,954	2,905	3,323	3,742	3,679	4,365	4,371	5,046	5,041
Historical Banked RECs	2,856																				
Deposits		198	-	455	674	527	94	-	-	-	-	-	-	-	-	227	-	498	323	815	623
Withdrawals		-	12	-	-	-	-	96	227	363	445	615	56	270	21	-	11	-	-	-	-
REC Bank Balance		3,054	3,042	3,497	4,170	4,697	4,791	4,695	4,468	4,105	3,660	3,045	2,989	2,719	2,698	2,925	2,915	3,413	3,736	4,551	5,174
Renewable Generation and REC withdrawal		1,499	1,506	2,150	2,543	2,536	2,295	2,376	2,501	2,629	2,705	2,856	3,010	3,175	3,344	3,742	3,689	4,365	4,371	5,046	5,041
Renewable and RECs as a % of retail sales		39%	36%	49%	56%	55%	49%	50%	51%	54%	55%	58%	60%	63%	65%	72%	71%	83%	82%	94%	93%

2.0 Purpose and Background

An overview of the integrated resource planning process and the relevant regulatory policies that guide development of the IRP are summarized below. An outline of the methodology used to perform study evaluations is also provided with a detailed description in Section 7 of this Report. This section also describes the stakeholder process conducted by SVP to welcome and incorporate input from the stakeholders into the IRP process.

2.1 OVERVIEW OF THE INTEGRATED RESOURCE PLANNING PROCESS

Integrated resource planning identifies a long-term plan that provides adequate resources to meet future peak and energy needs, while also maintaining a targeted reserve margin to maintain system reliability, and to achieve a reasonable balance between fiscal responsibility and environmental stewardship. An effective resource plan should also provide the utility with flexibility to accommodate uncertainties and risk related to future conditions, including commodity pricing risk, technological change, and regulatory change.

IRPs require the use of sophisticated analytical tools that allow comparisons of the costs and benefits among alternative supply side and demand side resource options that, together, may constitute a long-term expansion plan. This is often performed using detailed computer models that simulate utility operation on an hour-by-hour basis and are used to develop the long-term costs of an expansion plan. Typical expansion plans consider supply side and demand side options for inclusion in the long term plan. Supply side options include conventional, renewable, and distributed energy resources. Demand side options include demand response programs, energy efficiency programs, and other "behind the meter" options, all of which can be implemented to reduce the overall utility load. SVP, through their procurement process, has continuously evaluated these options coupled with RECs pursuant to meeting CARB's GHG targets and Renewable Portfolio Standards (RPS).

The key steps of IRP development undertaken by SVP are shown in Figure 2-1. These steps were performed over a one year and were structured to address all regulatory and legislative requirements. Internal IRP approval by the Santa Clara's City Council is expected in November 2018.



Figure 2-1 SVP's Integrated Resource Planning Process

2.2 METHODOLOGY

Silicon Valley Power is in a state of growth. Since 2011, SVP had seen a steady 2 to 3 percent increase in demand, until 2015-2017 when the average growth increased to 5 percent or more each year. SVP load growth is shown in Figure 2-2. As more large scale projects, including, data center new builds, and mixed-use commercial and residential development is in the process of being developed and planned in the City of Santa Clara, SVP continually adapts, enhances, and plans load procurement strategies. SVP is a fully integrated utility, is fully resourced, and/or holds "long"

generation positions at least through 2030. SVP plans for a diversified portfolio of resources that meets customer loads and meets state mandated requirements. Being fully resourced is a challenge in today's California legislative situation. Many years there are proposals to mandate a particular favored resource (hydrogen storage, battery storage, biomass, solar and wind before the ITC/PTC expires, etc.). Considerations ought to be made for utilities that plan and balance their resources to match their load.

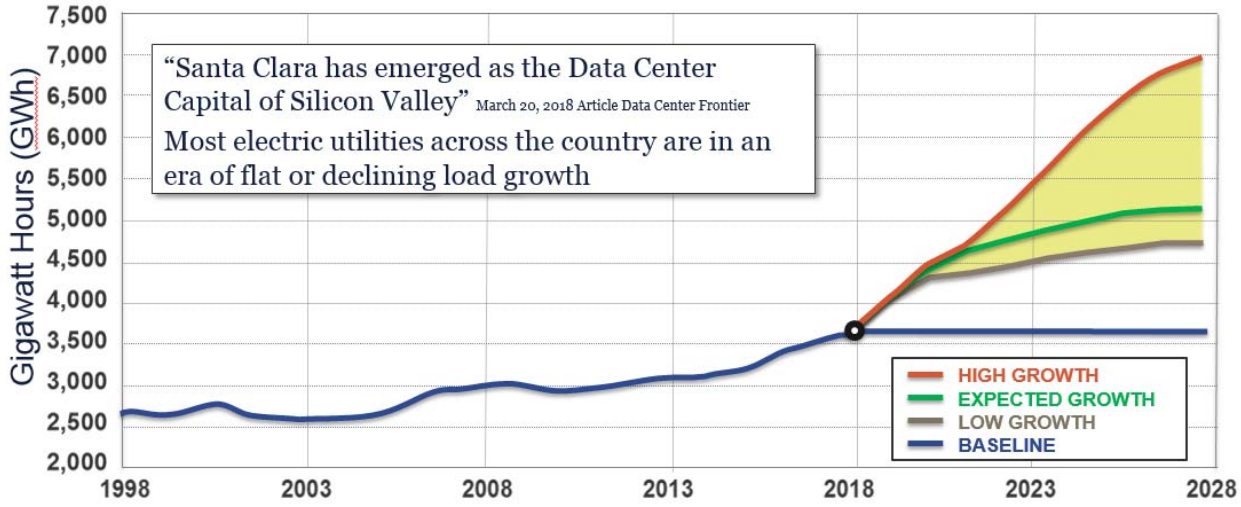


Figure 2-2 SVP Load Growth

When new resources are needed, SVP solicits power projects through a request for proposal (RFP) process and/or through direct offerings from project developers. Also, SVP will respond to RFP's from other generators if the generation and market price fits into the portfolio. Power projects are selected based on cost and, in addition, other market factors such as locational marginal prices (LMPs), portfolio fit, resource location, etc. The process to solicit for or develop resources begins 3 to 5 years before the resource is needed. Between 2016 and 2018 SVP signed 289.9 MW of new renewables that will come on-line in the 2021/2022-timeframe.

The analysis for this IRP utilized the PLEXOS modeling tool to model SVP's power system to rank the various scenarios in terms of present value cost as well as for tracking whether a portfolio achieves other objectives such as GHG and renewable energy goals.

PLEXOS is one of the leading simulation software that uses state-of-the-art mathematical optimization to provide extensive simulation capabilities across electric power, water, and gas systems. PLEXOS is used comprehensively by utilities, ISOs, consultants, and government agencies for Renewable Integration studies, Market design, Integrated Resource Planning, portfolio planning and risk management. PLEXOS has been used by SVP to model its electric portfolio and to produce 10-year budget forecasts.

For this IRP, PLEXOS was used to develop a 20-year IRP that simultaneously satisfies system reliability constraints and RPS targets and minimizes the Net Present Value (NPV) of the sum of investment cost and operation cost over a 20-year planning horizon.

Specifically, the Long-Term Plan module in PLEXOS, was used to develop the least cost expansion plan. The objective function of the Long-Term Plan is the minimization of NPV of the sum of capital cost, fixed cost, and variable operation cost of the system over the planning period from 2019 to 2038. Key inputs to the model include:

- System load forecast
- Existing resources, planned resource additions, and expected retirements
- Operating parameters of the existing resources and costs
- Future candidates, operating parameters, and associated capital cost, fixed and variable operating cost
- System reliability constraint
- Annual RPS target
- System discount rate

It was assumed that SVP has sufficient local and system resource to meet local and system Resource Adequacy constraints, either with its portfolio or through short-term capacity market purchases. For RPS target, the system assumes the RPS target of 60 percent by 2030 and 100 percent by 2045, in line with the requirements of SB100. Table 2-1 shows the annual RPS percentage targets implemented in the model:

Table 2-1 RPS targets modeled in PLEXOS

YEAR	RPS% TARGET		YEAR	RPS% TARGET
2019	31%		2033	68%
2020	33%		2034	71%
2021	36%		2035	73%
2022	39%		2036	76%
2023	42%		2037	79%
2024	45%		2038	81%
2025	48%		2039	84%
2026	50%		2040	87%
2027	53%		2041	89%
2028	55%		2042	92%
2029	58%		2043	95%
2030	60%		2044	97%
2031	63%		2045	100%
2032	65%			

Initial simulation shows that without additional renewable resources, SVP is short in 2032 to meet the annual RPS target. However, given the renewable target requirement in 2030, SVP pulled forward the addition of renewable resources to 2030 to be more proactive and flexible in renewable additions and to be less reliant on the use of RECs to meet the targets.

Given the cost and performance parameters of potential wind and solar projects, the PLEXOS Long-Term Plan module is used to determine the combination of new solar and wind resources that meets RPS targets and minimizes the NPV of investment and operating cost.

In the base case, a balanced procurement of wind and solar is assumed for the renewable resources added, meaning 50 percent of renewable energy added will be wind and the other 50 percent is from the solar. Several sensitivity cases are also simulated:

- High Wind Case with 80 percent wind and 20 percent solar
- High load Sensitivity
- Low load Sensitivity
- High GHG Price Sensitivity

2.3 STATE LAWS, POLICY, AND REGULATIONS

This section explains various California laws and regulatory requirements passed in recent years that apply to SVP and other POUs. Legislation and instructions outlined in SB 350, PUC 9621, and the CEC guidelines to POUs were utilized in this IRP preparation. Additionally, this section describes other laws, policies, and regulations that also impact long-range planning and influenced culminated in the SB 350 and PUC 9621 requirements. Figure 2-3 shows several important legislative actions that impact POUs such as SVP.

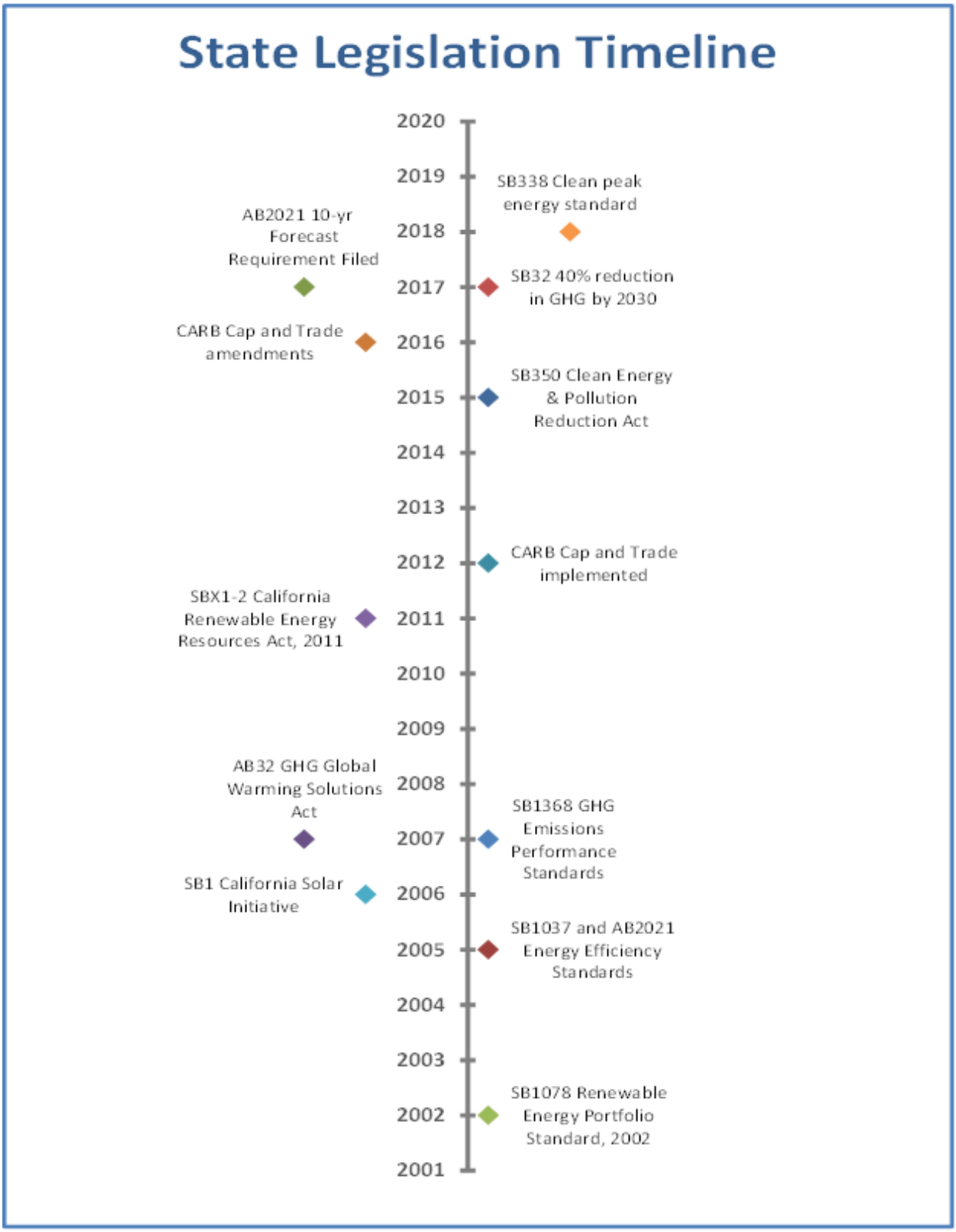


Figure 2-3 Timeline of Key State Legislative Actions Impacting IRP Planning

2.3.1 SB 350, PUC 9621 and SB 100

This Report is filed by SVP in accordance with the mandates of California Senate Bill (SB) 350 (de Leon, Chapter 547, Statutes of 2015) and associated changes to Public Utilities Code (PUC) Section 9621. SB 350, the "Clean Energy and Pollution Reduction Act of 2015," was signed into law by Governor Brown in October 2015 and required POUs with a three-year (2013-2016) average annual energy requirement of greater than 700 GWh to submit an IRP to the California Energy Commission.

SB 350 requires POUs to file an IRP consistent with PUC 9621, and the Energy Commission to review and determine IRP consistency. IRPs must be approved by POUs by January 1, 2019 and filed with the Energy Commission by April 30, 2019. The IRP is to be updated at least once every five years thereafter.

PUC 9621 established several targets that affect future resource additions. These include:

- Achieving a statewide target that doubles energy efficiency savings in electricity and natural gas end uses by 2030 to the extent it is cost-effective, feasible, and does not adversely impact public health and safety
- The development of IRPs that achieve GHG emissions reduction targets established by the CARB, in coordination with the CPUC and the Energy Commission that result in GHG emission reductions of 40 percent from 1990 levels by 2030.

  NOTE: In July, 2018 the CARB staff, in coordination with the CEC and CPUC staff, issued targets that were developed around an economy-wide, 260 million metric tons of carbon dioxide equivalent ($MMTCO_2e$) as the mass-based GHG target for the state in 2030.[4] The achievement of this target is spread across all GHG-contributing sectors, with the electric sector targeted to account for a 51 percent to 72 percent reduction from the 1990 GHG emission level of 108 $MMTCO_2e$. This goal is show in Table 2-2.
- Achieving a renewable resource level of at least 50 percent by 2030 for the amount of electricity generated and sold to retail customers. PUC 9621 also requires compliance with the interim renewable targets in the California Renewables Portfolio Standard Program; for periods beyond the 2018 date of this IRP, the interim targets are 33 percent by the end of 2020, 40 percent by the end of 2024, and 45 percent by the end of 2027.[5] Annual updates must be submitted by the POU.
- These objectives are to be met while also complying with the goals in PUC 454.52 related to serving customers at just and reasonable rates, minimizing ratepayer impacts, ensuring reliability, strengthening the transmission and distribution system, enhance demand-side management, and minimizing pollutants with early priority on disadvantaged communities.

[4] California Air Resources Board, *Staff Report: Senate Bill 350 Integrated Resource Planning Electricity Sector Greenhouse Gas Planning Targets*, July 2018.

[5] PUC Division 1, Part 1, Chapter 2.3, Article 16, 399.11-399.32, the interim requirements are listed in 399.15(b.2.B) and 339.30 (c, 2).

Table 2-2 Estimated 2030 GHG Emissions by Sector (MMTCO2e)

SECTOR	1990	2030 SCOPING PLAN RANGES	% CHANGE FROM 1990
Electric Power	108	30-53	-72 to -51
Agriculture	26	24-25	-8 to -4
Residential and Commercial	44	38-40	-14 to -9
High GWP	3	8-11	267 to 367
Industrial	98	83-90	-15 to -8
Recycling and Waste	7	8-9	14 to 29
Transportation	152	103-111	-32 to -27
Natural Working Lands Net Sink	-7	TBD	TBD
Subtotal	431	294-339	-32 to -21
Cap-and-Trade Program	n/a	34-79	n/a
Total	431	260	-40

California Air Resources Board, Staff Report: Senate Bill 350 Integrated Resource Planning Electricity Sector Greenhouse Gas Planning Targets, July 2018, p. 23.

The CARB document also set forth proposed GHG targets for the individual POUs. These targets are shown in Table 2-3 and include a targeted 2030 range of between 275,000 and 485,000 MTCO2e for SVP; this amounts to 0.915 percent of the 2030 electricity sector emissions. CARB has proposed to update these targets on a 5-year basis to coincide with the IRP filing requirements.

Table 2-3 POU Share of 2030 GHG Emissions Projected by CARB

POU	% OF 2030 ELECTRIC SECTOR EMISSIONS	LOW 2030 TARGET $MTCO_2E$*	HIGH 2030 TARGET $MTCO_2E$*
City of Burbank	0.430	129,000	228,000
City of San Francisco	0.041	12,000	22,000
City of Anaheim	1.015	305,000	538,000
City of Palo Alto	0.174	52,000	92,000
City of Pasadena	0.426	128,000	226,000
City of Riverside	0.918	275,000	487,000
City of Vernon	0.497	149,000	263,000

POU	% OF 2030 ELECTRIC SECTOR EMISSIONS	LOW 2030 TARGET $MTCO_2E$*	HIGH 2030 TARGET $MTCO_2E$*
City of Redding	0.191	57,000	101,000
City of Glendale	0.396	119,000	210,000
Imperial Irrigation District	1.745	524,000	925,000
L.A. Dept of Water & Power	8.851	2,655,000	4,691,000
Modesto Irrigation District	1.055	317,000	559,000
City of Roseville	0.452	136,000	240,000
Silicon Valley Power	0.915	275,000	485,000
SMUD	3.621	1,086,000	1,919,000
Turlock Irrigation District	0.629	189,000	333,000

*Low target based on 30 $MMTCO_2e$ for the sector; high target based on 53 $MMTCO_2e$ for the sector. Emission targets for each utility are rounded to the nearest 1,000 $MTCO_2e$.

California Air Resources Board, *Staff Report: Senate Bill 350 Integrated Resource Planning Electricity Sector Greenhouse Gas Planning Targets*, July 2018, p. 30.

In September 2018, SB 100, known as *The 100 Percent Clean Energy Act of 2017*, passed and further modifies the RPS requirements from 50 percent by 2030 to 60 percent by 2030, and create the policy of planning to meet all of the state's retail electricity supply with a mix of RPS-eligible and zero-carbon resources by December 31, 2045, thereby achieving a 100 percent clean energy supply.

SB 100 accelerates the RPS obligations for retail sellers, including SVP and other POUs as follows:

- From 40 percent to 44 percent by 2024
- From 45 percent to 52 percent by 2027; and
- From 50 percent to 60 percent by 2030.

SB 100 also states that achieving this policy shall not increase carbon emissions elsewhere in the western grid and shall not involve resource shuffling. The bill would also require the CPUC, CEC, the CARB, and other state agencies to incorporate this policy into their regulations and decisions.

SB 338 was signed into law in September 2017 and became effective in January, 2018. This law requires California utilities to rely on energy efficiency, demand management, energy storage, and other strategies to meet peak electricity needs. This included revisions to Public Utilities Code section 9621(c), requiring the local governing board to *"consider the role of existing renewable generation, grid operational efficiencies, energy storage, and distributed energy resources, including energy efficiency, in helping to ensure each utility meets energy needs and reliability needs in hours to encompass the hour of peak demand of electricity, excluding demand met by variable renewable generation directly connected to a California balancing authority, as defined in Section 399.12, while*

reducing the need for new electricity generation resources and new transmission resources in achieving the state's energy goals at the least cost to ratepayers."

SVP notes that development of its IRP began well in advance of the effective date of these provisions. However, as part of the comprehensive process SVP has undertaken to develop this current IRP, the utility reviewed and considered resource options that included all of the technologically feasible and cost effective options available to SVP, including what options would be best utilized for energy needs and reliability requirements during hours of peak demand for the utility. This includes a review of the best available options considering both new and existing preferred resources, as would necessarily be assessed in order to ensure that SVP provides its customers with the cleanest and most cost effective generation resources, while also ensuring that SVP meets all of the statutory requirements of not only Section 9621, but other procurement and resources mandates, as well.

SVP currently meets peak demand through its diverse portfolio of resources, which has been determined to result in the least cost to the ratepayers and is projected to remain the least cost method to meet forecast demand until 2023. Additional capacity needs will be met with capacity purchases. As costs of energy storage continues to decline, SVP plans to re-evaluate energy storage potential annually. Section 5 of this report provides a detailed description on those planned efforts.

2.3.1.1 CEC IRP Guidelines

To facilitate IRP preparation and submittal, the CEC developed IRP guidelines for the state POUs. The guideline document, entitled *Publicly Owned Utility Integrated Resource Plan Submission and Review Guidelines*, was issued in July, 2017 (updated in August, 2018) and established a number of requirements to be included in the IRP Filing. These requirements include the following:

- POUs must submit the four Standardized Tables to the Energy Commission as part of the IRP Filing. These tables consist of the following:

    1. Capacity Resource Accounting Table (CRAT): Annual peak capacity demand in each year and the contribution of each energy resource (capacity) in the POU's portfolio to meet that demand.
    2. Energy Balance Table (EBT): Annual total energy demand and annual estimates for energy supply from various resources.
    3. GHG Emissions Accounting Table (GEAT): Annual GHG emissions associated with each resource in the POU's portfolio to demonstrate compliance with the GHG emissions reduction targets established by CARB.
    4. RPS Procurement Table (RPT): A detailed summary of a POU resource plan to meet the RPS requirements.

    The four Standardized Tables for the adopted scenario are presented in Appendix A, and summary tables of this information are presented for recommended scenario in Section 8. The numbers presented in Section 8 are based on the modeling results. The Standardized Tables include some modifications to the numbers based on more recent information and takes precedence over Section 8.

- The minimum planning period begins January 1 of the year that the POU's board adopts the IRP (this is 2019 for SVP) and must go through 2030, although longer planning periods are encouraged.
- POUs are encouraged to evaluate alternative resource options through various scenarios and sensitivity analyses.
- The IRP Filing must include supporting information used to develop the Standardized Tables and other studies, data, analyses used or relied upon in developing the IRP.
- POUs are required to report the forecasted peak demand, forecasted retail sales, other loads, and net energy for load in the EBT. The IRP must explain the demand forecast method and assumptions utilized. The CEC encourages alternative demand forecast scenarios to be part of the IRP.
- The IRP must report the mix of resources in the required tables; this includes RPS procurement information in the RPT. The mix of resources refers to short-term and long-term electricity, electricity-related, and demand response products. RPS information provided must demonstrate the achievement of the RPS target by listing the RPS procurement targets, the projection of renewables as contained in a RPS procurement plan. The reporting of resource mix must also include the impacts of energy efficiency and demand response resources. Energy storage and transportation electrification should also be addressed in the IRP and included in the required tables, as appropriate.
- The IRP should address system reliability. This includes explaining how the planning reserve margin was established and a discussion of any local transmission constrained areas.
- GHG emission intensities must be reported in metric tons of carbon dioxide equivalent per MWh for each supply resource reported in the EBT.
- The IRP should be consistent with the goal of achieving just and reasonable rates and must include as Supporting Information, a report on rate impacts under the IRP plan if that report was considered in the IRP planning.
- The IRP should report on the contribution of the IRP to increasing the diversity, sustainability, and resilience of the transmission and distribution system.
- The IRP should be consistent with minimizing localized air pollutants and other GHG emissions with early priority on disadvantaged communities.

Table 2-4 lists the IRP Filing requirements as listed in the CEC guidelines document and indicates where in this IRP the corresponding information is provided. This table is also provided after the acronym table at the beginning of this IRP document.

Table 2-4 Summary of Key IRP Filing Requirements and Location in SVP's IRP

ITEM	SELECTED TEXT FROM THE *CEC GUIDELINES*	LOCATION IN SVP'S IRP
A. Planning Horizon and Objective of Expansion Plan	"adopt an IRP that ensures the utility achieves the specific goals and targets by 2030, including…greenhouse gas emissions reductions of 40 percent below 1990 levels, and…at least 50 percent of eligible renewable resources…The minimum planning horizon…begins no later than January 1 of the year that the POU's governing board adopts the plan and ends no earlier than December 31, 2030…POUs are encouraged to undertake and present analysis….that addresses the post-2030 period"	Section 8
B. Scenarios and Sensitivity Analysis	"IRP Filings….must meet the requirements of PUC Section 9621. POUs are encouraged to also evaluate other scenarios and sensitivity analyses to consider the feasibility and cost-effectiveness (and rate impacts) of alternative resource options."	Section 8
C. Standardized Tables	"POUs must submit the following four Standardized Tables… • Capacity Resource Accounting Table (CRAT) • Energy Balance Table (EBT) • RPS Procurement Table (RPT) • GHG Emissions Accounting Table (GEAT)"	Appendix A
D. Supporting Information	"(1) analyses, studies, data, and work papers, or other material that the POU used or relied upon (including inputs and assumptions) in creating the IRP… and (2) additional information required by these guidelines. Supporting Information supplements the data submitted in the Standardized Tables."	Section 4, 5, 7; all Appendices
E. Demand Forecast	"1. Reporting Requirements…annual forecasted peak demand (MW) in the CRAT and annual forecasted retail sales, other loads, and net energy for load in the EBT… 2. Demand Forecast Method and Assumptions. 3. Demand Forecast – Other Regions. If the POU uses system modeling…the IRP Filing must include the demand forecast assumptions for regions outside the POU jurisdiction."	Section 4, Appendix A
F. Resource Procurement Plan	"…the mix of resources… in the IRP [as]…reported on the CRAT, EBT, and GEAT, and RPS procurement must also be reported on the RPT [along with] all inputs, assumptions, and methodologies …The IRP Filing must address: 1. Diversified Procurement Portfolio 2. RPS Planning Requirements 3. Energy Efficiency and Demand Response Resources 4. Energy Storage 5. Transportation Electrification"	Section 8, Appendix A

ITEM	SELECTED TEXT FROM THE *CEC GUIDELINES*	LOCATION IN SVP'S IRP
G. System and Local Reliability	"Filing POUs [must] adopt an IRP to… meets the goal of ensuring system and local reliability…and report: 1. Reliability Criteria…the planning reserve margin and how it was determined. 2. Local Reliability Area. The IRP Filing must identify any local transmission constrained areas in the POU service territory…" 3. Net Demand in Peak hours… how renewable resources, multi-hour energy storage, and distributed energy resources, including energy efficiency, were considered for meeting reliability needs during net peak hour	Section 4
H. Greenhouse Gas Emissions	"POUs must report in the GEAT estimated emissions intensities (in metric tons of carbon dioxide equivalent [CO_2e] per megawatt hour…for each supply resource reported in the EBT."	Section 8, Appendix A
I. Retail Rates	"…the IRP Filing must include, as Supporting Information, a report or study on rate impacts under the IRP scenario, if that report or study was considered by the local governing authority as part of its IRP planning."	Section 8
J. T&D Systems	"…adopt and IRP [that] achieves the goal of strengthening the diversity, sustainability, and resilience of the bulk transmission and distribution systems, and local communities."	Section 3
K. Localized Air Pollutants and Disadvantaged Communities	"…adopt IRPs to…[achieve] the goal of minimizing localized air pollutants and other GHG emissions, with early priority on disadvantaged communities…[discuss] how current programs and policies in place…address local air pollution…[and] how programs assist and prioritize disadvantaged communities."	Section 8
Summarized from Chapter 2 of Vidaver David, Garry O'Neill-Mariscal, Melissa Jones, Paul Deaver, and Robert Kennedy. 2017 and 2018. *Publicly Owned Utility Integrated Resource Plan Submission and Review Guidelines.* California Energy Commission. Publication Number: CEC-200-2017-004-CMD and CEC-200-2018-004-SD.		

2.4 OTHER RELEVANT STATE LEGISLATION AND EXECUTIVE ORDERS

The following is a summary of key bills and orders, arranged chronologically within the categories of GHG emissions, energy efficiency, renewable energy, and solar power, in chronological order. SB 350 and PUC 9621 are, in many ways, the outgrowth of several preceding bills or executive orders affecting the electric utility industry.

2.4.1 Greenhouse Gas Emissions

2.4.1.1 Greenhouse Gas Emissions – Global Warming Solutions Act (AB 32)

On January 1, 2007, Assembly Bill 32 (AB 32), the Global Warming Solutions Act of 2006 (the GWSA) took effect, prescribing a statewide cap on global warming pollution with a goal of returning to 1990 greenhouse gas emission levels by 2020. The law required utilities to report greenhouse

gas emissions to the CARB, and allowed the CARB to adopt specific regulations for reducing greenhouse gas emissions.

On October 20, 2011, the CARB adopted a regulation implementing a cap-and-trade program, which became effective on January 1, 2012. The program, which was implemented in phases, covers emissions from electricity generators, electricity importers, large industrial sources, and transportation fuels. The cap on emissions was established in 2013, and was designed to decline every year consistent with reaching the 1990 emission levels by 2020. To achieve the goal, carbon allowances are distributed annually in amounts equal to the cap for that year. Some allowances are given freely, and others are auctioned off. Allowance owners may use allowances to emit carbon or sell the allowances on the secondary market.

CARB held an October 2, 2015 workshop to begin the development of 2016 cap-and-trade program amendments. CARB stated four objectives: (i) to extend the program beyond 2020; (ii) to improve programmatic efficiencies (covering auctions and data reporting); (iii) to better reflect the latest technical data on global warming potential and experiences with other emissions trading programs; and (iv) to maintain the environmental and market integrity of California's program.

The SVP resource plan must ultimately conform to the California greenhouse gas emission requirements stated in AB 32. The AB 32 scoping plan regulations require certain economic sectors of California to reduce GHG emissions to 1990 levels by 2020 through a Cap and Trade Emissions Reduction Program. As part of this Program, SVP must submit "allowances" for its emissions from its owned facilities, as well as a portion of the electricity SVP brings into California over its transmission assets. An allowance represents one metric ton of GHG emissions. The allowances are administered by the CARB.

In July of 2018, CARB released their staff report: Senate Bill 350 Integrated Resource Planning Electricity Sector Greenhouse Gas Planning Targets the proposed GHG Planning Target Ranges for publicly owned utilities, see Table 2-2.

In 2017, SVP divested its coal interest in the M-S-R San Juan generating station and ceased its natural gas power purchase agreement with Graphic Packaging. A total combined metric ton reduction of 434,983 MTCO2e resulted. This achievement puts SVP on its way to attaining the 2030 Sector Emissions targets cited above. SVP does have ownership in natural gas power plants and will continue to use those resources as needed as long as it makes financial sense. In the IRP modeling, SVP evaluated a high GHG cost scenario.

2.4.1.2 Carbon Emissions versus Carbon Intensity of Energy Delivered to Retail Customers

There are multiple ways to account for GHG emissions.

- The mandatory greenhouse gas reporting (MRR) accounts for power plant ownership only. This report does not account for resources that are dispatched to the market that do not serve an entities retail load.
- Power Content Label/Power Source Disclosure is being updated through AB 1110 to include the carbon intensity of the power content label for resources delivered to the retail customers. This method does not account for the actual carbon content of unspecified energy in a given hour and does not account for unbundled RECs.
- SVP will use a third method to account for carbon to its customers. This method aligns the mix of resources that is delivered to its customers. SVP follows the State's loading order using

renewable and GHG free resources to serve customers first. Other resources are included and excess generation dispatched by the California Independent System Operator Corporation (CAISO) market is not included. SVP will utilize the CAISO's hourly carbon numbers when SVP buys from the grid. For example, sometimes in the summer months when there is excess solar generation and energy prices fall, SVP will reduce output from a natural gas plant and buy from the market. In doing so, the carbon mix is lower (CAISO hourly) than the natural gas plant emissions. Using the current 0.428 MtCO2e/MWh unspecified number for the market purchase will equate to higher carbon allocation than if the gas plant continued to run. This CO2 allocation methodology is inconsistent with the understood intent of carbon regulation and does not make sense from a CO2 accounting standpoint and in effect penalizes entities that effectively reduce CO2 emissions by purchasing from the market when lower prices are being driven by high penetration of solar generation. Conversely, the power content label is not accounting for the actual dispatch of peaker plants that are currently being dispatched by the CAISO to the grid for unspecified market purchases especially during the peak ramp. These plants are not as efficient as combined-cycle natural gas plants and the emissions are much greater than the unspecified rate of 0.428 MT CO2e/MWh.

2.4.1.3 Greenhouse Gas Emissions – Emissions Performance Standard (SB 1368)

Senate Bill 1368 (SB 1368) became law on January 1, 2007. The bill provides for an emission performance standard (EPS), which restricts new investments in baseload fossil fuel electric generating resources that exceed the rate of greenhouse gas emissions for existing combined-cycle natural gas baseload generation. SB 1368 allows the CEC to establish a regulatory framework to enforce the EPS for POUs such as SVP. The CEC regulations prohibit any investment in baseload generation that does not meet the EPS of 1,100 pounds of carbon dioxide (CO_2) per MWh of electricity produced, with limited exceptions for routine maintenance, requirements of pre-existing contractual commitments, or threat of significant financial harm.

2.4.1.4 Greenhouse Gas Emissions: SB 32 and AB197

SB 32, which was implemented on January 1, 2017, requires the California Air Resources Board (CARB) (the designated state agency charged with monitoring and regulating sources of emissions of greenhouse gases), to ensure that statewide greenhouse gas emissions are reduced by at least 40 percent below the 1990 level no later than December 31, 2030. Companion legislation, Assembly Bill 197 (AB 197), also implemented on January 1, 2017, increases legislative oversight of the CARB. In addition, AB 197 requires that the CARB, if adopting rules and regulations to achieve emissions reductions beyond the statewide greenhouse gas emissions limit, protect the state's most impacted and disadvantaged communities, follow specified requirements, consider the social costs of the emissions of greenhouse gases, and prioritize emission reduction rules and regulations that achieve specified results.

2.4.1.5 Energy Efficiency (SB 1037; AB 2021)

Senate Bill 1037 (SB 1037) was signed by then Governor Schwarzenegger on September 29, 2005. The bill requires that each POU, including SVP, prior to procuring new energy generation resources, first acquire all available energy efficiency, demand reduction, and renewable resources that are cost-effective, reliable, and feasible. SB 1037 also requires each POU to report annually to its customers and to the CEC its investment in energy efficiency and demand reduction programs.

California Assembly Bill 2021 (AB 2021), signed by then Governor Schwarzenegger on September 29, 2006, requires that POUs establish, report, and explain the basis of the annual energy efficiency and demand reduction targets by June 1, 2007 and every three years thereafter, covering a ten-year future horizon. A subsequent bill has changed the time interval for establishing

annual targets to every four years. Reporting requirements under AB 2021 include: (i) the identification of sources of funding for the investment in energy efficiency and demand reduction programs; (ii) the methodologies and input assumptions used to determine cost-effectiveness; and (iii) the results of an independent evaluation to measure and verify energy efficiency savings and demand reduction program impacts.

2.4.2 Renewable Energy

2.4.2.1 Portfolio Standard (SB 1078)

The adoption of Senate Bill 1078 in 2002 required utilities to meet or exceed a standard of 20 percent of its annual energy needs to be provided by state qualified renewable resources by 2017. The California Renewable Energy Resources Act, enacted in 2011 as SBX1-2 ("SBX1-2"), required utilities to develop and implement a renewable energy resource plan that provides a specified average of the Electric System's retail sales from eligible renewable energy resources. Additionally, the target was increased to 33 percent by 2020 as described in the section below. Legislation enacted in 2015, Senate Bill 350 ("SB 350"), requires that electricity generated each year from eligible renewable energy resources be at least 50 percent by December 31, 2030. SVP has a history of focusing on renewable procurement. SVP's 2017 power mix consisted of 38 percent eligible renewable resources. When large hydroelectric resources are included, SVP's power mix was 72 percent Greenhouse Gas (GHG) free. SVP expects to exceed the 50 percent mandate in 2030 and beyond based its existing system, RECs, and projected load.

2.4.2.2 Renewables Portfolio Standard (SBX1-2)

Senate Bill X1-2 (SBX1-2), the "California Renewable Energy Resources Act," was signed into law by Governor Brown on April 12, 2011. SBX1-2 codifies the RPS target for retail electricity sellers to serve 33 percent of their loads with eligible renewable energy resources by 2020. As enacted, SBX1-2 makes the requirements of the RPS program applicable to POUs.

SBX1-2 requires each POU to adopt and implement a renewable energy resource procurement plan involving the procurement of at least the following amounts of electricity products from eligible renewable energy resources, which may include renewable energy certificates ("RECs"), as a proportion of total kilowatt hours sold to the utility's retail end-use customers:

(i) over the 2011-2013 compliance period, an average of 20 percent of retail sales from January 1, 2011 to December 31, 2013, inclusive;

(ii) over the 2014-2016 compliance period, a total equal to 20 percent of 2014 retail sales, 20 percent of 2015 retail sales, and 25 percent of 2016 retail sales; and

(iii) over the 2017-2020 compliance period, a total equal to 27 percent of 2017 retail sales, 29 percent of 2018 retail sales, 31 percent of 2019 retail sales, and 33 percent of 2020 retail sales. (More recently, SB 350 increased the statewide RPS to 50 percent by 2030.)

In addition to meeting the renewable energy percent procurement target, the RPS established certain Portfolio Content Categories (PCC) that further divided the eligible renewable energy resources to be procured and established certain limits. The PCCs essentially classify renewable resources into one of four categories based on location of the interconnection and other factors as follows:

PCC1: products must be bundled and the POU may not resell the energy; the resource's first point of interconnection must be to a distribution system serving end-users *within* a California balancing authority area; renewable energy products having a first point of interconnection outside of a California balancing authority area must be scheduled hourly into the area without substituting electricity from another source.

PCC2: products must be bundled and interconnected to a network within WECC; the electricity must be scheduled into a California balancing authority area; the products must have a first point of interconnection *outside* of a California balancing authority area, and the electricity must not be in the portfolio of the POU prior to the date of contract or ownership agreement; the electricity must be scheduled into the California balancing authority area within the same calendar year that the electricity is generated, and the energy may not be sold back by the POU.

PCC3: unbundled renewable energy credits and products that do not meet the requirements of PCC1 or PCC2.

PCCO: renewable energy under contract prior to June 1, 2010 provided that the resource meets the RPS eligibility requirements in effect when the procurement agreement was executed; subsequent amendments do not increase the capacity or production or substitute a different resource (any such change would be classified into PP1, 2, or 3 and follow the portfolio balance requirements); and the duration of the contract may be extended if the original contract was for 15 years or more.

For the 2017-2020 period, a minimum of 75 percent of the renewable energy must be classified as a PCC1 resource and a maximum of 10 percent can be a PCC3 resource.

2.4.2.3 Solar Power (SB 1)

On August 21, 2006, Governor Schwarzenegger signed into law California Senate Bill 1 (also known as the "California Solar Initiative"). This legislation requires POUs, including SVP, to establish a program supporting the SB 1 goal to install 3,000 MW of photovoltaic energy in California. POUs are also required to establish eligibility criteria in collaboration with the CEC for the funding of solar energy systems receiving ratepayer-funded incentives. The legislation gives a POU the choice of selecting an incentive based on the installed capacity or based on the energy produced by the solar energy system, measured in kilowatt-hours. Incentives would be required to decrease at a minimum average rate of 7 percent per year. POUs also have to meet certain reporting requirements regarding the installed capacity, the number of installed systems, the number of applicants, the amount of awarded incentives, and the contribution toward the program's goals.

2.5 FEDERAL ENERGY LEGISLATION

Currently, the state requirements described above dictate the renewable and emission standards for POUs in California. It is possible that in the future, more restrictive requirements could be mandated at the federal level resulting from new laws or regulations implemented by the U.S. Environmental Protection Agency (EPA).

In 2009, the EPA issued an "endangerment finding" that, it argued, allowed it to regulate emissions of greenhouse gases under existing law. This finding, and other findings and proposed rules, were challenged in court. Ultimately, it was found that the EPA had the authority to regulate greenhouse gas emissions from sources that were already covered under other emissions programs.

Meanwhile, the EPA developed a set of rules and regulations called the Clean Power Plan ("CPP"), which outlined specific emissions reductions targets for every state and required states to develop their own plans to achieve the targets. The CPP was also challenged in courts, with the result that a "stay," delayed implementation while the CPP worked its way through the courts. Before a decision was reached on the legality of the CPP, the EPA, under the administration of President Trump, announced it would repeal the CPP and replace it with other regulations. The repeal is still at the proposal phase as of the publication of this Report.

Greenhouse gas regulation at the federal level remains uncertain and, therefore, it is difficult to predict the extent to which future federal policy on the subject could impact SVP operations. This IRP was prepared assuming that California GHG emission reduction requirements would be the more stringent applicable requirements.

2.6 SVP'S PUBLIC STAKEHOLDER PROCESS

This IRP benefited from the public input process. The stakeholder process involved seeking groups who have an interest in future resource plans (Stakeholders) and inviting their participation so that relevant issues were identified and addressed. Through the process, participants were engaged and involved early in the IRP development. The result was that the concerns and perspectives of Stakeholders were considered, with the resulting resource plan achieving what is considered to be an appropriate balance of utility and Stakeholder objectives.

The Stakeholder process began with Silicon Valley Power's Strategic Plan launch in the spring of 2018. Stakeholders included large customers, local businesses, the community at large and employees. In the summer and fall of 2018, SVP held additional IRP specific meetings with interested Stakeholders. Additionally, SVP sought stakeholders' input by using the City of Santa Clara' s OpenGov - Open City Hall Platform to conduct a public survey. The survey was open from June to September 2018. SVP received 216 responses, 90 registered. Results are in Appendix B.

The IRP was subsequently discussed at the large customer meeting in the Fall of 2018 along with additional follow up with residential customers to coincide with the timing of the IRP presentation to the City Council in November 2018.

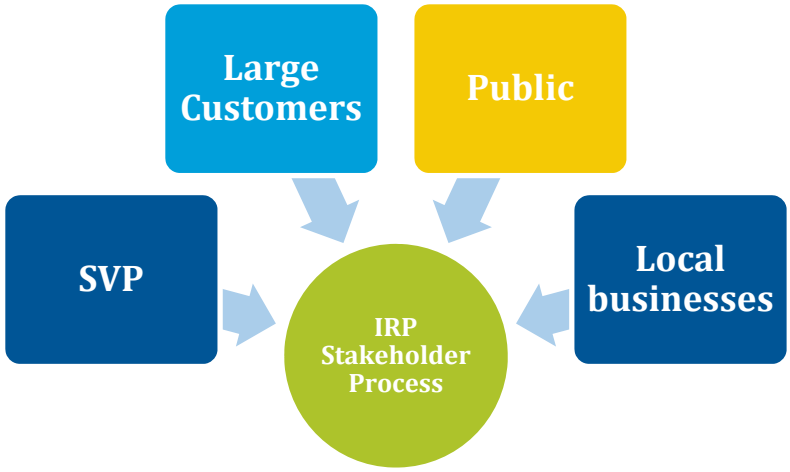


Figure 2-4 Stakeholder Engagement Participants

3.0 Existing Resources and System Description

The City of Santa Clara (the "City" or "Santa Clara") is located at the northwest border of the City of San Jose in Santa Clara County. SVP, a department within Santa Clara, has provided all electric service within the City's boundaries since 1896. SVP is responsible for operating the electric system consisting of generation, transmission, and distribution facilities. SVP is an enterprise fund, with budgeting separated from that for the City's general fund. SVP has an obligation to pay the general fund each year a sum equivalent up to 5 percent of the utility's revenues net of expenses, as a contribution in lieu of taxes.

As of 2017, the City's population was estimated at 129,000. As of December 2017, SVP served over 55,000 customers with over 3,500 GWh in sales and a peak demand of 587 MW. Eighty-four percent of the total number of customers are residential, however, over 90 percent of the utility retail sales are to commercial and industrial customers; shown in Figure 3-1 below. Approximately 74 percent of electric load is attributable to its largest "Key" Customers. Over 46 percent of the commercial and industrial sales comes from data centers.

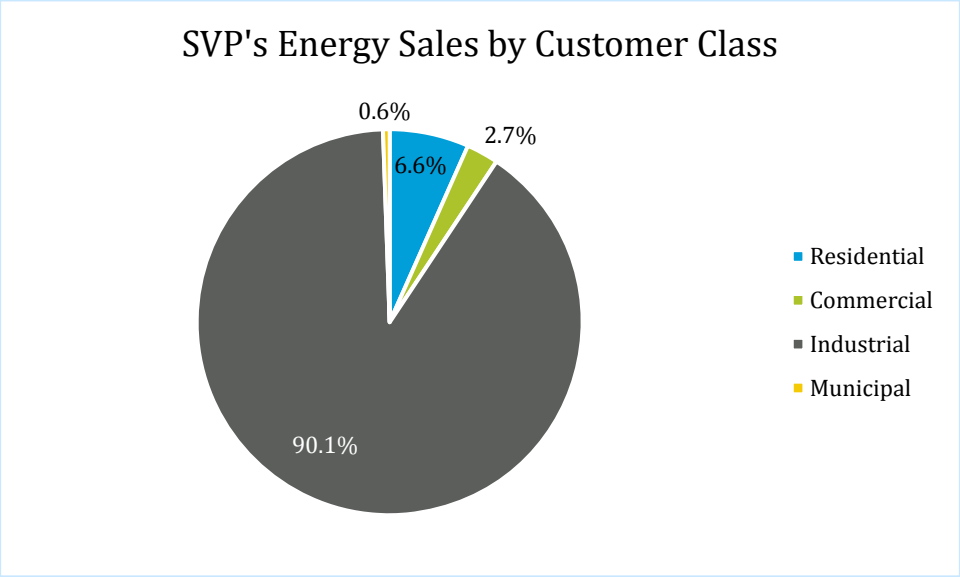


Figure 3-1 SVP's Customer Mix by sales as of 2017

This section provides a description of all the resources currently procured to meet customer load. SVP's portfolio includes City-owned resources, jointly-owned resources, and resources procured through Power Purchase Agreements. The City is a member of two joint powers agencies - Northern California Power Agency (NCPA) and M-S-R Public Power Agency (M-S-R PPA). Each of these agencies have shared interests in several facilities as described later in this section.

This IRP accounts for the City's Metered Subsystem Aggregation Agreement (MSSA) between the Northern California Power Agency (NCPA) and CAISO where SVP uses its own schedule coordinator and is not obligated to offer its generation into the CAISO market. SVP pays a Transmission Access Charge to CAISO for energy delivered into its service area.

SVP's energy resource planning strategies, methods and processes are consistent with applicable WECC and NERC standards, SVP's Strategic Plan, the MSSA and other relevant contracts into which the City has entered, Good Utility Practice, and sound economic and business principles. SVP will

continue to maintain an integrated and balanced portfolio of resources that is sufficient to meet its obligations.

When procuring resources to serve customer load, risk management processes and procedures are followed using the City's official Risk Management Policy. SVP also procures fuel for its natural gas-fired generating facilities with supply contracts that are laddered with staggered start times and durations to reduce and limit the effects of fluctuations and spikes in fuel prices. Risk management practices apply to decisions concerning the mix of resources and their loading order, including the decision to use supply or demand-side resources, whether to operate inside Santa Clara versus remote resources, what type of generation to procure and other questions. In general, SVP's approach has been to maintain a diverse portfolio of generating resources and market energy resources so that it can reduce risk and minimize exposure to loss of generating capacity. Due to SVP's dependence on transmission services provided by the CAISO and others to bring power from remote locations, SVP is exposed to costs increases and to power delivery interruptions during emergencies or facility failures. SVP continually works to reduce the impacts of transmission cost increases and maintains contingency plans for such occurrences.

A summary of SVP's 2017 power supply resources and the percentage of total energy supplied by each are presented in Table 3-1. This does not include SVP's excess renewable resources sold to third parties. Due to SVP's long position in renewables, SVP will either sell excess renewable generation to other entities or bank RECs in excess of the RPS requirements to be utilized in future years. This allows SVP to evaluate additional eligible renewable resources projects that will optimize the value for the customers. Table 3-2 summarizes resources that are currently in SVP's portfolio for future delivery. Figure 3-2 shows the location of SVP's existing resources and Figure 3-3 shows the mix of energy production in 2017.

Table 3-1 SVP's Power Supply Resources

SOURCE	RESOURCE TYPE	RPS ELIGIBLE	PCC TYPE	2017 CAPACITY AVAILABLE (MW)	2017 ACTUAL ENERGY (GWH)*
City Owned/Contracted Power					
Ameresco FWD	Landfill Gas	Yes	PCC1	4.2	32.6
Ameresco Landfill	Landfill Gas	Yes	PCC0	0.8	2.1
Ameresco VASCO	Landfill Gas	Yes	PCC1	4.3	33.1
Stony Creek Hydro System	Small Hydro	Yes	PCC0	11.6	32.9
Cogeneration	Gas	No		7.0	46.6
DVR	Gas	No		147.8	405.6
Friant 1	Small Hydro	Yes	PCC1	25.0	130.8
Friant 2	Small Hydro	Yes	PCC1	7.3	31.5
G2 Landfill	Landfill Gas	Yes	PCC0	1.6	11.0
Gianera Generating Station	Gas	No		49.5	0
Graphic Packaging	Contract	No		27.7	121.5
Grizzly Hydro	Small Hydro	Yes	PCC0	17.7	91.2
Jenny Strand	Solar	Yes	PCC1	0.1	0.2
Manzana Wind	Wind	Yes	PCC1	50.0	134.0
Recurrent Solar	Solar	Yes	PCC1	20.0	57.7
SCL Exchange	Contract	No			0
Tioga Solar	Solar	Yes	PCC1	0.45	0.539
Tri Dam Southern/Sandbar	Small Hydro	Yes	PCC1	16.2	121.4
Tri-Dam Beardsley	Small Hydro	Yes	PCC1	11.5	83.8
Tri-Dam Donnells	Hydro	No		72.0	432.7
Tri-Dam Tulloch	Small Hydro	Yes	PCC1	25.7	139.5
WAPA small hydro	Small Hydro	Yes	PCC0	10.0	9.0
WAPA	Hydro	No		126.0	439.3
Total City-Owned Resources				**636.5**	**2,357.0**
Northern California Power Agency					
NCPA Collierville	Hydro	No		85.6	378.7
NCPA LEC	Gas	No		72.0	0
NCPA CT	Natural Gas	No		31.0	0
NCPA New Spicer	Small Hydro	Yes	PCC0	6.0	13.4
Geo Plant 1-4 4	Geothermal	Yes	PCC0	55.7	62.1
Geo Unit 3Onsite Load	Geothermal	Yes	PCC0	0.0	6.3
Solar Geo Unit 1	Solar	Yes	PCC0	1.4	0.4
Solar Geo Unit 2	Solar	Yes	PCC0	1.3	0.9
Solar Hydro	Solar	Yes	PCC0	0	0.016
Total NCPA Resources				**253.0**	**461.8**
MCR Resources					
Big Horn 1	Wind	Yes	PCC0	105.0	246.5
Big Horn 2	Wind	Yes	PCC0	17.0	42.0
San Juan	Coal	No		51.0	331.3
Total MSR Resources				**173.0**	**619.8**
Total Renewable Resources				**392.9**	**1,282.9**
Total Zero Carbon Resources, not counted as renewable				**283.6**	**1,250.7**
Total (Generated and Purchased)				**1,062.0**	**3,439.0**

* Generation as delivered to retail sale customers

Source: Silicon Valley Power

Table 3-2 SVP's Power Supply Resources for future delivery

SOURCE	RESOURCE TYPE	RPS ELIGIBLE	PCC TYPE	INSTALLED CAPACITY (MW)	DELIVERY YEAR
City Owned Power					
Central 40 Solar	Solar	Yes	PCC1	40.0	2021
Rooney Ranch	Wind	Yes	PCC1	19.5	2021
San Hill A	Wind	Yes	PCC1	13.0	2021
San Hill B	Wind	Yes	PCC1	17.5	2021
Viento Loco	Wind	Yes	PCC1	200.0	2022
Total Renewable Resources				**2,556.0**	

Source: Silicon Valley Power

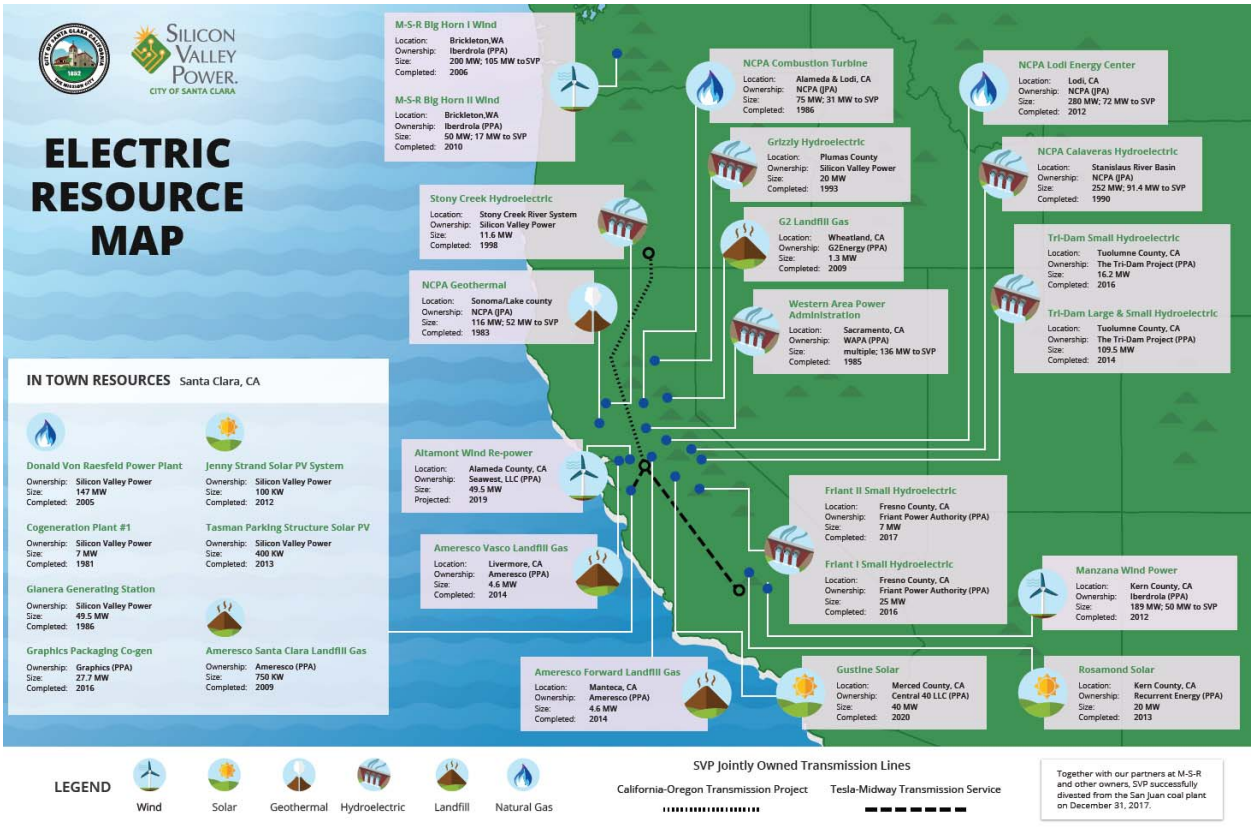


Figure 3-2 SVP's Power Resource Locations (Self-Owned and PPA)

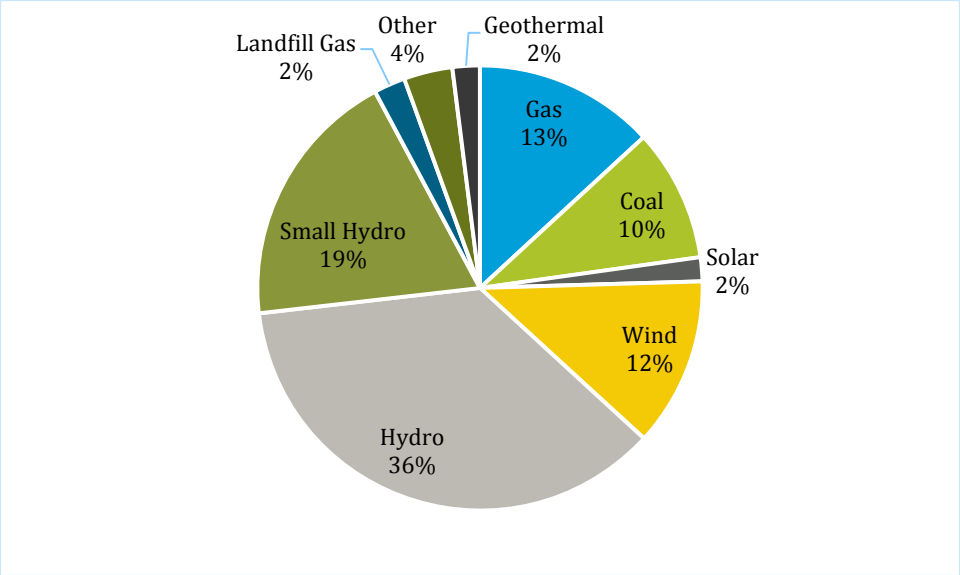


Figure 3-3 SVP's Mix of Energy Generation 2017 as delivered to retail sale

3.1 SANTA CLARA OWNED/CONTRACTED RESOURCES

3.1.1.1 Ameresco Landfill Gas Facilities

On February 12, 2008, SVP entered into a 20-year purchase power agreement with Ameresco for landfill gas generated electricity from the closed municipal landfill located in the city limits of SVP, which includes three microturbines, and is estimated to generate approximately 4,700 MWh per year during the first ten years of the contract and approximately 3,100 MWh per year during the final ten years of the contract. For the Fiscal Year ended June 30, 2017, SVP received approximately 1,820 MWh of energy from the Ameresco SVP landfill project. On May 25, 2010, SVP entered into a second 20-year power purchase agreement with Ameresco for landfill gas generated electricity for 4.6 MW (and potentially up to 9.2 MW) from the Forward landfill in Manteca, California. This project became operational in February 2014. On August 17, 2010, SVP entered into a third 20-year power purchase agreement with Ameresco for landfill gas generated electricity for up to 5 MW from the Vasco Road landfill near Livermore, CA. The Vasco Road landfill project became operational in February 2014.

3.1.1.2 Stony Creek Hydroelectric System

SVP owns and operates three hydroelectric plants consisting of (i) a 4.9 MW hydroelectric generating plant located at the United States Bureau of Reclamation Stony Gorge Dam near Willows, California, which was completed in 1985, (ii) a 6.2 MW hydroelectric generating plant located at the United States Army Corps of Engineers' Black Butte Dam near Orland, California, which was completed in late 1988, and (iii) a 0.53 MW hydroelectric generating plant located at the Orland Unit Water Users' Association High Line Canal/South Side Canal drop near the Black Butte dam, which was completed in late 1988.

3.1.1.3 Cogeneration

SVP owns and operates a cogeneration plant which began operation in 1981. The cogeneration plant provides steam for sale to a paperboard plant in SVP and delivers power to SVP's electric distribution system. SVP upgraded this plant to obtain a new name-plate rating of 7.0 MW, effective

July 1995. Fuel for the cogeneration plant (natural gas) is generally acquired under term contracts at prices fixed for the contract term.

3.1.1.4 Donald R. Von Raesfeld Power Plant

SVP constructed and placed into commercial operation on March 22, 2005, a 122 MW nominal/147 MW peak, natural gas-fired, combined cycle power plant known as the "Don Von Raesfeld Power Plant" (initially designated by the Santa Clara City Council as the Pico Power Plant). The Don Von Raesfeld Power (DVR) Plant is located in an industrial area of Santa Clara, on the site of SVP's Kifer Receiving Station. The DVR Power Plant includes its own switchyard, and connects to an existing 115 kV transmission line that currently crosses the plant site. Natural gas for the Don Von Raesfeld Power Plant is delivered through an approximately two mile gas pipeline from the local transmission main of PG&E. SVP has long-term agreements with EDF Trading North America and M-S-R EA in place for a significant portion of the plant's fuel requirements, and actively manages the quantity and price risks associated with fuel supply quantities not under long-term agreement. Fully base loaded, the DVR Power Plant could generate approximately 1,000 GWh of energy per year. However, SVP substitutes market purchases when it is economical to do so. For example, when there is ample solar during the mid-day summer and prices are advantageous, SVP will ramp down the DVR Power Plant to take advantage of the pricing and the lighter carbon resources available in the CAISO market.

3.1.1.5 Friant Small Hydroelectric Projects 1 & 2

Friant Power Authority, Facility 1: SVP will purchase up to 68,000 MWh per year of electricity over the term of the agreement, from January 1, 2016 to August 31, 2032. Facility 1 consists of three existing run-of-river hydroelectric generating plants: the River Outlet (2 MW), the Friant-Kern (15 MW), and the Madera (8 MW).

Friant Power Authority, Facility 2: SVP will purchase the Net Electrical Output from Facility 2, a new run-of-the river hydroelectric generating plant, Quinten Luallen Power Plant (7 MW), from July 10, 2012 to December 31, 2032.

3.1.1.6 G2 Landfill Gas

SVP entered into a power purchase agreement for, and began taking delivery of energy in January 2009 from, a 1.6 MW landfill gas facility, G2, near Wheatland, California.

3.1.1.7 Gianera Generating Station.

The City owns and operates a nominal 49.9 MW dual fuel (natural gas and fuel-oil) combustion turbine generating plant consisting of two 25 MW units, which were completed in 1986 and 1987, respectively. This generator helps meet the City's peak load if needed, Resource Adequacy requirements and lately has been dispatched by the CAISO to support California's peak loading hours.

3.1.1.8 Graphic Packaging

Graphics Packaging is a manufacturer of recycled paper products that also operated a 27.7 MW cogeneration facility within the City of SVP. This manufacturing facility and the cogeneration plant was permanently closed in December of 2017, and the power purchase agreement was terminated.

3.1.1.9 PG&E Grizzly Project

Pursuant to a 1990 settlement agreement with Pacific Gas and Electric Company (PG&E), SVP agreed to finance and own 100 percent of a 20 MW hydroelectric facility (Grizzly Project) located on Grizzly Creek above the North Fork of the Feather River in Plumas County, California. The Grizzly Project operates in combination with the hydroelectric facilities of PG&E's Bucks Creek project. Pursuant to the settlement agreement, SVP became a joint licensee in PG&E's Bucks Creek project. The construction of the Grizzly Project was financed (and refinanced) through the issuance by SVP of electric system revenue bonds. Pursuant to the settlement agreement, PG&E constructed and operates the Grizzly Project, which was placed into operation in November 1993.

Until the date SVP's ownership of the Grizzly Project is terminated (as described below), SVP will own and receive all energy generated by the Grizzly Project, less transmission losses, as described in the settlement agreement (which reflects a contract capacity amount of 17.66 MW).

The Grizzly Project facilities include a tunnel intake structure, surge tank, steel penstock, powerhouse, turbine, transmission line (nominally rated at 115 kV) for interconnection with PG&E's transmission system and certain additional switchyard equipment and related facilities. Annual energy generation of the Grizzly Project is estimated at 43.4 GWh in an average water year and 26.1 GWh in dry years. For the Fiscal Year that ended June 30, 2017, the Grizzly Project generated 88.33 GWh of energy.

Pursuant to the settlement agreement, SVP's interest in the Grizzly Project may revert to PG&E under certain limited circumstances. In the event of such reversion, Santa Clara will be reimbursed by PG&E for the fair market value of the project or be reimbursed for costs advanced by Santa Clara as provided in the settlement agreement. The earliest possible reverter date under the settlement agreement is November 18, 2027.

3.1.1.10 Manzana Wind Facility

On February 14, 2012, Santa Clara entered into a 20-year power purchase agreement for 50 MW of the output from Avangrid's Manzana Wind Power Project in Kern County, California, which began power deliveries in December 2012.

3.1.1.11 Recurrent

On July 14, 2011, SVP entered into a 25-year power purchase agreement for the entire output from the RE Rosamond One LLC project, a 20 net MW solar photovoltaic-powered project in Kern County, California, which became operational in December 2013.

3.1.1.12 Jenny Strand Solar Park

Santa Clara originally entered into an agreement with MiaSole, a California corporation, on December 6, 2011 for the purpose of having MiaSole donate one thousand (1,000) solar modules to Santa Clara at no cost to Santa Clara to further City's ability to provide renewable power. On February 1, 2015, the original party "MiaSole" transferred ownership to MiaSole Hi-Tech Corp. MiaSole Hi-Tech Corp transferred 1,121 solar modules to Santa Clara.

3.1.1.13 Tioga Solar

On February 2, 2012, Santa Clara entered into a 20-year Power Purchase Agreement with Tioga Solar Santa Clara, LLC. The project is located on the City of Santa Clara's multi-level parking structure on Tasman Drive in the City of Santa Clara. Nameplate capacity is 389.76 kW.

3.1.1.14 Tri-Dam Large and Small Hydroelectric Project

In October 2013, Santa Clara entered into a power purchase agreement with the Tri-Dam Project and the Tri-Dam Power Authority to purchase the output from four hydroelectric power plants located on the Middle Fork of the Stanislaus River in Tuolumne County: 72 MW Donnells Powerhouse, 25.7 MW Tulloch Powerhouse, 11.0 MW Beardsley Powerhouse, and 16.2 MW Southern Powerhouse. Power deliveries from Donnells, Tulloch, and Beardsley commenced on January 1, 2014. Power deliveries from Southern/Sandbar commenced on January 1, 2017. The agreement is scheduled to terminate on December 31, 2023.

3.1.1.15 Seattle City Light (SCL) – NCPA Exchange Agreement

NCPA, on behalf of Healdsburg, Palo Alto, Ukiah, Lodi and Roseville, has negotiated a seasonal exchange agreement with Seattle City Light (SCL) for 60 MW of summer capacity and energy and a return of 46 MW of capacity and energy in the winter. Deliveries under the agreement began June 1, 1995. Effective May 31, 2008, Healdsburg, Palo Alto and Roseville assigned their participation percentages to Santa Clara. As a result, Santa Clara receives 32.6 MW from SCL during the months of June through October each year, and is obligated to provide 25 MW to SCL from December through mid-April each year. The SCL-NCPA exchange agreement terminated May 31, 2018.

3.1.1.16 Western Area Power Administration

On December 14, 2000, Santa Clara signed a 20-year agreement with Western Area Power Administration (WAPA) for the continued purchase of low-cost hydroelectricity from the Central Valley Project (CVP), replacing a prior agreement which expired December 31, 2004. The CVP, for which WAPA serves as marketing agency, is a series of federal hydroelectric facilities in Northern California operated by the United States Bureau of Reclamation. Service under the successor agreement began on January 1, 2005 and continues through December 31, 2025, with Santa Clara receiving a 9.06592 percent "slice of the system" allocation from WAPA. Effective April 1, 2015, WAPA reallocated shares and Santa Clara's base resource allocation increased to 9.60341 percent, which shall remain in effect until either superseded by another Exhibit A revision or termination of the agreement. The power marketed by WAPA to Santa Clara is provided on a take-or-pay basis where WAPA's annual costs are allocated to preference customers based on their CVP participation percentage. WAPA then allocates the annual take-or-pay charges to the preference customers based on a monthly percentage that is designed to reflect the anticipated seasonal energy deliveries. Santa Clara is obligated to its preference customer share of the costs associated with operating the CVP facilities. Under the successor agreement, Santa Clara's energy allocation dropped from pre-2005 levels of approximately 1,257 GWh to about 359 GWh per year delivered to Santa Clara based upon the hydrology of the CVP. For the Fiscal Year ended June 30, 2017, Santa Clara received 395.24 GWh of energy from WAPA. Santa Clara's Don Von Raesfeld power project, which commenced operation on March 22, 2005, was designed, in part, to offset the expected decrease in energy to be received from WAPA under the successor agreement beginning in 2005.

3.1.1.17 Future Power Supply Resources

Santa Clara has entered into a 20-year power purchase and sale agreement with Samsung contracted as Central 40, LLC to develop, own and operate a 40 MW capacity solar PV project located in Stanislaus County. The project is scheduled to begin commercial operations as of December 31, 2020. Additionally, Santa Clara commenced a re-power project with S-Power in 2016 at its existing Altamont Wind Project site. S-Power will own and operate 19 MW capacity of wind generation. Two additional power purchase agreements were entered with S-Power under the Rooney Ranch, LLC, including Sand Hill A (13 MW) and Sand Hill B (17.5 MW). In total, the re-power project will be upgraded to meet a 49.5 MW capacity and is scheduled to be commercially operating

by December 31, 2020 under a 25-year agreement. Santa Clara has approved of a wind project to add an additional 200 MW of New Mexico wind generation through a 20-year power purchase agreement, contracted as Viento Loco, LLC. The project will be commercially online in the year 2022. This project will add to and further diversify the power portfolio of Santa Clara's resources mix.

Due to Santa Clara's projected retail demand growth driven primarily from the industrial sector and secondarily from the commercial sector, and to replace existing renewable energy contracts that will expire in the future, Santa Clara is actively exploring new renewable energy projects for procurement. Santa Clara is scoping renewable energy projects in the near term to also make use of the investment tax credit and production tax credit eligibility. Both federal incentives have begun to phase down and financing is no longer eligible for renewable energy projects starting construction in 2020 and later. Santa Clara is beginning to explore options for the procurement of energy storage and is undergoing economic analysis to understand how to cost-effectively invest in energy storage.

3.2 NCPA RESOURCES

The City, together with the Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville and Ukiah, the Plumas-Sierra Rural Electric Cooperative, the Truckee-Donner Public Utility District, the Bay Area Rapid Transit District (BART) and the Port of Oakland, is a member of the California joint powers agency known as Northern California Power Agency (NCPA). The resources jointly-shared with Santa Clara is as follows:

3.2.1.1 NCPA Hydroelectric Project

NCPA's Hydroelectric Project Number One (the Hydroelectric Project) consists of (a) three diversion dams, (b) the 246.86 MW Collierville Powerhouse, (c) the Spicer Meadow Dam with a 6.0 MW powerhouse, and (d) associated tunnels located essentially on the North Fork Stanislaus River in Alpine, Tuolumne and Calaveras Counties, California, together with required transmission and related facilities.

The Hydroelectric Project, except for certain transmission facilities, is owned by the Calaveras County Water District (CCWD) and is licensed by the Federal Energy Regulatory Commission (FERC) pursuant to a 50-year License Project No. 2409 (issued in 1982) to CCWD. Pursuant to a Power Purchase Contract, NCPA (i) is entitled to the electric output of the Hydroelectric Project until February 2032, (ii) managed the construction of the Hydroelectric Project, and (iii) operates the generating and recreational facilities of the Hydroelectric Project. Under a separate FERC-issued license with an expiration date coterminous with the Project No. 2409 license (Project No. 11197), NCPA holds the license and owns the 230 kV Collierville-Bellota and the 21 kV Spicer Meadows-Cabbage Patch transmission lines for Project No. 2409. NCPA also has a separate FERC license for Project No. 11563 (Upper Utica Project), which consists of three storage reservoirs that mainly feed the New Spicer Meadow Reservoir. This license expires in 2033. After the present FERC License for Project No. 2409 expires in the year 2032, NCPA has the option to continue to purchase Hydroelectric Project capacity and energy during a subsequent license renewal period. The purchase option includes all capacity and energy which is surplus to CCWD's needs for power within the boundaries of Calaveras County.

In February 1990, the operating portions of the Hydroelectric Project were declared substantially complete and commercially operable. The Hydroelectric Project has been supplying peak load requirements of the project participants therein and complementing other resources available to them through NCPA. As with any hydroelectric generation project, the operation of the

Hydroelectric Project is determined by consideration of its storage capacity and available stream flows. The Hydroelectric Project has a 104-year record (1913 to 2017) of storage and stream flows. Based upon the record, the Hydroelectric Project's average production is estimated to be 470 GWh annually. The Hydroelectric Project is optimized together with NCPA's other resources as determined by NCPA to economically meet the load requirements of the respective project participants. The load-following characteristics of the Hydroelectric Project give NCPA a great degree of flexibility in meeting the hourly and daily variations which occur in the project participants' loads.

NCPA financed the Hydroelectric Project through the issuance of Hydroelectric Project Number One Revenue Bonds, of which approximately $315.5 million aggregate principal amount was outstanding as of April 15, 2018 (the NCPA Hydroelectric Revenue Bonds). NCPA has sold the capacity of the Hydroelectric Project to certain of its project participants, including Santa Clara, pursuant to "take-or-pay" power sales contracts which require payments to be made whether or not the Hydroelectric Project is operable. Each purchaser is responsible under its power sales contract for paying its entitlement share in the Hydroelectric Project of all of NCPA's costs of the Hydroelectric Project, including debt service on the aforementioned bonds as well as a "step-up" of up to 25 percent in the event of the unremedied default of another project participant. Pursuant to a power sales contract, Santa Clara has purchased from NCPA a 37.02 percent entitlement share in NCPA's Hydroelectric Project (including a 1.16 percent entitlement share laid off to Santa Clara from the cities of Biggs and Gridley). Santa Clara is using its Hydroelectric Project entitlement to serve peak load and to provide capacity to support non-firm purchases of energy at market prices.

3.2.1.2 NCPA Geothermal Project

NCPA has developed a geothermal project (the Geothermal Project) located on federal land in certain areas of Sonoma and Lake Counties, California. In addition to the geothermal leasehold, wells, gathering system and related facilities, the Geothermal Project consists of two electric generating stations (Geothermal Plant 1 and Geothermal Plant 2), each with two 55 MW (nameplate rating) turbine generating units utilizing low pressure, low temperature geothermal steam, and associated facilities. NCPA formed two not-for-profit corporations controlled by its members to own the generating plants of the Geothermal Project. NCPA manages the Geothermal Project for the corporations and is entitled to all the capacity and energy generated by the Geothermal Project. Geothermal Plant 1 and Geothermal Plant 2 were originally developed and operated as separate projects referred to as "Geothermal Project Number 2" and "Geothermal Project Number 3," respectively. Plant 1 and Plant 2 are now operated together as the Project pursuant to the terms of the NCPA Geothermal Operating Agreement. NCPA financed the Geothermal Project with Geothermal Project Number 3 Revenue Bonds, of which $28.8 million were outstanding as of April 15, 2018.

Steam for NCPA's geothermal plants comes from lands in the Geysers Area, which are leased by NCPA from the federal government. NCPA operates these steam-supply areas. The NCPA geothermal plants experienced greater-than-originally anticipated declines in steam production from existing geothermal wells. Operation of the geothermal plants at high generation levels, together with high steam usage by others in the same area, resulted in a decline in the steam production from the steam wells at a rate greater than expected. As a result, an operating plan has been developed that encompasses steam field management, water injection pressure operation and additional water source development, and includes a detailed steam well monitoring system that has enabled a more efficient utilization of the existing steam field resources. NCPA, along with other producers in the Geysers Area, also constructed a pipeline to deliver treated wastewater from Lake

County Sanitation District's treatment plant near the project for injection into the steam field. This wastewater is pumped to the steam field to continue to regenerate its capacity.

NCPA has sold the capacity of the Geothermal Project to some of its members, including Santa Clara, pursuant to a "take-or-pay" power sales contract which requires payments to be made whether or not the project is operable. Each participant is responsible under the power sales contract for paying its capacity share of all of NCPA's costs of the Geothermal Project, including debt service on the aforementioned NCPA bonds, and subject to a "step-up" obligation of up to 25 percent upon the unremedied default of another NCPA Geothermal Project participant. Santa Clara has purchased from NCPA, pursuant to power sales contracts, 54.65 percent and 34.13 percent entitlement shares, respectively, in the capacity of NCPA's Geothermal Project Plant 1 and Plant 2, and is obligated to pay 44.39 percent of the debt service and operating costs associated with such plants and steam field. Santa Clara is currently taking delivery of its share of the capacity and associated energy from the Geothermal Project. Santa Clara's share of the current CAISO maximum rated capacity of the project is 71.7 MW. Current expectations are that the output from the plant will decrease gradually over time. These anticipated decreases are not material to Santa Clara's supply and can be replaced by additional short-term purchases, additional generation or reduced wholesale sales.

Under terms of the federal geothermal leasehold agreements, which became effective August 1, 1974, the leasehold had a 10-year primary term with provision for renewal as long thereafter as geothermal steam is produced or utilized, but not longer than 40 years; however, in 2013, NCPA renewed the leasehold. At the expiration of that period, if geothermal steam is still being produced, NCPA has preferential right to renew the leasehold for a second term. The leasehold also requires NCPA to remove its leasehold improvements including the geothermal plants and steam gathering system when and if NCPA abandons the leasehold. These decommissioning costs are currently estimated to total approximately $59.3 million. NCPA has been collecting monies to pay the expected decommissioning costs since 2007 and holds $16.2 million in a reserve for such purpose as of June 30, 2017. Collections towards future decommissioning costs are expected to be approximately $1.8 million for Fiscal Year 2017-18.

3.2.1.3 NCPA Geysers Transmission Project

In order to meet certain obligations required of NCPA to secure transmission and other support services for the Geothermal Project, NCPA undertook the geysers transmission project (the Geysers Transmission Project). The Geysers Transmission Project includes (i) an ownership interest in PG&E's 230 kV line from Castle Rock Junction in Sonoma County to the Lakeville Substation (the Castle Rock to Lakeville Line), (ii) additional firm transmission rights in the Castle Rock to Lakeville Line and (iii) the Central Dispatch Facility. Santa Clara has a 55 MW share in NCPA's Geysers Transmission Project, which provides a link from the Geysers to PG&E's bulk transmission system. Through a long-term contract with the California Department of Water Resources (CDWR), sufficient additional transmission capability on the same line is available for the balance of Santa Clara's share of the capacity and energy produced by the NCPA Geothermal Project. Santa Clara obtains additional transmission services to Santa Clara for its share of the output of NCPA Geothermal Project from arrangements with PG&E and the CAISO.

3.2.1.4 NCPA Combustion Turbine Project No. 1

NCPA has developed its Combustion Turbine Project Number One (CT 1) (the Combustion Turbine Project), originally consisting of five combustion turbine units, each nominally rated 25 MW, with two of the units are located in the City of Roseville, two are in the City of Alameda and one is in the City of Lodi. Sale of the two units located in Roseville to the City of Roseville was effective on September 1, 2010. Santa Clara purchased a 25 percent entitlement share in NCPA's Combustion

Turbine Project pursuant to a power sales contract with NCPA, which has recently been amended to reflect that Santa Clara's 25 percent share comes specifically from the two Alameda plants and the one Lodi plant.

The Combustion Turbine Project provides capacity (i) that is economically dispatched during the peak load period to the extent permitted by air quality restrictions and (ii) to be used to meet the capacity reserve requirements (e.g., resource adequacy requirements). This resource provides the capacity below current spot market prices for capacity but as is typical of this type of technology, the average cost for power per kWh of power delivered to the participants in the Combustion Turbine Project is comparatively expensive. Such reserve capacity is operated only during emergency periods when other resources are unexpectedly out of service.

Santa Clara uses its NCPA Combustion Turbine Project entitlement for resource adequacy purposes and to meet peak load requirements.

3.2.1.5 NCPA Lodi Energy Center Project

Through NCPA, Santa Clara is a participant in the Lodi Energy Center. The Lodi Energy Center is a natural gas-fired, combined-cycle power generation plant located in the City of Lodi, San Joaquin County, California (Lodi), which was placed into commercial operation on November 27, 2012. The costs of construction of the Lodi Energy Center were approximately $385.7 million. To provide funding for a portion of the costs of the Lodi Energy Center, in June 2010, NCPA issued two series of revenue bonds, its $255.0 million Lodi Energy Center Revenue Bonds, Issue One, issued on behalf of eleven of the thirteen participants in the Lodi Energy Center (being all of the below-named LEC Project Participants other than Modesto and CDWR, such eleven participant the "Indenture Group A Participants") and its $140.8 million Lodi Energy Center Revenue Bonds, Issue Two, issued on behalf of CDWR.. Modesto provided its own financing for its share of the estimated costs of construction of the Lodi Energy Center.

Pursuant to the Lodi Energy Center Power Sales Agreement (the LEC Power Sales Agreement), by and among NCPA and (i) the NCPA Member project participants: Santa Clara, the Cities of Biggs, Gridley, Healdsburg, Lodi, Lompoc, Plumas-Sierra, Ukiah and BART; and (ii) the non-NCPA Member project participants: the City of Azusa, Modesto Irrigation District (Modesto), the Power and Water Resources Pooling Authority and CDWR (such entities other than NCPA, collectively the "LEC Project Participants"), NCPA has sold the capacity and energy of the Lodi Energy Center to the thirteen LEC Project Participants, in accordance with their respective generation entitlement shares to the capacity and energy of the Lodi Energy Center.

Pursuant to the LEC Power Sales Agreement, Santa Clara has purchased from NCPA a 25.75 percent generation entitlement share of the capacity and energy of the Lodi Energy Center on an unconditional take-or-pay basis, and is obligated to pay 25.75 percent of NCPA's Lodi Energy Center operating and maintenance expenses and 46.16 percent of the debt service for the Lodi Energy Center Revenue Bonds, Issue One. Santa Clara's obligations to make payments to NCPA under the LEC Power Sales Agreement are not dependent upon the operation of the Lodi Energy Center and are not subject to reduction. Upon an unremedied default by one Indenture Group A Participant (being all of the LEC Project Participants other than MID and CDWR) in making a payment required under the LEC Power Sales Agreement, the non-defaulting Indenture Group A Participants are required (except as lay-offs are made pursuant to the LEC Power Sales Agreement) to increase pro-rata their participation percentage by the amount of the defaulting Indenture Group A Participant's entitlement share, provided that no such increase can result in a greater than 35 percent increase in the participation percentage of the non-defaulting Indenture Group A Participants.

The Lodi Energy Center plant is capable of operating at 302 MW (It has been permitted to operate at this level and it has equipment necessary to operate at this level) but is limited to 280 MW of firm capacity under the terms of the transmission interconnection agreement and full output of the unit as available on the transmission system with the CAISO and PG&E. PG&E has notified NCPA that PG&E intends to complete reconductoring work on the transmission line limiting the LEC Project Participants ability to claim the full capacity for resource adequacy requirements from the Lodi Energy Center in 2018 (actual production from the facility has not been significantly affected by this limitation).

3.3 M-S-R RESOURCES

The City, along with the Modesto Irrigation District (MID) and the City of Redding, is a member of the M-S-R Public Power Agency (M-S-R PPA). The resources that are jointly owned, or procured through power purchase agreements are described below:

3.3.1.1 M-S-R PPA Purchased Power–Big Horn Projects

In 2005, M-S-R PPA entered into a series of power purchase agreements with Avangrid Renewables, Inc. (formerly Iberdrola Renewables, Inc.) (Avangrid), certain of which agreements have been assigned to Avangrid's subsidiary, Big Horn I, LLC, for the purchase of energy from the Big Horn I wind energy project (the Big Horn I Project) located near the town of Bickleton, in Klickitat County, Washington. The 199.5 MW project consists of 133 1.5 MW GE wind turbines. Santa Clara receives 52.5 percent of the power purchased by M-S-R PPA from the Big Horn I Project. Santa Clara's share equates to approximately a 105 MW share of the output at a cost comparable to combined cycle gas-fuel generation. Power deliveries commenced on October 1, 2006 and will continue through September 30, 2026. Through an amendment of the original agreements M-S-R PPA has an obligation to continue to take the same output through September 30, 2031, or if the Big Horn Project is repowered M-S-R PPA will have a right of first offer to negotiate a long-term power purchase for such repowered project. The project interconnects with the high voltage transmission grid through an 11-mile transmission line at Bonneville Power Administration's (BPA) Spring Creek Substation. Through the shaping and firming agreement between Avangrid and M-S-R, Avangrid receives Big Horn energy, as generated, and delivers such energy to M-S-R at the California-Oregon border pursuant to firm pre-established delivery schedules. Santa Clara uses a portion of its transfer capability of the COTP to provide for transmission of the output from the Big Horn I Project from the California-Oregon border.

M-S-R PPA subsequently negotiated a 25-year agreement with Avangrid for the purchase of the output from a 50 MW expansion of the Big Horn I Project, the Big Horn II Project. Santa Clara began receiving deliveries from the Big Horn II Project in November 2010. Santa Clara receives 35 percent of the output from this project, or approximately 17.5 MW of project capacity.

3.3.1.2 M-S-R PPA Purchased Power – San Juan

Santa Clara officially divested from the San Juan Coal Power Plant as of December 31, 2017. Santa Clara is a Member of M-S-R PPA and purchased from M-S-R PPA a 35 percent Participation Percentage entitlement in the M-S-R PPA San Juan Ownership Interest pursuant to the Power Sales Agreement. M-S-R PPA financed the acquisition of the M S R PPA San Juan Ownership Interest through the issuance of San Juan Project revenue bonds, of which $136.1 million principal amount was outstanding as of April 15, 2018. M S R PPA divested its San Juan Ownership Interest effective as of December 31, 2017. Following the divestiture, M-S-R PPA still retains certain liabilities for a share of the costs of plant decommissioning and mine reclamation.

Pursuant to the Power Sales Agreement, Santa Clara is unconditionally obligated thereunder to pay its Participation Percentage share of all of M-S-R PPA's costs associated with the M-S-R PPA San Juan Ownership Interest, including debt service on M-S-R PPA's San Juan Project revenue bonds which were issued to finance the acquisition of the M-S-R PPA San Juan Ownership Interest and any remaining liabilities for decommissioning and mine reclamation of the plant associated with the M-S-R PPA San Juan Ownership Interest. Santa Clara's obligations to make payments to M-S-R PPA under the Power Sales Agreement are not dependent upon the operation of the San Juan Unit No. 4 and are not subject to reduction. Pursuant to the Power Sales Agreement, upon failure of any M-S-R PPA Member to make any payment thereunder which failure constitutes a default under the Power Sales Agreement, the participation percentage of each non-defaulting Member automatically shall be increased for the remaining term of the Power Sales Agreement in proportion to its participation percentage; provided, however, that the sum of such increase for any non-defaulting Member shall not exceed 25 percent of its original participation percentage. Santa Clara's payments under the Power Sales Agreement constitute an operating expense of the electric system.

3.4 RENEWABLE ENERGY RESOURCES SUMMARY

A significant portion of the energy received by Santa Clara customers is generated from renewable energy resources. Santa Clara's power mix in Calendar Year 2017 consisted of 38 percent eligible renewable resources. When large hydroelectric resources are included, Santa Clara's power mix consisted of 72 percent renewable and large hydroelectric power. On December 6, 2016, the Santa Clara City Council adopted revisions to Santa Clara's Environmental Stewardship and Renewable Portfolio Standard Policy Statement (City of Santa Clara Resolution 16-8392), and adopted a new RPS Enforcement Program, to conform to the standards and timetable set forth in SBX1-2, signed by the Governor on October 6, 2016. Santa Clara satisfied the RPS target for Compliance Period 1 (from 2011 through 2013), with an average of approximately 20 percent of Santa Clara's energy portfolio supplied from renewable resources over such period, which has been verified and approved by the State of California. Santa Clara has also satisfied the RPS target for Compliance Period 2 (from 2014 through 2016), meeting the compliance requirement of 20 percent of retail sales in 2014 and 2015, and 25 percent of retail sales in 2016. In the first year of Compliance Period 3 (from 2017 through 2020) Santa Clara satisfied the RPS target, meeting the requirement of 27 percent of retails sales. Santa Clara expects to fulfill the RPS requirement under Compliance Period 3 by procuring eligible renewable energy resources (not including "large hydro") amounting to 33 percent of total retail sales by 2020. SB 350 will require that the amount of electricity generated each year from eligible renewable energy resources be increased to at least 50 percent of total retail sales by December 31, 2030. SB 100 now requires 60 percent eligible renewable energy compliance by December 31, 2030. Santa Clara is well positioned to meet the new requirements.

Due to SVP's long position in renewables, SVP will either sell excess renewable generation to other entities or bank RECs that exceed RPS requirements to be utilized in future years. This allows SVP to evaluate additional eligible renewable resources projects that will optimize the value for the customers.

3.5 RESOURCE ADEQUACY

Every year, the CEC publishes the Monthly Coincident Peak for every Load Serving Entity (LSE) in CAISO, which is based on the LSE's load forecast. From that coincident peak number, the CEC and CAISO require LSE's to provide enough capacity to meet each LSE's needs. The CEC and CAISO then provides the LSE's Local and System Requirements for the upcoming year. The Local Requirement is the amount of capacity that is required to be satisfied by local resources that are classified as being able to meet that LSE's Local Requirement. The remaining amount can be satisfied with

system resources which are generation units that are not tied to a specific location. Although SVP is a non-CPUC Load Serving Entity, SVP has adopted the reserve margin of 115 percent with a goal to procure sufficient capacity to meet 115 percent of the Coincident Peak. Table 3-3 lays out SVP's 2019 capacity reserve requirement. It is assumed that SVP has sufficient local and system resources to meet the reserve margin and any shortfall shall be addressed through capacity market purchases.

Per CAISO Tariff Section 40, Load Serving Entities are required to submit Annual (in October for the upcoming year) and Monthly (45 Days of the first day of the month covered by the plan) Resource Adequacy (RA) plans to provide the CAISO with all the information of where the supply is coming from to be available for the LSE.

Table 3-3 SVP's Capacity Reserve Requirement 2019

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Sys Peak (as published by the CEC)	473.53	494.85	470.79	515.67	534.87	558.67	583.45	566.43	614.95	600.69	562.25	542.82
Sys Peak +115% (Capacity Reserve Requirement)	544.56	569.08	541.41	593.02	615.1	642.47	670.97	651.39	707.19	690.79	646.59	624.24
System Requirement	236.72	261.24	233.57	285.18	307.26	334.63	363.13	343.55	399.35	382.95	338.75	316.4
Local Requirement	307.84	307.84	307.84	307.84	307.84	307.84	307.84	307.84	307.84	307.84	307.84	307.84

3.5.1 Supply

On the supply side, the CAISO publishes a Net Qualifying Capacity (NQC) for each participating generator in the CAISO. This NQC is the amount of capacity that is available to be claimed or sold as capacity to an LSE. SVP has many Local and System generation units to meet the load requirements, and any excess is available to be sold to other LSEs. During months that the generation units are not available, SVP may engage in agreements with other suppliers to purchase the capacity to meet the 115 percent required capacity. Supply plans are also required to be submitted, and have the same timeline as the RA Plans.

3.5.2 Penalties

The CAISO exercises a Resource Adequacy Incentive Mechanism (RAAIM) to determine the availability of the resources providing Local and/or System Resource Adequacy Capacity and Flexible RA Capacity during the Availability Assessment Hours each month and then assess the resultant Availability Incentive Payments and Non-Availability Charges through the CAISO's settlements process. RAAIM penalties will be assessed if the generator was not available during periods that the units were claimed by an LSE, or can issue credits to Generators that were available during periods where the system was short.

3.6 TRANSMISSION ASSETS AND ADEQUACY

Santa Clara's service area is surrounded by a portion of PG&E's service area and the two systems are interconnected at two Santa Clara-owned 115 kV receiving stations – Northern Receiving Station (NRS) and Kifer Receiving Station (KRS), each located within Santa Clara's city limits. In addition, Santa Clara has a 230-kV interconnection with PG&E at PG&E's Los Esteros Substation (LES) in the City of San Jose. Power received at LES is transmitted by Santa Clara approximately six miles to NRS. Santa Clara owns facilities for the distribution of electric power within its city limits (approximately 19.3 square miles), which includes approximately 27 miles of 60 kV power lines, approximately 500 miles of 12 kV distribution lines (approximately 64 percent of which are underground), and 27 stations. Santa Clara's electric system experiences approximately 0.5 to 1.5

hours of outage time per customer per year. This compares favorably with other utilities in California with reliability factors ranging from 1.0 to 2.5 hours outage per customer per year.

Historically, PG&E provided interconnection, partial power and other support services to Santa Clara under an interconnection agreement. Beginning March 31, 1998, the operation of the transmission facilities owned by California's investor-owned utilities, including PG&E, was undertaken by the CAISO. In July 2002, FERC approved a series of agreements between Santa Clara, PG&E, the CAISO and NCPA (which acts as scheduling coordinator for Santa Clara), including Santa Clara's MSS Agreement with the CAISO, to replace Santa Clara's interconnection agreement with PG&E and to allow Santa Clara to operate within the CAISO control area.

To the extent Santa Clara requires transmission/ancillary/power services beyond those contained in other existing contracts or from Santa Clara's own generating resources, Santa Clara will procure such transmission/ancillary/power services from the CAISO or via the CAISO's markets.

Santa Clara is unable to predict how future industry changes, especially those concerning resource adequacy requirements, renewable fuels, greenhouse gas limitations and new transmission facilities to serve potential renewable energy projects, will affect future costs for the purchase of services under its interconnection, scheduling and CAISO agreements.

The transmission facilities owned or contracted for by SVP are described in this section. SVP's transmission facilities are shown in Figure 3-2. SVP participates in the CAISO transmission system to move electricity from generators to load. SVP owns 230 and 115kV lines in and around the City of Santa Clara.

3.6.1.1 TANC California–Oregon Transmission Project

Santa Clara is a member of TANC and has executed Project Agreement No. 3 for the California-Oregon Transmission Project (the TANC Agreement and the COTP, respectively) for a participation percentage of TANC's entitlement of the COTP transfer capability. Pursuant to the TANC Agreement, Santa Clara's participation percentage was 20.4745 percent of TANC's share of COTP transfer capability (approximately 278 MW net of third party layoffs of TANC). Effective July 1, 2014, Santa Clara laid-off 147 MWs of this entitlement to MID, Turlock Irrigation District (TID) and SMUD under a 25-year agreement. During the term of this agreement, the parties taking on the entitlement will assume responsibility for all associated debt service, operations and maintenance costs and all administrative and general costs. As a result of the layoff agreement, Santa Clara is currently responsible for paying approximately 10.01 percent of the operating and maintenance expenses of the COTP and approximately 9.81 percent of TANC's COTP debt service. Santa Clara remains contractually obligated for its full participation share. Santa Clara's payments to TANC under the TANC Agreement, including debt service on TANC's revenue bonds, constitute an operating expense of Santa Clara's electric system. Santa Clara is using a portion of its share of the project transfer capability of the COTP to provide transmission of energy generated from the Big Horn Projects and Santa Clara's share of the SCL-NCPA Exchange Agreement

3.6.1.2 TANC Tesla–Midway Transmission Service

TANC and certain TANC Members have arranged for PG&E to provide TANC and such TANC Members with 300 MW of firm, bi-directional transmission capacity on its transmission system between PG&E's Midway Substation and the electric systems of the TANC Members or the COTP (the Tesla-Midway Service) under a long-term agreement known as the South of Tesla Principles. Santa Clara's share of Tesla–Midway Transmission Service is 81 MW. Santa Clara utilizes its share

of the TANC Tesla–Midway Transmission Service to provide access to power supplies located in the southwest.

3.6.1.3 SVP Transmission Projects

On September 1st, 2017 SVP set a system peak load of 586 MW. With recent load growth of 5 to7 percent and increasing demand from data centers, SVP is looking to increase the capacity of its existing system. Currently the following projects have been approved to increase the capacity or enhance reliability of the transmission system:

3.6.1.3.1 Scott Receiving Station Upgrades

SVP's Scott Receiving Station currently is fed by 115 kV lines and transformers to reduce the voltage to 60 kV. Due to system load growth, SVP is currently evaluating breaker upgrades and installing larger transformers. This project is projected to be completed by mid-2020.

3.6.1.3.2 Northern Receiving Station Upgrades

SVP's Northern Receiving Station currently is fed by 230 kV and 115 kV lines and transformers reduce the voltage to 60 kV. Due to system load growth, SVP is currently evaluating breaker upgrades and installing larger transformers. This project is projected to be completed by end of 2021.

SVP is investigating installation of an additional 230kV transformer to provide redundancy to the existing 230 kV transformer. This is scheduled for installation to be complete in 2026.

During the spring of 2018, SVP completed a breaker replacement project which enabled increased loading for the existing system.

3.6.1.3.3 South Loop Expansion

SVP's 60 kV transmission system is arranged in various circuit loops within The City. There are four loops, Northeast Loop, Northwest Loop, South Loop, and Center Loop. Based on load growth in its South Loop, SVP is in the design phase of reconfiguring and reconstructing the South Loop. Construction should be completed by end of 2020.

3.6.1.3.4 Northern Receiving Station and Scott Receiving Station Lines #1 and #2

These lines (115kV) are scheduled to be upgraded to allow for higher capacity. Design has been completed and construction is scheduled to be complete by April, 2019.

3.7 DISTRIBUTION ASSETS AND ADEQUACY

3.7.1 Distribution Assets

SVP's distribution service area is approximately 19 square miles. SVP distribution assets consists of electric system with nominal system voltage equal or less than 12,000 volts. The City owns facilities for the distribution of electric power in its limits which includes approximately 510 miles of 12 KV distribution lines (64 percent of which are underground). SVP owns 21 distribution substations out of which 14 are general distribution substations and 7 single customer dedicated substations.

3.7.2 Distribution System Adequacy

Based on 2017 peak summer loading data, the typical maximum loading on the distribution transformer bank is approximately 50 percent of the highest rating of the transformers. All the distribution feeders have sufficient capacity and operate within the thermal capability ratings. The

distribution planning study which includes the load forecast and distribution area capacity study ensures adequacy of the capacity in the distribution system and identifies upgrades and construction of new distribution systems including substation. The following distribution projects have been identified for implementation:

- Serra Substation replacement: This involves removing existing single transformer Bank substation and replacing with 2-transformer bank Substation.
- Homestead Substation: This involves removing existing 2-transformer bank substation and replacing with 2-higher capacity transformer bank substation.
- Parker Substation: This will be new substation dedicated to single customer.
- Fairview Substation expansion: This involves adding third transformer bank in existing 2 bank substation.
- Oaks Junction Substation: This will be new substation dedicated to single customer.
- Laurelwood Substation: This will be new substation dedicated to single customer.
- Freedom Circle Junction Substation: This will be new substation dedicated to single customer.
- Esperanca Substation: This will be new general distribution substation to serve new developments proposed around Levi's stadium.

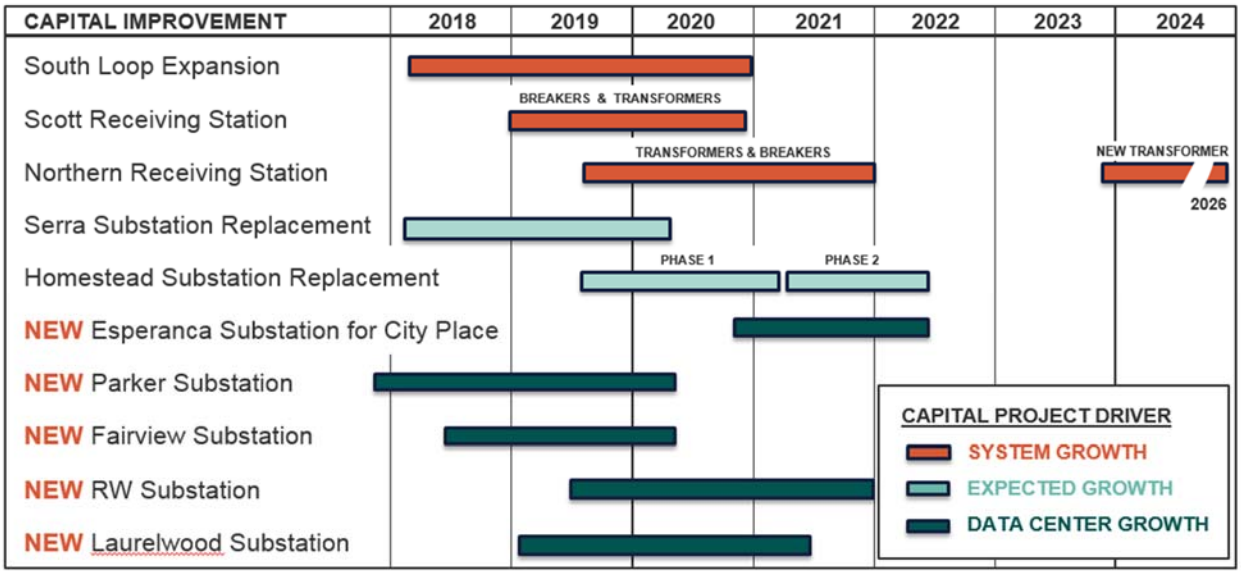


Figure 3-4 SVP's Capital Projects

Table 3-4 SVP's Reliability Statistics

DESCRIPTION	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
ASAI (%)	99.978	99.995	99.988	99.994	99.991	99.989	99.986	99.993	99.979	99.992
CAIDI (Long) (min)	160.00	75.00	90.61	61.32	96.58	118.29	126.32	72.06	106.34	104.14
SAIDI (Long) (min)	117.50	26.87	61.58	29.34	47.33	56.6	73.96	36.29	109.08	42.61
SAIFI (Long) (ints/tot cust)	0.73	0.36	0.68	0.48	0.49	0.48	0.59	0.5	1.03	0.41
SAIFI (Short) (ints/tot cust)	0.23	0.18	0.15	0.21	0.08	0.19	0.09	0.32	0.83	0.27
Total Outages	110	78	62	67	69	80	123	123	195	132
Unplanned Outages*										89
Planned Outages*										33
Momentary Outages*										10

Notes:
*New Metrics as of 2018

Definitions:
ASAI (%) Average Service Availability Index - (customer minutes available / total customer minutes, as a %)
CAIDI (minutes) Customer Average Interruption Duration Index -(average minutes interrupted per interrupted customer)
SAIDI (minutes) System Average Interruption Duration Index - (average minutes interrupted per customer for all customer)
SAIFI (number) System Average Interruption Frequency Index - (number of interruptions per customer for all customers)

3.8 NATURAL GAS COMMODITY, TRANSPORTATION AND STORAGE

SVP owns several gas-fired power plants in its portfolio. Through the gas pre-pay agreement described below, SVP aims to hedge the impact of gas supply and price volatility on its customers.

Natural gas is the primary fuel and the primary variable operating cost of Santa Clara's cogeneration plant, Gianera Generating Station and Don Von Raesfeld Power Plant. These plants can require delivery of up to 49,000 million British Thermal Units (MMBtu) of natural gas per day, with current average daily requirements of 24,400 MMBtu per day. Santa Clara has developed a comprehensive natural gas program to both manage supply and price volatility. This includes the procurement of a supply of natural gas at a discount from the monthly index price pursuant to a gas prepayment arrangement and several fixed price contracts for 15,000 MMBtu per day from 2016 to 2019 and 10,000 MMBtu in 2020.

3.8.1.1 M-S-R Energy Authority – Gas Prepay

In 2009, Santa Clara participated in the M-S-R EA Gas Prepay Project. The Gas Prepay Project provides, through a Gas Supply Agreement between M-S-R EA and Santa Clara, for a secure and long-term supply of natural gas of 7,500 MMBtu daily (or 2,730,500 MMBtu annually) through December 31, 2012, and 12,500 MMBtu daily (or 4,562,500 MMBtu annually) thereafter until September 30, 2039. The Gas Supply Agreement provides this supply at a discounted price below the monthly market index price (the PG&E Citygate index) over the 30-year term. M-S-R EA entered into a prepaid gas purchase agreement with Citigroup Energy, Inc. (CEI) to provide this gas supply, and issued $500.2 million of its Gas Project Revenue Bonds to finance the prepayment for Santa Clara, all of which were outstanding as of April 15, 2018. Under the terms of the Gas Supply Agreement, M-S-R EA will bill Santa Clara for actual quantities of natural gas delivered each month on a "take-and-pay" basis. Moreover, any default by CEI or the other participants in M-S-R EA's Gas Prepay Project, MID and Redding, is non-recourse to Santa Clara.

3.9 WHOLESALE ENERGY TRADING

For several years, Santa Clara has used its energy and transmission resources together with its power scheduling capabilities to buy and sell energy in the western North American market. As deregulation unfolded, a greater need to manage resources on a day-to-day basis evolved, resulting in a more comprehensive approach to trading operations at Santa Clara. The principal reason for wholesale power trading is to optimize the value of the utility's assets and cost-effectively serve its retail load. Since a substantial portion of Santa Clara's energy needs are being met through contracts, SVP uses its energy, Resource Adequacy and transmission resources to buy and sell actively in five established wholesale power trading market zones: Mid-Columbia (MID-C), California-Oregon Border (COB), North of Path 15 (NP15), South of Path 15 (SP15) and Palo Verde Hub (PV). Trades may be directly with counterparties or through clearinghouses, such as the InterContinental Exchange (ICE).

4.0 Energy and Demand Forecast

A fundamental element of an IRP analysis is the development of the long-term (2019-2038) system peak demand and energy forecasts. The forecast results in a projection of the capacity and energy requirements on the SVP system that the utility must plan to meet through self-owned generation or purchase arrangements.

The amount of capacity procured is intended to cover SVP's projected peak annual demand as well as its reserve requirement. Reserves are an amount over and above the projected system peak that utility's will plan to maintain in the event that the forecasted demand is higher than anticipated due to extreme weather conditions or higher than expected load growth, or in the event that capacity resources are not available due to a forced outage, a transmission line failure, or another unexpected event. As described in the Resource Adequacy section earlier, SVP uses a planning reserve margin of 15 percent in its planning based on the requirement set forth for the region by the North American Electric Reliability Council (NERC).[6]

4.1 HISTORICAL ENERGY USE AND PEAK DEMAND

Due to SVP's predominantly industrial customer base, its energy use and peak demand profile is relatively flat on a monthly basis as illustrated in Figure 4-1. However, SVP has historically experienced sudden increases in electricity demand at times as customers move into new facilities. Data Center loading can cause SVP's load growth profile to be "lumpy," due to new connections of substantial blocks of power-consuming facilities or equipment by industrial customers. This profile is reflective of the high intensity of industrial energy use in SVP's service area, which is heavily weighted toward high-technology manufacturing and data management facilities.

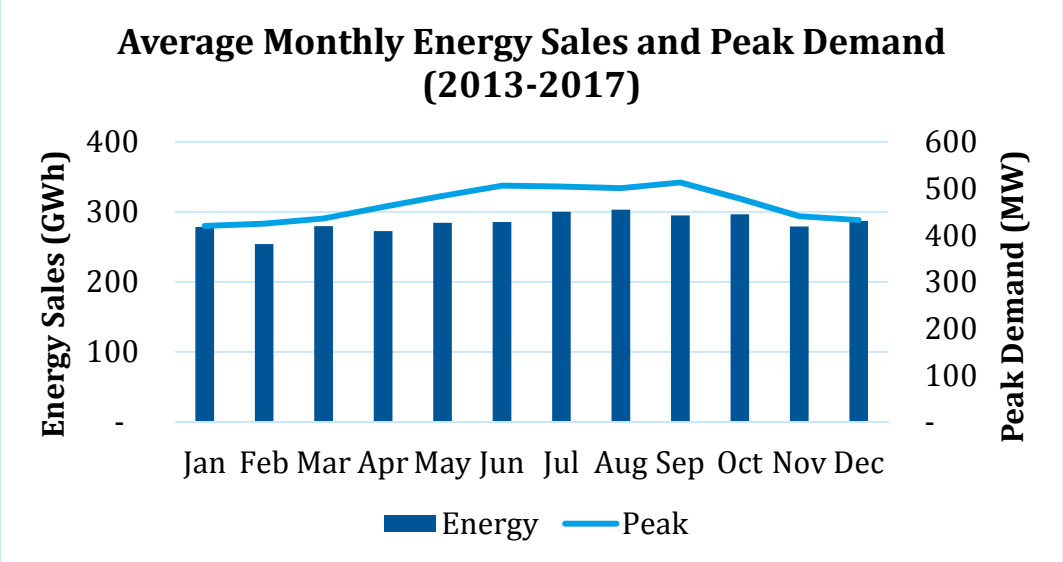


Figure 4-1 5-Year Average Monthly SVP Energy Sales and Peak Demand (2013-2017)

[6] Overall SVP must meet a system level Resource Adequacy (RA) requirement of 15 percent of the monthly peak demand as.

Table 4-1 lists historical data over SVP's past five Fiscal Years. Both energy and peak demand has been consistently increasing over the years and this trend is forecasted to continue going forward. SVP has set a new peak each year, the latest on September 1, 2017 at 586 MW.

Table 4-1 SVP Historic Customer, Sales, and Demand Data August 2017

YEAR [1]	2013	2014	2015	2016	2017
Number of Customers					
Residential	44,540	44,758	45,139	45,655	46,707
Commercial	6,188	6,218	6,266	6,261	6,184
Industrial	1749	1735	1688	1660	1660
Municipal	180	180	183	184	187
Other	380	382	382	382	363
Total Customers	**53,037**	**53,273**	**53,658**	**54,142**	**55,101**
Kilowatt-Hour Sales					
Residential	241,831,995	230,930,319	228,952,046	224,053,245	235,643,830
Commercial	92,613,838	93,602,762	92,484,237	94,660,690	95,259,889
Industrial	2,622,287,369	2,706,549,120	2,861,043,888	3,089,679,178	3,192,880,627
Municipal	21,091,693	20,968,645	19,194,762	17,408,698	19,834,539
Total kWh	**2,977,824,895**	**3,052,050,846**	**3,201,674,933**	**3,425,801,811**	**3,543,618,885**
Peak Demand (kW)	**478,900**	**482,440**	**523,680**	**534,310**	**586,580**

Source: SVP

4.2 FORECAST METHODOLOGY AND ASSUMPTIONS

The City of Santa Clara is growing both from residential high-density development and large industrial/commercial customer's redevelopment projects. The load forecast for the IRP planning is based on future loads derived from historical base data and assessment of future system load growth potential. SVP works through the City of Santa Clara's Community Development project clearance process, as well as, engaging large customers directly to assess impacts of the large development projects, and the timing of those projects to SVP's system, to model the load forecast. Data Centers submit projected load forecasts in a block load format, usually in 12 to 60 month forecasts. SVP manages the large customers through dedicated Key Account Representatives who track and update the loads. The load forecast for the IRP planning builds upon SVP's baseline projection, and applies a growth rate to the base load energy trend, and projects a forecasted growth rate that is tied to each additional load segment. Each segment is analyzed separately to differentiate between growth patterns and load profiles. In the near-term SVP's growth is dependent on mixed-use growth and data center growth, but in later years it is more heavily weighted to data centers due to their much higher potential in energy usage density.

In total the three segments include: 1. existing load in which growth is determined as a function of temperature, and new block loads divided into two segments: 2. commercial and mixed-use segment, 3. and hyper-scale and mid-tier data centers. SVP assumes the block loads from data centers are temperature agnostic. SVP applies different load factors to each of the segments, and monthly specific load factors to adjust for each end-user type.

SVP utilizes PLEXOS for IRP and budget case forecasting.

Table 4-2 Load Forecast Assumptions and Input Considerations

CATEGORY	DESCRIPTION
Weather	■□ Normal Weather for Energy and Peak
Economics	■□ Average load factors: City of Santa Clara Development Projects ■□ High, Mid and Low growth cases ■□ Data Center Block Load Forecast
End Use Equipment Saturation & Efficiency/ New Technology	■□ Energy Efficiency and Demand Response Forecast ■□ Distributed Generation Adoption Forecast

Source: SVP

4.3 FORECAST RESULTS

The peak and energy forecast results are presented in this section. The capacity and energy requirement forecast is also carried forward to the four required CEC tables in Appendix A.

4.3.1 Peak and Energy Forecast

SVP's energy and peak demand forecast is shown in Table 4-3. The energy demand is projected to increase from 4,039 GWh in 2019 to 5,718 GWh in 2038. The annual average growth rate for this period is forecasted to be 2.1 percent. Peak demand is projected to grow from 646 MW in 2019 to 872 MW in 2038 at an annual average growth rate of 1.9 percent.

4.3.2 SVP System Load Factor

As described earlier, industrial customers are the largest component of SVP's customer base. As a result, SVP's load factor is significantly higher compared to other utilities at over 70 percent as outlined in Table 4-3. A load factor is a measure of the variability in utility load over time. A load factor measures total energy requirements on a utility system as a percentage of the theoretical maximum energy requirements that would result if the energy requirements at the time of peak demand were required all hours of the year.

The near-term accelerated growth observed in the load forecast is primarily due to the growth from data centers which are already in the City's planning and development processes and secondarily due to commercial and residential mixed-use housing growth. Numerous data centers have been established in SVP's service territory to support the data needs of corporate offices and internet-related businesses. Starting around 2021, SVP's growth is more heavily weighed to data centers due to interest and demand from this consumer base to locate in SVP's service territory and because of technological advances which allow for a higher potential energy usage density. The data centers in SVP's service area are categorized into two tiers, hyper-scale and mid-tier data centers. These data centers operate with a load factor of 85 percent or greater. Significant energy efficiency improvements in the design and operation of data centers over the past decade has allowed data center energy use to remain nearly constant while simultaneously meeting a drastic increase in demand for data center services. Because of the large percentage of server farm load, which is by nature almost unity load factor, the delta between off-peak and peak loads is much lower than a typical utility. Of the total retail load, approximately 47 percent was driven by data centers. The concentration of data centers and their high load factor in SVP's service territory contributes to the high forecasted load factor for the utility.

Table 4-3 Projected SVP Net Energy Requirements, Peak Demand Forecast, and Load Factor

YEAR	NET ENERGY REQUIREMENTS		PEAK DEMAND		LOAD FACTOR (%)
	GWH	PERCENT CHANGE (%)	MW	PERCENT CHANGE (%)	
2017 (actual)	3,727.2		586.6		73%
2018	3,647.5	-2.1%	585.8	-0.1%	71%
2019	4,039.5	10.7%	646.6	10.4%	71%
2020	4,447.6	10.1%	693.7	7.3%	73%
2021	4,631.8	4.1%	716.3	3.3%	74%
2022	4,744.8	2.4%	731.2	2.1%	74%
2023	4,855.2	2.3%	745.6	2.0%	74%
2024	4,978.9	2.5%	760.0	1.9%	75%
2025	5,053.4	1.5%	771.8	1.6%	75%
2026	5,113.6	1.2%	778.4	0.9%	75%
2027	5,125.7	0.2%	782.3	0.5%	75%
2028	5,177.0	1.0%	790.1	1.0%	75%
2029	5,228.8	1.0%	798.0	1.0%	75%
2030	5,281.0	1.0%	806.0	1.0%	75%
2031	5,333.9	1.0%	814.0	1.0%	75%
2032	5,387.2	1.0%	822.2	1.0%	75%
2033	5,441.1	1.0%	830.4	1.0%	75%
2034	5,495.5	1.0%	838.7	1.0%	75%
2035	5,550.4	1.0%	847.1	1.0%	75%
2036	5,605.9	1.0%	855.6	1.0%	75%
2037	5,662.0	1.0%	864.1	1.0%	75%
2038	5,718.6	1.0%	872.8	1.0%	75%
AAGR 2018-2038		2.1%		1.9%	

Source: SVP

4.4 COMPARISON TO CEC FORECAST

The SVP energy requirements forecast used in this IRP can be compared to the forecast published by the CEC in its document *California Energy Demand 2018-2030,* which is developed annually as part of the CEC's Integrated Energy Policy Report.

As seen in Figure 4-4, the CEC forecasts of SVP energy requirements are significantly lower with steady to declining growth. On February 7, 2018, SVP provided comments on Docket 17-IEPR-03 to CEC outlining an explanation on the variances between SVP and the CEC's load forecast.[7] As described earlier, the nature of SVP's load growth and customer base is not typical compared to

[7] Letter to the CEC Re: Docket 17-IEPR-03: Silicon Valley Power Comments on the California Energy Demand 2018-2030 Revised Forecast and LSE and BA Forecasts

other utilities in California. The high density of data centers in SVP's territory and the planned addition of new data centers drive the higher energy demand and load factor for the utility.

SVP has collaborated with the CEC and participated in the CEC's Energy Demand Forecast public comment process to provide feedback on SVP's unique load. In 2018, the CEC agreed to adopt SVP's load forecast, and will be updating the CEC's published LSE load forecast to reflect SVP's revised forecast in the revised IEPR forecast published in 2019.

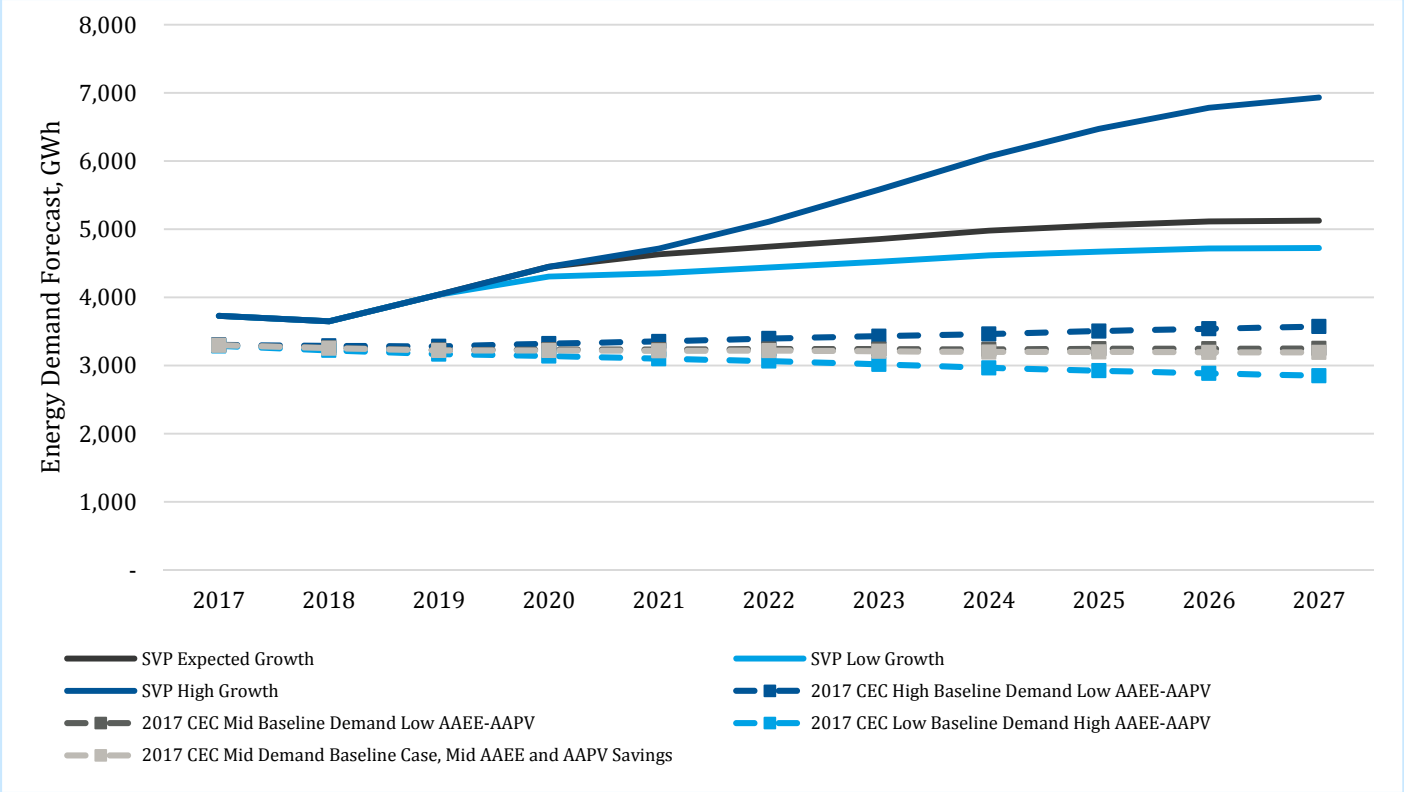


Figure 4-2 Energy Requirements Comparison: SVP Forecast vs. CEC Forecast for SVP

5.0 Customer Programs, Energy Efficiency and Demand Response Resources

5.1 ENERGY EFFICIENCY PROGRAM BACKGROUND

Targets for energy efficiency programs (and established under PUC section 9505) are based on the net market potential estimated in the Navigant study.[8] The net market potential provides a forecast of market potential for specific utility energy efficiency programs. The net market potential is a subset of the total economic potential and technical potential and recognizes that not all of the impacts that are technically or economically achievable will be realized.

Santa Clara's energy efficiency programs are separated into residential and business programs, with the majority of funding toward its largest customer segment - the business sector. Total Public Benefits Charge (PBC) funds are about $11 million per year. Residential programs include rate assistance for low-income customers, energy efficiency rebates (ceiling fans, clothes dryers, heat pumps, water heaters, attic insulation, and variable speed pool pumps), energy audits, and programs for schools and libraries. Business programs include energy audits, installation management for small companies, rebates for a wide variety of equipment (lighting, air conditioning systems, chillers, motors, new construction, food service equipment and customized installations, etc.), and design and construction assistance.

The goals and objectives of the programs are as follows:

- Implement cost-effective energy efficiency programs to lower energy use. The cost to implement energy efficiency programs should be lower than the capital cost to build new generation and benefits of the total programs should exceed costs under the Total Resource Cost (TRC) test under the methodology reviewed and approved by the Northern California Public Agency (NCPA) Public Benefits Committee, of which Silicon Valley Power is a member.
- Provide the PBC programs in a manner that creates value to the community and meets all applicable legal requirements.
- Assist Divisions and City Departments in achieving optimal energy efficiency at City facilities and assist in implementing new energy related technologies for the benefit of the City and community.
- Implement programs to support renewable power generation that increase resource diversity and minimize adverse environmental impacts from electric generation and operation of the electric system.
- Support emerging technologies to speed up market acceptance therefore, allowing energy efficiency services and products to compete in the open market.
- Assist low-income residents in helping them to pay their electric bills and in installing energy efficient appliances and other measures.
- Determine the best energy programs to offer Santa Clara customers by collecting input from community organizations, businesses and other City departments.

[8] California Public Utilities Commission. Energy Efficiency Potential and Goals Study for 2018 and Beyond. June 15, 2017, ftp://ftp.cpuc.ca.gov/gopherdata/energy_division/EnergyEfficiency/DAWG/2018andBeyondPotentialandGoals%20StudyDRAFT.pdf.

SVP participated in the California Municipal Utilities Association (CUA) Energy Efficiency Potential Forecasting Study conducted in 2016 by Navigant Consulting, Inc. The most recent study was adopted by the Santa Clara City Council in 2017. Results are presented in Table 5-1.

Table 5-1 Results of Energy Efficiency Potential Forecasting Study

CUMULATIVE SAVINGS	UTILITY SPECIFIED FEASIBLE GOAL IN MWH
2017-2018	12,851
2018-2019	13,032
2019-2020	14,015
2020-2021	14,928
2021-2022	15,129
2022-2023	14,565
2023-2024	13,333
2024-2025	12,192
2025-2026	11,528
2026-2027	10,590

5.2 CURRENT ENERGY EFFICIENCY INITIATIVES

SVP maintains a robust suite of energy efficiency programs that will contribute to the state's goal of doubling statewide energy efficiency savings as codified in SB 350. Energy efficiency programs are intended to offer maximum benefit to the community while meeting all regulatory requirements. The regulatory requirements include the following:

- Public Utilities Code § 385 requires that the utilities collect and spend a percentage of their base retail electric revenues on qualified Public Benefits Programs. The customary amount collected by public utilities in California is a minimum 2.85 percent of annual base retail electric revenues. The funds must be spent on programs in four categories including energy efficiency, research and development, renewable energy resource development and low-income assistance.
- Public Utilities Code § 386 requires each local, publicly-owned utility to ensure that low-income families have access to affordable electricity, and the level of assistance reflects the level of need. Furthermore, utilities shall ensure that low-income families have access to low-cost, no-cost measures that reduce energy consumption.
- Public Utilities Code § 454.5 and Public Utilities Code § 9615 both require utilities to address unmet resource needs through energy efficiency and demand response prior to procuring new sources of power.
- Public Utilities Code § 9505 requires each local, publicly-owned utility to annually report investments and achievements in energy efficiency and demand reduction programs. Furthermore, utilities must identify all potentially achievable cost-effective electricity efficiency saving and report savings targets to the CEC.

- Public Resources Code § 25305.2 requires the CEC to report to the Legislature a comparison of the annual energy savings targets versus the actual energy efficiency savings and demand reduction for each local POU.
- Public Resources Code § 25310 (c)(1) requires the CEC to set goals that will double statewide energy efficiency savings in California by 2030 and will require specific targets for SVP.

A comprehensive list of energy efficiency projects and programs under consideration is described below.

5.2.1 Proposed New and Modified Programs for Fiscal Year 2018/2019 to 2022/2023

- Data Center Efficiency Program – This program targets data centers with IT server load greater than 350 kW or cooling load greater than 100 tons. The incentive is paid as a performance incentive, where the customer will receive five annual payments based on actual measured energy savings, with the first payment made three months after project completion. The incentive payment is $0.03 per kWh in energy savings. The project cap was raised to $750,000 for projects completed in FY 2017/2018 and that cap will be extended for projects completed in FY 2018/2019.
- Customer Directed Rebate – This program provides incentives based on actual energy saved for energy efficiency measures that do not fall into SVP's standard business rebate programs. Lighting with network lighting controls will be removed from the Customer Directed rebate program and will now be covered under the standard lighting rebate. The incentive will be $0.15 per kWh for all custom projects incentivized by the Customer Directed Rebate Program. The project cap was raised to $750,000 for projects completed in FY 2017/2018 and that cap will be extended for projects completed in FY 2018/2019. A peak demand incentive of $150 kW was introduced in FY 2017/2018, but it did not result in any additional project applications, so this will be removed for simplicity.
- Commercial Lighting Rebates – The lighting rebate will be increased to $0.25 per kWh for the installation of network lighting control systems. This incentive applies to lighting retrofits only and helps to cover the customer's additional cost of measurement and verification of the energy savings.

5.2.2 Programs Ending or On Hold Third Party Programs for Business Customers

- City Revolving Energy Efficiency Loan Program – The City established a revolving loan fund for qualifying energy efficiency measures at City owned and occupied facilities. The funds were repaid on utility bills through the energy savings achieved by the project. Utilization of the program was low. City energy efficiency projects will still be eligible for rebates through its standard programs, but loan funds will no longer be available.
- Residential Solar Electric Rebate – the state legislation that required utilities to provide solar electric rebates expired on December 31, 2016. SVP continued to offer rebates for commercial solar installations through June 30, 2017. Residential Solar rebates end June 30, 2018 under the current program design. Staff will evaluate options for solar programs in future years, with emphasis on a possible low income program.

5.2.3 Ongoing Programs

- Residential Electric Dryer Rebate Program: This program provides a rebate of $100 for any ENERGY STAR -qualified electric clothes dryer having a Combined Energy Factor (CEF) of 4.3-5.4. For Energy Star-qualified clothes dryers with a CEF of 5.5 or greater, the rebate is $200.

- Residential Pool Pump Rebate: This program provides a $100 rebate to residential customers installing a new variable speed pool pump with a qualifying controller.
- Energy Star Ceiling Fan: Residents who purchase Energy Star qualified ceiling fans (limit 3 per household) will be able to receive a $35 rebate per ceiling fan. The program will encourage customers to use ceiling fans to help cool their homes instead of using air conditioning.
- ENERGY STAR Residential Heat Pump Electric Water Heater Rebate – SVP offers a maximum rebate of $500 per household for the purchase of an ENERGY STAR-qualified electric heat pump water heater.
- Residential In-Home Energy Audits, Education, and Hot Line: The program encourages residents to become more energy efficient and reduce their energy bills. Staff members visit homes and provide information and energy saving items. Also, the SVP information booth will continue to be displayed at several City events, providing education on energy efficiency and solar electric generation systems to residents.
- Residential Attic Insulation Rebate – This program pays $0.10/square foot for attic insulation of R-38 over conditioned space in single family homes or in multifamily homes where the attic space is completely separated from that of the other multifamily units. Eligible customers must have electric heat either in the form of a heat pump or electric resistance heat and no more than R19 existing attic insulation.
- Financial Rate Assistance Program (FRAP) – This program provides a 25 percent discount on the electric portion of utility bills for income-qualified residential customers, up to the first 800 kWh of use per month.
- Residential Blower Door and Duct Testing Pilot Program: In an attempt to help customers improve the efficiency and comfort of their homes through the reduction of leaks, this pilot program will be available to residential customers in single family homes who have central air conditioning. A free SVP audit will be required to determine if the home is a good candidate for the blower door test. Duct testing is a much more involved process and will be offered to those customers who are a good candidate for reducing the leaks in their air conditioning duct system, who demonstrate an interest in taking action to improve the duct work, and who are not already doing an air conditioning system upgrade where a duct test is required by building code. The service will be free to eligible customers under the pilot program. At the time of this report, this pilot program is still in the design phase and has not yet been launched.
- Low Income EV Charging Station Grant for Multi-family properties – Under its low income programs, SVP will offer a grant of up to $1,000 per charging station for multi-family properties where 15 percent of customers residing at the property qualify for SVP's low income programs. The utility will provide charging station rebates for all eligible customers as described in section 5.6.
- Medical Rate Assistance Program: Customers receive a 25 percent discount on their electric bill if they qualify due to high electric use for medical reasons. The programs are managed in-house.
- Deep Energy Retrofit Pilot Program – This pilot is targeted at customers who are interested in deep energy retrofits and able to make a commitment to a multi-year effort in reaching an energy savings of at least 30 percent. Incentives match the levels offered for the same measures incentivized under SVP's other programs, with a range from $0.02-$0.20 per kWh in first year savings. The program target is to enroll three customers.

- Enhanced Ventilation Controls Demonstration Projects –The program is targeted at smaller customers with rooftop package units of 15 tons or smaller. This customer segment is not at the forefront of adopting new technology. In order to educate customers on the technology and validate the energy savings, SVP aims for demonstration projects at customers' facilities and will fund up to the lesser of 100 percent of the project cost or $3,500. The customers are required to allow SVP to install metering equipment to validate energy savings and to write a case study on the project. The case study will be used in promoting the rebate program to other customers and educating them on the energy savings and payback of the project.
- Emerging Technologies Grant: The program provides grants to encourage businesses to develop new energy-related technologies. The incentive is $0.35/kWh, paid in two payments. The first payment of 50 percent of the incentive will be paid upon completion of the project and the second payment of 50 percent will be paid upon verification of energy savings. This is intended to encourage customers to implement innovative energy efficiency projects and minimize some of the risks involved if the savings do not materialize as expected, which has been one of the barriers to program adoption. SVP is actively researching emerging technologies and reaching out to customers to inform them about the program and appropriate emerging technologies for their business.
- Commercial New Construction Rebate: This program provides a rebate to customers who exceed Title 24 by 10 percent for the measure being incentivized, in line with other prescriptive rebates for retrofit projects. A Design Team Incentive matching the Investor Owned Utilities' program is provided as follows: at 10 percent savings, the incentive rate is $0.033/kWh. The incentive rate increases as the savings increase, up to 30 percent savings and $0.10/kWh. The incentive rate remains at $0.10/kWh until the project savings exceed 40 percent. At 40 percent and above, the incentive rate is $0.13/kWh. The Design Team Incentive, capped at $50,000, also includes an incentive of $33 per peak kW reduction.
- Business Energy Audits: Provides free energy efficiency audits to business customers. Energy and Resource Solutions administers this and other business PBC programs.
- Business Rebates: Encourages businesses to install energy efficient lighting, air conditioners, motion sensors, programmable thermostats, food service equipment, etc. The programs are occasionally changed to match statewide programs.
- Enhanced Ventilation Controls Rebate: This program provides an incentive of $160/ton for adding enhanced ventilation controls to HVAC rooftop packaged units 15 tons or smaller.
- Small Business Efficiency Services Program – This program is targeted at small business customers, and provides assistance in identifying energy efficiency projects, selecting and managing contractors, and help with filling out rebate application paperwork. The program also provides a 35 percent incentive for lighting and HVAC rebates, provided that customers to install the lighting measures within 6 months of program enrollment and HVAC measures within 12 months of enrollment in order to receive the additional incentive.
- Controls Program – This program is available for projects where at least 80 percent of the savings come from the control strategies. Incentives are paid on a performance basis with 6 payments made over 5 years at a rate of $0.02/kWh saved annually, capped at 65 percent of total project cost, which is above the statewide program cap of 50 percent. The first payment is made upon project completion and each additional annual payment will be subject to commissioning of the controls system and validation of persistent energy savings.
- Public Facilities' Energy Efficiency Program: SVP provides technical assistance and financial incentives for the expansion, remodel, and new construction of City of Santa Clara buildings.

Included in this program are higher levels of rebates for qualifying equipment and energy management assistance.

5.2.1 Third Party Programs for Business Customers

As one of the ways to enhance energy savings through the PBC programs and meet kilowatt hour and kilowatt demand reduction goals, SVP periodically embarks on an RFP process to add third party energy efficiency programs to its Public Benefit Program offering. Of the responses received each cycle, a review team selects responses that are both cost-effective and the most likely to help customers without overlapping with programs already being provided. The most recent RFP was issued in April 2018. The following are being offered:

- **Compressed Air Management Program** was run from 2007-2010 and provided successful implementation of energy efficiency measures in compressed air systems. It was reintroduced in FY 2015/2016, following an RFP issued in December 2013, and is ongoing.
- **Keep Your Cool**, which focused on replacement of refrigeration gaskets and use of strip curtains in commercial refrigeration facilities was launched in 2007. A second version of this program ran in FY 2014/2015 and focused on strip curtains, efficient refrigeration motors, and LED case lighting. The latest version was launched in April 2017 and adds additional energy efficiency measures.
- **Specialized Commercial and Industrial Operational Optimization Program** - This program provides engineering support and analysis to large customer facilities to effectively engage these customers in taking a long-term view of developing energy savings strategies geared towards implementing measures that will continually optimize the operations of their facilities. The program also provides project management support to customers during the implementation phase to make the recommended energy efficiency improvements and data analytics support to assist with ongoing savings validation.
- **Energy Efficient Water Systems Program** - This program provides engineering support and analysis to large customer facilities with cooling towers, significant wastewater systems, and significant pumping loads to assist in implementing energy efficiency measures which will also likely result in water conservation. The program provides an audit of the facilities and project management support to customers during the implementation phase to make the recommended energy efficiency improvements and validate the energy savings.
- **Small Business Exterior Lighting Program** – This program provides a free snapshot audit of exterior lighting efficiency opportunities. It then provides free LED exterior lights to eligible small businesses. The businesses are responsible for the installation cost and can use their own staff, the contractor of their choice, or one of the contractors working with the program provider.

5.2.2 Complementary Programs

- **Low-Income Programs**: SVP's low income programs include a Rate Assistance Program, where qualified low-income customers receive a 25 percent discount on their electric bill (low-income program), as well as a Low Income Direct Install Program, which is described in the energy efficiency programs section.
- **Renewable Energy Programs**:
  - Santa Clara Green Power Program: Residents can purchase 100 percent renewable energy through this voluntary program. The cost for residents and small businesses is a penny and

a half per kWh. Larger companies who do not wish to purchase 100 percent renewable energy may purchase in 1,000 kWh blocks. Block pricing can vary depending on the location of the resources (CA vs. Western U.S), the size of the purchase, and the duration of the purchase commitment.

- **Research, Development, and Demonstration**:
  - Emerging Technologies Grant: This program encourages businesses to demonstrate new products and product applications not yet commercially viable in today's marketplace, install energy efficient technologies not generally known or widely accepted, yet show potential for successful market growth, successfully apply energy efficiency solutions in new ways, or introduce energy efficiency into industries or businesses that are resistant to adopting new technologies or practices.
  - APPA DEED Program: Silicon Valley Power is a paying member of the American Public Power Association (APPA) Demonstration of Energy and Efficient Design (DEED) and currently occupies a seat on the DEED Board. This program funds grants, internships and student scholarships to further R&D in the electric utility industry and support innovative applications of energy efficient or renewable technologies. Over the years, SVP has applied for and received several DEED grants. Most recently, SVP has received grants for additional research of duct-less mini split HVAC units and for commercial food preparation appliance energy savings.
  - California Lighting Technology Center (CLTC): SVP provides financial support to the CLTC to further research and testing of emerging technologies in the area of lighting.
  - Super-Efficient Dryer Initiative (SEDI): SVP provides financial support to SEDI to further research and testing of emerging technologies in clothes dryers, such as the Energy Star Emerging Technology Award-winning Clothes Dryers, which came on the market within the last three years, and the Heat Pump Clothes Dryer, which became commercially available in the United States in 2015, and holds significant promise for energy savings.

5.3 DEMAND RESPONSE PROGRAMS

The CEC encourages POUs to include in the IRP Filing the expected quantitative impacts of planned price-sensitive demand response measures that are proposed, or being considered for future implementation (for example, time-of-use rates), including discussion of POU demand response programs.

Silicon Valley Power is unique in its mix of customers. While 84 percent of the customers are residential, over 90 percent of the utility retail sales are to commercial and industrial customers. Approximately 74 percent of electric load is attributable to the largest "Key" Customers. Over 46 percent comes from data centers. Analysis of large customers has been conducted to determine if any have the ability to shift load during periods of high demand. SVP industrial customers have an average load factor of 85 percent, and perform almost at unity load factor, meaning most large customers are on 24/7 and observe minimal differences between peak and off-peak load, therefore do not have the ability to load shift. In 2017, SVP's load factor was 76 percent inclusive of residential, commercial and industrial customers. SVP does offer incentivizes for customers that can participate in an interruptible program. To date, SVP has one customer that can provide an 8 MW reduction of load.

Advanced Metering Infrastructure: SVP will complete the installation of their advanced metering infrastructure in 2019, time-of-use rates may be offered to residential and non-residential

customers; however, the expected impact of new time-of-use rates on peak load are expected to be negligible given the current limited ability of large customers to shift significant amounts of energy load.

Electric Vehicle (EV) Demand Response Programs: As EV adoption grows, SVP will offer programs to encourage EV charging when it is most beneficial to the grid.

5.4 DISTRIBUTED GENERATION AND COMBINED HEAT AND POWER

There are four distributed generation types deployed by SVP's customers: Solar (PV), Fuel Cell (Natural Gas), Micro-turbines, as outlined in Table 5-2.

Table 5-2 Distributed Generation Types deployed by SVP's customers

GENERATOR TYPE	INSTALLED CAPACITY 2017	COMING ON LINE 2018
Solar (PV)	16 MW	1 MW
Fuel Cell (Natural Gas)	6 MW	8 MW
Micro-Turbine (Natural Gas)	0.450 MW	0
Wind (Micro-Turbine)	0.014 MW	0

Since, SVP discontinued commercial solar installation rebates as of June 30, 2017, there has been a decline of interconnection application. SVP discontinued the residential solar rebates on June 30, 2018. Staff will evaluate options for solar programs in future years, with emphasis on a possible low income program and/or a deployable battery storage program.

5.5 STORAGE

In 2013, AB2514 codified Public Utilities Code Section 2836(B) that requires the governing board of each local publicly owned electric utility to determine appropriate targets for the utility to procure viable and cost-effective energy storage systems to be achieved by December 31, 2016, and December 31, 2020, on or before October 1, 2014 as part of their supply plan. The statute also requires each governing board to reevaluate the determinations made pursuant to this subdivision not less than once every three years, where the first three-year period ended October 1, 2017.

The CEC is required by AB 2514 to review the plans and reports submitted by POUs. This review should include consideration of the integration of technologically viable and cost-effective energy storage technologies with other programs, including demand side management and other means to result in the most efficient use of electricity generation and load management resources. The CEC must report to the Legislature regarding the progress made by each local POU serving end-use customers in meeting the requirements of AB 2514. The CEC staff and Commission have been clear that they value the importance of using energy storage to help in meeting the State's environmental goals and plan to act early to ensure energy storage procurement plans are implemented statewide.

In order to meet these requirements SVP must develop cost-effective energy storage options and adopt energy storage system procurement targets, if appropriate. SVP was required to open an energy storage system procurement proceeding by March 1, 2012 and adopted an energy storage procurement target by October 1, 2014, with the first report submitted to the CEC by December 31,

2016 and the second to be submitted by December 31, 2021. SVP must report to the CEC regarding individual progress toward meeting this goal. This report meets the requirement of adopting an energy storage procurement targets to be achieved by December 31, 2021. Below is SVP's current Energy Storage focus.

In SVP's 2017 SVP Storage Procurement Plan submitted to the CEC, the utility proposed proposing to explore three potential projects/use cases to be deployed before January 1, 2021, if found to be cost effective. First, a transmission battery storage application - a black start battery hybrid project. And than other two potential activities are Research and Development (R&D) projects. Of the R&D projects, one is with a Class A commercial customer to explore a battery storage deployment that may provide multiple benefits or dual value streams to both the utility system and the end customer. The second R&D project is a hybrid distribution and customer-end-use project/solution with a large data center that could maximize different value streams and incremental benefits to SVP's distribution system and the customer.

To satisfy SVP's obligations under state law, SVP proposes the energy storage procurement targets as outline in Table 5-3.

Table 5-3 SVP Proposed Energy Storage Procurement Targets

CATEGORY	AMOUNT (KW) / USE CASE	STATUS
Transmission	2.5 MW Black Start Battery Hybrid Project at a Generation Facility in Santa Clara. SVP is proposing to use a Battery Energy Storage System (BESS) to provide black start capabilities. SVP has submitted a proposal to the CAISO to be part of the network of generators that brings the electric grid back on-line after a system failure also known as Black Start.	Project was not selected by the CAISO. Project was terminated
Distribution	50 MW Research and Development (R&D) project with a new data center development to explore multiple value streams/stackable benefits to the customer and the utility. Potential benefits; demand response, frequency support, ancillary services, a non-wires solution to potential system constraints.	Modified due to cost
Customer	■□ Developing a 0.75-1.5 MW Commercial R&D program for Commercial Customers to benefit both utility (demand response) and customer deployment (peak shaving) and potentially other multi-purpose uses ■□ Continuing a 30 kW – Green Charge Networks project at Tasman Drive Parking Structure	In Process

5.5.1 Opportunity Behind-the-Meter/Customer Sided

SVP is spearheading an R&D project through the support from Bay Area Air Quality Management District (BAAQMD) grant funding to implement a behind-the-meter battery storage project with a data center and energy storage technology provider. The project will demonstrate the economic viability and flexibility of a 1 MW/4.5 hour duration Battery Energy Storage System (BESS) used for critical need backup power to delay and potentially offset the activation of traditional diesel generators as backup power, while also using the BESS as a demand response product to reduce peak load and providing the opportunity for net revenue by energy arbitrage. The demonstration

project combines multiple use storage applications to reduce the operational time and need of diesel generation, optimize GHG reductions through the increased use of renewable energy on the grid to charge the battery, and to reduce the need for combined cycle natural gas generation dispatch during the evening peak demand hours, through the cycling of a fully dispatchable battery. The project will reduce greenhouse gas emissions and particulate matter in vulnerable communities in the City of Santa Clara. In the mid-to-long-term, the investment in the project aims to demonstrate a pilot program to be used for new data center builds that can scale greenhouse gas emission and particulate matter reductions in the City of Santa Clara, and be used as a case study across other service territories.

SVP will also evaluate the potential of multiple stacking benefits that a deployment of this size could bring to the market. Benefits include but are not limited but are not limited to[9]:

- Ancillary Services - Provide spin / non-spin reserves

  Operation of an electric grid requires reserve capacity that can be called upon when some portion of the online supply resources become unavailable unexpectedly. Generally, reserves are sized to be at least as large as the single largest supply resource (e.g., the single largest generation unit) serving the system and reserve capacity is equivalent to 15 percent to 20 percent of the normal electric supply capacity. Spinning Reserve refers to generation capacity that is online (and synchronized to the grid system) but unloaded and that can respond within 10 minutes when needed to compensate for generation or transmission outages. Non-Spinning Reserve refers to generation capacity that may be offline or that comprises a block of curtailable and/or interruptible loads and that can be ramped to the required level (and synchronized to the grid system) within 10 minutes.

- Provide ramping

  Conventional generation-based load following resources will increase output to follow demand up as system load increases and decreases output to follow demand down as system load decreases. To enable ramping service, a generation unit must be operated at partial load, which is inefficient and requires more fuel per MWh, resulting in increased emissions per MWh relative to the generation unit operated at its design output level. Varying the output of generators will also increase fuel use and air emissions, as well as the need for more generator maintenance and thus higher variable operations and maintenance costs. Storage is a well-suited alternative resource to provide ramping because it can operate at partial output levels with relatively modest performance penalties and respond very quickly when output modulation is needed for load following.

- Shift energy

  At the transmission and distribution level, electric energy time-shift involves purchasing inexpensive electric energy, available during periods when prices or system marginal costs are low, to charge the storage system so that the stored energy can be discharged or sold at a later time when the prices or costs are high. Alternatively, storage can provide similar time-shift service by storing excess energy production, which would otherwise be curtailed, from renewable sources such as wind. Operationally, this application is similar to avoiding curtailing excess energy as energy shifting on the transmission scale is performed during periods of over-generation.

[9] DNV KEMA Cost Effectiveness Methodologies Report 2017

- Provide capacity

  Capacity refers to making power and energy available to given an electric market to serve current and future demand. Resource adequacy capacity requirements ensure sufficient resources are available in the CASIO market for safe and reliable operation of the grid in real time. Resource adequacy capacity is also designed to provide appropriate incentives for the siting and construction of new resources needed for reliability in the future. For a given capacity resource, the net qualifying capacity is the qualifying capacity of a resource adjusted, as applicable, based on: (1) testing and verification; (2) application of performance criteria; and (3) deliverability restrictions. Flexible capacity is defined as the quantity of resource capacity as specified by CAISO to meet maximum three hour ramping and contingency reserves. Depending on the circumstances in a given electric supply system, energy storage can be used as an alternative to buying new central station generation capacity and/or purchasing capacity in the wholesale electricity marketplace.

  The storage system could perform in utility or ISO capacity dispatch programs such as Demand Response, Local Capacity Resource (LCR), or Forward Capacity Market (FCM). Under these programs, the storage system would be notified ahead of time of the volume and duration of capacity required and the price of that service. Capacity dispatch may involve storage discharging (equivalent to load reduction) during peak or congested hours of the day such as early or late evening.

- Improve distribution system operation (Voltage Support/VAR Support)

  Utilities regulate voltage within specified ANSI standard limits by installing and operating tap changing transformers and voltage regulators at the distribution substation and by switching feeder capacitors downstream to follow load changes. This need is pronounced on long, radial lines with high loading or on feeders with high penetration of intermittent residential PV systems which may be causing unacceptable voltage deviations for neighboring customers. Placing distributed storage closer to load can improve network voltage profile, mitigate fluctuations, and reduce network power losses. Though this may be valuable to SVP system operations it may harder to implement if competing with market opportunities. Staff will determine if this value can be stacked with others for maximum benefit.

- Provide uninterruptible power supply

  Even momentary outages or power quality events can result in large-scale customer financial losses when sensitive electronic or process equipment loads are present. The electric supply to these pieces of equipment can be backed up to an uninterruptible power supply which can seamlessly switch from the utility power supply to energy storage backup when a power quality event or momentary outage occurs. For long-term outages, the UPS enables ride-through capability ensuring continuous supply of power to critical loads while other conventional back-up generation is brought on-line. This value is realized and valued by the end-use customer and is part of their business continuity strategy.

Key project highlights are listed below:

- Target: 1MW/4.5 hour duration
- Goal: Creating a Battery Storage design that can be replicated to other Data Centers.
- Cost-Effectiveness:

- Utility: To be determined -depends on the value extracted stacking benefits and the CAISO marketplace
- Customer: Provide additional revenue stream and/or cost recovery mechanism. Emissions reduction.

- Deployment Target Date: 2019/2020

5.5.2 Commercial Solar and Storage Pilot

The primary benefit for cost-effective deployment of behind-the-meter use cases is customer bill reduction through the reduction of demand charges that are applicable to some commercial and industrial customers, also known as "peak shaving." In addition to customer bill savings, energy storage could potentially provide capacity dispatch revenue from the utility as part of a Demand Response program. The storage system would be notified ahead of time of the volume and duration of capacity required and the price of that service. Capacity dispatch may involve storage discharging (equivalent to load reduction) during peak or congested hours of the day such as early or late evening.

SVP is working with a vendor who currently deploys Solar + Storage on large Class-A office buildings. SVP is proposing a R&D project to determine the cost-effectiveness of deploying smaller scale storage systems and co-optimized the benefits that the storage operation can provide. This also allows the utility to test the accuracy of customer control systems and the integration of battery storage into a defined operational strategy.

Key project highlights are listed below:

- Proposed Size: 0.50 MW – 1.5MW
- Goal: Reduce customer and utility peak through demand response management thus creating a win/win scenario for both the utility and end use customer without impacts to other rate payers.
- Cost-effectiveness:
  - Utility: To be determined.
  - Customer: the deployment is dependent on the California Self Generation Incentive Program (SGIP) and the Federal Investment Tax Credit (FITC), applicable to energy storage and PV and potentially SVP's determined grid value.
- Deployment Target Date: 2018/2019

5.5.3 Continuing Project -SVP Pilot Project with Green Charge Networks

SVP is continuing to pilot an energy storage project at the Tasman Drive Parking Structure through a CEC grant program to reduce customer-side peak demand charges due to high energy electric vehicle fast charging. The City's Streets Department is SVP's customer at this parking structure. Green Charge Networks, a Santa Clara based energy storage company, approached SVP to install a 30 kW "GreenStation" battery energy storage system along with an electric vehicle DC fast charger station at this location. The cost of the energy storage system, the DC fast charger and the installation is covered by a California Energy Commission grant program, resulting in no costs to Santa Clara or SVP. The GreenStation is installed behind-the-meter and dampens the demand spikes that occur when the DC fast charging station is used. This helps the Streets Department avoid higher electricity bills due to the increased demand charges that would otherwise occur from use of the DC fast charging station.

5.5.4 Energy Storage Opportunity at the Transmission/Distribution and Generation System Level

SVP designed a techno-economic model to simulate the performance of a utility-scale lithium-ion battery, which incorporated a discounted cash flow analysis to evaluate the financial feasibility of a battery energy storage system over the life of the system. The model discounts project costs, savings and revenues generated to present value to assess the payback period of the project required to recover the total installed cost of the battery energy storage system. Furthermore, a break-even point analysis is determined to understand how subsidies, and future battery energy storage costs required can improve project viability. The analysis provides case studies on battery capacity over time, efficiency losses through system components, the useful life of the system, total system costs over time, and various cost savings achieved through the participation in the wholesale market and other multi-use application for the battery energy storage system. When the model indicates, SVP will evaluate large scale battery deployment at utility scale renewable projects.

5.6 TRANSPORTATION ELECTRIFICATION

For the service area, the electric vehicle (EV) forecast involves a significant increase in the number of vehicles through 2026. Figure 5-1 shows the cumulative number of electric vehicles, including EVs and plug-in electric vehicles (PEVs) that are projected to increase from approximately 2,200 in 2018 to more than 24,000 by 2030 based on the CEC EV model.

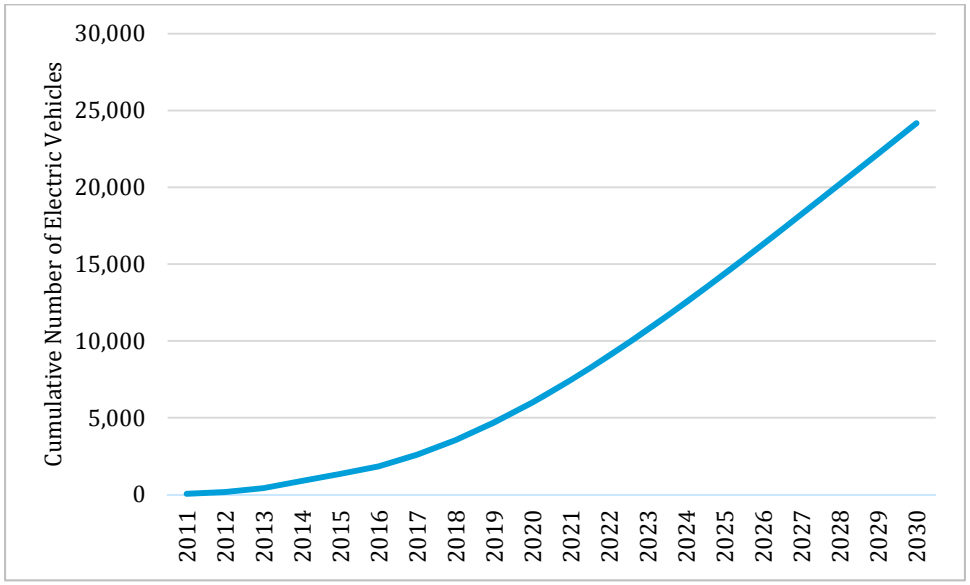


Figure 5-1 CEC Projected EV Adoption (cumulative)

The City has seen an increase in residential EV purchases up from 38 EVs in 2011 to over 2,200 EVs to date, per California Clean Rebate Program statistics. This does not include fleet vehicles that entities like the City have begun to acquire. There is also a significant inflow of EVs that come into the City to work, shop, and visit the entertainment venues as SVP works through the CEC EV Blueprint Grant, SVP hopes to quantify this number. There are over 450 available charging ports throughout the City of Santa Clara, the majority are installed in the workplace. The City currently has a total of seventy (70) City installed public EV charging stations located at Central Park Library,

Santa Clara Convention Center, Tasman Garage, City Hall, and, most recently, the Northside Library. Two Level 3 DC fast charging ports at the Central Park Library have been identified for replacement. As EV adoption grows and the demand for larger capacity chargers increases, SVP continues to add growth projections into its distribution model.

5.6.1 Low Carbon Fuel Standard

In October of 2016, SVP entered a voluntary California Air Resources Board (CARB) program called the Low Carbon Fuel Standard (LCFS) Program. The LCFS Program was created through AB 32, California Global Warming Solutions Act of 2006 and Governor's Executive Order S-01-07. The LCFS Program is a key part of a comprehensive set of programs in California to cut greenhouse gas emissions and other smog-forming and toxic air pollutants by improving vehicle technology, reducing fuel consumption, and increasing transportation mobility options. The LCFS Program is designed to decrease the carbon intensity of California's transportation fuel pool and provide an increasing range of low-carbon and renewable-powered alternatives. The goal of this program is to reduce by at least 10 percent the carbon intensity of California's transportation fuels by 2020.

Through compliance with the LCFS Program, SVP receives LCFS credits. These credits are sold in an exchange and these funds are to be used to comply with Title 17 of the California Code of Regulations Section 95483(e) (1) (A-D), LCFS program proceeds may only be used in accordance with the following requirements.

Regulated Parties for Electricity

For electricity used as a transportation fuel, the party who is eligible to generate credits is determined as specified below:

For on-road transportation fuel supplied through electric vehicle (EV) charging in a single- or multi-family residence, the Electrical Distribution Utility is eligible to generate credits in its service territory. To receive such credits, the Electrical Distribution Utility SVP must:

- Use all credit proceeds to benefit current or future EV customers;
- Educate the public on the benefits of EV transportation (including environmental benefits and costs of EV charging, or total cost of ownership, as compared to gasoline);
- Provide rate options that encourage off-peak charging and minimize adverse impacts to the electrical grid; and
- Include in annual compliance reporting the following supplemental information: an itemized summary of efforts to meet requirements (A) through (C) above and costs associated with meeting the requirements

The LCFS combined with other programs, enables SVP to create an EV program that include the following initiating activities in fiscal year 2018/19:

- Electric Vehicle Charging Equipment Rebate:
  - Residential: $750 rebate per installed electric vehicle charger equipment
  - Multi-Family: $3,000 rebate per installed public electric vehicle charger equipment
  - Schools & Non-Profit entities: $5,000 per installed electric vehicle charger equipment

- Electric Vehicle Public Access Charging:
  - Placing public electric vehicle chargers at City owned facilities, such as at the new Reed and Grant Sports Park (8 charging ports) and Raymond G. Gamma Dog Park (6 charging ports)

SVP believes that with convenient, publicly accessible EV charging incentives to promote EV

charging in the community, and with community outreach and engagement, SVP can influence the City's residents and businesses will accelerate the deployment of transportation electrification and reduce carbon emissions from the transportation sector

5.6.2 CEC Electric Vehicle Ready Communities Challenge Blueprint Plan

In July 2018, Council approved a Grant Agreement with the California Energy Commission and approved the appropriation of those grant funds to complete the Electric Vehicle Ready Communities Challenge Blueprint Plan to help the City achieve electric vehicle readiness, and understand current gaps and implementation barriers. Staff anticipates this Blueprint in combination with the proposed use of LCFS Program funds for charger rebates and other incentives will accelerate deployment of transportation electrification within Santa Clara.

6.0 The Need for Additional Resources and Resource Options

SVP's load forecast was used to determine the gap between SVP's existing and contracted resources and customer load requirements during the 2019-2038 planning period. SVP has sufficient resources to meet the RPS requirements through 2030 to meet the 50 percent mandate. However, given the recent approval of SB 100, SVP modeled the IRP based on a 60 percent target by 2030.

The need for additional renewable resources established in this section leads to the development of two expansion planning scenarios that are modeled and presented from an economic cost and renewable energy perspective in Section 8.

6.1 SVP'S EXISTING SYSTEM

Simulations for the IRP planning were used to identify, under the Base Case, when additional renewable resources are needed to meet RPS targets. Initial modeling was performed to meet the 50 percent renewable target stipulated by SB 350. However, with the recent passing of SB 100, additional analysis was performed to ensure sufficient renewable additions to meet the 60 percent target by 2030 were identified. Table 6-1 provides additional information about the adequacy of SVP's existing system through 2030 to meet renewable targets of 60 percent by 2030.

The table indicates through 2024 that the existing system has sufficient renewable generation to add to the banked RECs, with the exception of one withdrawal in the year 2020. Starting in 2025, SVP begins to withdraw from the banked RECs to meet renewable targets. The table does not include any generic renewable resources added to the mix. SVP can comply with the targets using a combination of existing resources and banked RECs. However, for the IRP Base Case, SVP considered commencing renewable additions in 2030 to be more proactive and flexible in renewable additions and less reliant on the use of RECs to meet the target for that year. This is further described in Section 8.

As described in Section 1, since the completion of the modeling, SVP has made updates to the assumptions underlying the IRP. These updates are reflected in the Standardized Tables and are to take precedence over the numbers provided in this report. The change includes a reduction in the generation from a few RPS-eligible facilities, which results in increased market purchases and additional withdrawals from banked RECs. The additional withdrawals occur during the same years as modeled at an increased volume of 1 to 3 percent of the 60 percent renewable target. In total, SVP continues to maintain a adequate REC balance for the duration of the planning period.

Table 6-1 SVP Existing System Renewables Sufficiency

Renewable Energy Achieved (GWh) and Renewable Energy Credits (1,000)													
Silicon Valley Power													
Technology	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Solar		62	62	158	157	157	157	156	155	155	155	154	153
Wind		453	454	1,022	1,422	1,422	1,423	1,416	1,416	1,416	1,417	1,417	1,417
Small Hydro		544	544	544	544	544	308	307	307	307	308	307	307
Landfill Gas		98	98	98	98	98	98	98	98	95	96	84	84
Geothermal		342	336	329	322	316	310	303	297	291	285	280	274
Total RECs Generated		**1,499**	**1,494**	**2,150**	**2,543**	**2,536**	**2,295**	**2,280**	**2,274**	**2,265**	**2,260**	**2,242**	**2,235**
RPS Target, %		31%	33%	36%	39%	42%	45%	48%	50%	53%	55%	58%	60%
RPS Target		1,190	1,394	1,584	1,758	1,937	2,128	2,304	2,429	2,556	2,705	2,856	3,010
REC Sales Obligation		(111)	(111)	(111)	(111)	(72)	(72)	(72)	(72)	(72)	-	-	-
RECs Available for compliance		**1,387**	**1,382**	**2,039**	**2,432**	**2,464**	**2,223**	**2,208**	**2,202**	**2,193**	**2,260**	**2,242**	**2,954**
Historical Banked RECs	2,856												
Deposits		198	-	455	674	527	94	-	-	-	-	-	-
Withdrawals		-	12	-	-	-	-	96	227	363	445	615	775
REC Bank Balance		**3,054**	**3,042**	**3,497**	**4,170**	**4,697**	**4,791**	**4,695**	**4,468**	**4,105**	**3,660**	**3,045**	**2,271**
Renewable Generation and REC withdrawal		**1,499**	**1,506**	**2,150**	**2,543**	**2,536**	**2,295**	**2,376**	**2,501**	**2,629**	**2,705**	**2,856**	**3,010**
Renewable and RECs as a % of retail sales		**39%**	**36%**	**49%**	**56%**	**55%**	**49%**	**50%**	**51%**	**54%**	**55%**	**58%**	**60%**

SVP developed and evaluated two expansion plans as part of the IRP process. One expansion plan assessed the addition of 50 percent solar and 50 percent wind to address the renewable shortfall. The second expansion plan assessed the addition of 80 percent wind and 50 percent solar to address the renewables shortfall. Additionally SVP evaluated multiple sensitivity cases. These scenarios and sensitivities are presented in Section 8.

In order to evaluate the best resource options for SVP, cost and performance assumptions were developed for candidate renewable resources that could be part of SVP's resource expansion plan. The cost and performance of supply side resources considered in the expansion planning analysis are developed and presented in the following subsections.

6.2 SUPPLY SIDE RESOURCE TECHNOLOGY COSTS AND CHARACTERISTICS

In consideration of the objective of achieving long-term reliability, low electric costs, and fuel diversity to lower risk of dependence on a single fuel source, SVP developed a list of multiple resource options to serve as candidates for consideration to serve SVP's future needs. All incremental options considered in the analysis were renewable energy solar or wind resources. These options are discussed further in this section.

6.2.1 Renewable Energy

To obtain indicative renewable energy PPA pricing, representative wind and solar projects were identified in the Northern California region. The solar project was assumed to consist of single axis tracking systems (SAT). SAT systems tend to have better output in the late afternoons when generation is often the most valuable. The representative project was assumed to have a capacity factor of 30 percent, similar to those currently in SVP's portfolio.

The wind project evaluated was sized at 100 MW or more in line with recent trends of sizing wind farm. It was assumed, however, that SVP could purchase less than the full output of a large wind farm. Wind capacity factor was assumed to be 40 percent based on units currently in SVP's portfolio.

Table 6-2 summarizes the two representative projects.

Table 6-2 Renewable Systems and Modeled Performance

SITE	LOCATION	PROJECT CAPACITY [MWAC]	MODULE CAPACITY [MWDC)	CAPACITY FACTOR (AC)
1	North CA Solar	10	13	30.0%
2	North CA Wind	100		40.0%

6.2.1.1 Cost Assumptions

Renewable energy project costs vary depending on system size and location costs. The capital costs provided represents an all-in installed cost or total capital expenditures (CAPEX), including EPC, owner's costs, developer fees, interconnection, financing fees, and construction interest.[10] This total cost is used as the capital cost when calculating the busbar levelized cost of energy (LCOE). Table 6-3 summarizes the 2020 Cost Assumptions in nominal dollars.

Table 6-3 2020 Cost Assumptions for Renewable Systems (Nominal$)

SITE	LOCATION	PROJECT CAPACITY [MWAC]	INTER-CONNEC-TION COST ($M)	CAPITAL COST [$/KWAC]	CAPITAL COST [$/KWDC]	FIXED O&M COSTS [$/KWAC]	FIXED O&M ESCALA-TION (ANNUAL)
1	North CA Solar	10	$0.5	$1,770	$1,362	$26	2.5%
2	North CA Wind	100		$1,700		$35	2.5%

To determine the estimated cost of 2030 projects, it was assumed that capital costs would decline 1 percent per year in real terms for wind and solar technologies amid an inflationary environment of 2.5 percent per year. The escalated technology costs for 2030 are shown in Table 6-4.

[10] EPC stands for "engineer, procure, and construct". Additional trade tariffs were imposed on imported solar cells in January of 2018, resulting in increases in module costs. However, the new tariffs are set to decline over the next four years, and module costs are expected to continue to fall. Thus, module costs are assumed to be similar to 2017 levels by 2020.

Table 6-4 2030 Cost Assumptions for Renewable Systems (Nominal$)

SITE	LOCATION	PROJECT CAPACITY [MWAC]	INTER-CONNEC-TION COST ($M)	CAPITAL COST [$/KWAC]	CAPITAL COST [$/KWDC]	FIXED O&M COSTS [$/KWAC]	FIXED O&M ESCALATION (ANNUAL)
1	North CA Solar	10	$0.64	$2,049	$1,576	$33	2.5%
2	North CA Wind	100		$1,968		$45	2.5%

6.2.1.2 Levelized Cost of Energy (LCOE)

To model the LCOE of each of the representative projects, Black & Veatch assumed a third-party independent power producer (IPP) structure where PPA pricing is based on the LCOE. A number of financial incentives were incorporated into the modeling, as discussed below. As a tax exempt entity, SVP cannot directly use the investment tax credit, however, by contracting with an IPP under a PPA, SVP can share in the tax credit through the PPA pricing.

6.2.1.3 Financial Assumptions

The 2018 Tax Reform bill changed the federal corporate tax rate from 35 percent to 21 percent while still allowing state income taxes to be tax deductible, resulting in the composite income taxes for California are shown in Table 6-5.

Table 6-5 Assumed Federal and State Income Tax Rates

	CALIFORNIA
Federal Income Tax	21%
State Income Tax	8.84%
Composite Income Tax	28.0%

6.2.1.4 Tax Credits

The Consolidated Appropriations Act, signed in December 2015, extended the investment tax credits (ITC) that apply to solar technologies and wind. Wind project owners can opt for the ITC in lieu of the production tax credit (PTC), which was also extended, but wind typically benefits more from PTC at better wind sites. The credits do decline over time, as shown in Table 6-6. The availability of tax credits shapes the SVP strategy of purchasing wind and solar from private developers through a PPA instead of self-building since SVP is a tax exempt municipal utility.

- ITC is a credit taken as a percentage against the capital cost of a renewable energy system. The capital cost basis allowed is defined by the IRS. If the project owner opts for the ITC, the depreciation basis will need to be reduced by 50 percent of the ITC (e.g., 30 percent ITC => Depreciation Basis would be 85 percent of the capital cost)
- PTC is an inflation-adjusted per-kilowatt-hour (kWh) tax credit for electricity generated by qualified energy resources and sold by the taxpayer to an unrelated person during the taxable year. The duration of the credit is 10 years after the date the facility is placed in service.

For 2020, solar projects can receive a 30 percent ITC against the total capital cost of their project, if the project "begins constructions" by the end of 2019. For this analysis, it was assumed that the solar projects begin construction in 2019 and come on-line in 2020 to take advantage of the 30 percent ITC. Otherwise the incentive drops to 26 percent in 2020. By 2030, the ITC drops to 10 percent.

While wind project owners can select between the ITC and the PTC, the drop in the benefits of the ITC occur sooner, so by 2020, there are no incentives available for wind, unless construction started in 2019. In this case, it was assumed that construction starts in 2019 and wind owners take advantage of the PTC at a rate of $9 per MWh, escalated at inflation, for the first 10 years of the project. By 2030, wind does not receive any production tax credits.

Table 6-6 Tax Credit Assumptions

TECHNOLOGY (CONSTRUCTION START)	12/31/19	12/31/20	12/31/21	12/31/22	FUTURE YEARS
Solar PV	30%	26%	22%	10%	10%
Large Wind (Estimated PTC per MWh)	$9	N/A	N/A	N/A	N/A

6.2.1.5 Accelerated Depreciation

Historically, solar and wind projects have been able to utilize a 5-year accelerated depreciation schedule (MACRS) that helped improve project economics. The 2018 Tax Reform bill now allows renewable energy projects to take 100 percent tax depreciation on the total cost of the project in year 1. Industry experts believe, while quite generous, few investors would be able to take full advantage of this new depreciation schedule, so the modeling in the analysis assumed a 5-year MACRS schedule, where approximately 90 percent of the total capital cost would be depreciable.

6.2.1.6 Cost of Capital

IPPs have multiple methods of funding renewable energy projects. For modeling purposes, it was assumed that the debt/equity structure for both solar and wind projects would be as shown Table 6-7. In recent years, the cost of capital for renewable energy projects has dropped substantially in terms of lower interest rates on debt as well as lower equity return requirements by investors. The debt term was modeled for 20 years while the life of the project was 25 years in the analysis performed.

Table 6-7 Cost of Capital Assumptions for Solar and Wind

FINANCIAL FACTOR	SOLAR	WIND
Debt Percentage	50	60
Debt Interest Rate (percent)	4.5	4.5
Debt term (Years)	20	20
Economic life (Years)	25	25
Cost of equity (after tax) (percent)	10	10

6.2.1.7 Levelized Cost of Energy

The LCOE for the renewable projects with commercial on-line dates in 2020 and 2030 resulting from the input assumptions and analysis are shown in Table 6-8 and Table 6-9. The LCOE represents that assumed to be in a fixed price, 25-year PPA.

Table 6-8 Renewable Energy Projects LCOE (Nominal$) 2020 COD

SITE	TECH-NOLOGY	PROJECT CAPACITY [MWAC]	CAPACITY FACTOR (AC)	CAPITAL COST [$/KWAC]	ITC OR PTC	NOMINAL LCOE RESULT ($/MWH)
1	North CA Solar	10	27.9%	$1,770	30%	**$53**
2	North CA Wind	100	30.0%	$1,700	$9/MWh	**$60**

Table 6-9 Renewable Energy Projects LCOE (Nominal$) 2030 COD

SITE	TECH-NOLOGY	PROJECT CAPACITY [MWAC]	CAPACITY FACTOR (AC)	CAPITAL COST [$/KWAC]	ITC OR PTC	NOMINAL LCOE ($/MWH)
1	North CA Solar	10	27.9%	$2,049	10%	$85
2	North CA Wind	100	33.1%	$1,968	$0	$75

Since the ITC and PTC vary year by year, the following table shows the year by year LCOE for projects that come on-line for that year, assuming construction start dates of the previous year.

Table 6-10 Project Nominal LCOE 2020 to 2030

YEAR	PROJECT 1	PROJECT 2
	Solar SAT	Wind
	North CA	North CA
2020	$53	$60
2021	$58	$70
2022	$65	$70
2023	$75	$71
2024	$77	$71
2025	$78	$72
2026	$79	$72
2027	$81	$73
2028	$82	$73
2029	$83	$74
2030	$85	$75

7.0 Modeling Assumptions, Tools, and Methodology

7.1 MODELING ASSUMPTIONS

7.1.1 Load forecasts

The SVP load forecast used for the IRP analysis was presented in Table 4-3 of Section 4.

7.1.2 Natural Gas and Average Market Prices

The economic analysis required a projection of natural gas fuel prices and power energy prices per Table 7-1.

Table 7-1 Average Natural Gas and Market Energy Prices Assumed in the SVP IRP

YEAR	AVERAGE GAS PRICE ($/MMBTU)	AVERAGE ENERGY PRICE ($/MWH)
2019	$ 3.22	$ 31.83
2020	$ 3.42	$ 32.51
2021	$ 3.47	$ 31.99
2022	$ 3.68	$ 32.59
2023	$ 3.96	$ 32.91
2024	$ 4.10	$ 33.64
2025	$ 4.23	$ 34.72
2026	$ 4.36	$ 35.94
2027	$ 4.37	$ 35.32
2028	$ 4.40	$ 35.22
2029	$ 4.54	$ 35.44
2030	$ 4.52	$ 35.46
2031	$ 4.69	$ 37.09
2032	$ 4.88	$ 38.79
2033	$ 5.06	$ 40.40
2034	$ 5.27	$ 42.09
2035	$ 5.48	$ 43.86
2036	$ 5.72	$ 45.78
2037	$ 6.01	$ 47.93
2038	$ 6.31	$ 50.25

7.1.3 Discount Rate

The analysis utilized a 4.5 percent discount rate. This discount rate was applied to future costs and revenues to determine estimated future SVP net costs of serving load on a net present value basis.

7.2 PLEXOS MODELING TOOL AND METHODOLOGY

The IRP utilized the PLEXOS production cost modeling software tool to model SVP's power system to compare the various scenarios in terms of present value cost as well as determining if a portfolio achieves other requirements such as GHG and renewable energy goals.

PLEXOS is one of the leading production cost model simulation software and uses state-of-the-art mathematical optimization to provide extensive simulation capabilities across electric power, water and gas systems. PLEXOS is used extensively by utilities, ISOs, consultants, and government agencies for Renewable Integration studies, Market design, Integrated Resource Planning, portfolio planning and risk management. PLEXOS has been used by SVP to model SVP electric portfolio and provide 10-year budget forecast.

For the IRP, PLEXOS was used to develop 20-year integrated resource plan that satisfies system reliability constraint and RPS targets and minimizes the Net Present Value (NPV) of investment cost and operation cost over 20-year planning horizon.

The Long-Term Plan module in PLEXOS, was used to develop the least cost expansion plan. The objective function of the Long-Term Plan module is the NPV of the sum of capital costs, fixed costs, and variable operation costs of the system over the planning period of 2019 to 2038. Key inputs to the model include:

- System load forecast
- Existing and planned resources and expected retirements
- Operating parameters of the existing resources and costs
- Future candidates, operating parameters, and associated capital cost, fixed and variable operating cost
- System reliability constraint
- Annual RPS target
- System discount rate

It was assumed that SVP has sufficient local and system resource to meet local and system Resource Adequacy constraints or through short-term capacity market purchases. For RPS target, the system assumes the RPS target of 60 percent by 2030 and 100 percent by 2045, in line with the requirements of SB 100.

Initial simulation shows that without additional renewable resources, SVP is short in 2032 to meet the annual RPS target. However, given the renewable target requirement in 2030, SVP pulled forward the addition of renewable resources to 2030 to be more proactive and flexible in renewable additions to be less reliant on the use of RECs to meet the targets. Given the cost and performance parameters of potential wind and solar projects, PLEXOS Long Term Plan was then used to find the best combination of new solar and wind resources to meet the RPS targets and minimize the NPV of the investment and operating cost.

8.0 Evaluation and Results

This section lays out the economic analysis performed for the SVP system. In general, the analysis is aimed at minimizing SVP total system costs while also meeting the several targets that have resulted from the state RPS and environmental policies described in Section 2, including the following goals for SVP:

- Low cost and reliability
- 60 percent renewable energy by 2030 and meet intermediate goals per SB 100
- Increased energy efficiency per SB 350
- 2030 GHG within the July, 2018 CARB staff recommended targets (low of 275,000 MTCO2e and high of 485,000 MTCO2e)

Additionally, SVP believes that it is important to achieve a balance in solar and wind resources over the planning horizon, since a balanced portfolio may reduce risks associated with over-reliance on a single technology. Also, a balanced wind and solar energy generation combination is deemed to be a better fit to SVP's hourly system energy demand profile than a plan heavily weighted toward either wind or solar.

8.1 ECONOMIC EVALUATION FRAMEWORK

The objective of the economic analysis is to meet the requirements identified above, while minimizing the long-term present worth cost of incremental power to customers. This cost is commonly called the cumulative present worth cost (CPWC) of an expansion plan. The CPWC includes "incremental" costs, which refers to the power supply costs incurred by SVP directly or indirectly through interaction with the market and power producers during the 2019-2038 evaluation period. Incremental costs do not include existing fixed costs or common costs such as general and administrative costs, as these are considered sunk costs or costs common to all future expansion plans. However, the capital costs associated with new resources are included, as are variable costs incurred by SVP (directly or indirectly) in a resource plan. Additionally, since SVP is an active participant in the power markets, a projection of costs and revenues associated with purchases from, or sales into, the market have also been included. A plan that relies heavily on assumed market purchases may incur risks associated with future power energy market prices increasing at a rate higher than assumed in the analysis.

As part of the CPWC calculation, the annual costs associated with an expansion plan are determined, then discounted to the start of the evaluation period and summed with all other years in the planning horizon to derive the "cumulative" present worth costs of a plan. The CPWC is a single, dollar figure that can be easily compared among alternative expansion plans.

8.2 SCENARIO ANALYSIS

The SVP IPR evaluated five separate cases. Two expansion plans were explored along with three sensitivity cases. Only solar and wind resources were evaluated as future resources due to SVP's need for additional renewable energy resources and SVP's customer desire for additional renewable energy at a reasonable cost. The list of projects considered for inclusion in the expansion plans is shown in Table 8-1 and the details of the modeling assumptions are laid out in Section 6 and Section 7. All cases include the addition of a new contract for a wind resource, Viento Loco in 2022 with an installed capacity of 200MW.

Table 8-1 RPS Project Definitions

	PROJECT 1	PROJECT 2
Name	Local PV w/Bat	NorCal/ OR Wind
Location	Local	OR/ NorCal
Type	PV	Wind
Capacity (MW)	10	100
Scalable	No	Yes
AC Capacity Factor (%)	30%	40.0%
Annual Energy (MWh)	26,280	350,400
Energy Storage? (Yes/No/Maybe)	Not included	Not included
ES Capacity (MW, %)	Not included	Not included
ES Duration (Hrs)	4	Not included
Transmission Requirements	None	To COTP, WAPA
LMP Market Location (To Value)	NP15	NP15
Transmission & VERBS Costs (2018-$/kW/mo)	0.000	2.258
Transmission Costs (2018-$/MWh)	0.000	0.000
Transmission Escalation Rate		5.00%

8.3 CONSOLIDATED RESULTS

The following five scenarios were evaluated as part of the IRP analysis.

- Base Case: Existing system with a renewable target of 60 percent by 2030. Note: based on the recent signing of SB 100, SVP has decided to model the renewable target of 60 percent by 2030. This case, assumes expected load growth a balanced procurement scenario adding an equal amount of wind and solar to the portfolio.
- High Wind Case: Base Case with an 80 percent wind and 20 percent expansion plan
- High Load Case: Base Case with high load growth assumptions. Renewable additions to this case were at 50 percent solar and 50 percent wind
- Low Load Case: Base Case with low load growth assumptions
- High GHG Price Case: Base Case with high carbon price forecast

While the CEC guidelines only require the expansion planning studies to extend to 2030, consideration of additional years beyond 2030 were encouraged. SVP developed a 20-year expansion plan through 2038. All the five cases were optimized to meet the 60 percent renewable target under SB 100. As show in Table 8-2, of the two expansion plans evaluated, the High Wind procurement case is the lowest in terms of CPWC.

The Base Case, while it has a CPWC that is 6 percent higher than the High Wind Case, is the preferred plan. This is because SVP believes that it is important to achieve a balance in solar and wind resources over the planning horizon, since a balanced portfolio may reduce risks associated with over-reliance on a single technology. Also, a balanced wind and solar energy generation combination is deemed to be a better fit to SVP's hourly system energy demand profile than a plan heavily weighted toward either wind or solar.

As described in Section 1, since the completion of the modeling, SVP has made updates to the assumptions underlying the IRP. These updates are reflected in the Standardized Tables and are to take precedence over the numbers provided in this report. The change includes a reduction in the generation from a few RPS-eligible facilities, which results in increased market purchases and additional withdrawals from banked RECs. In total, SVP continues to maintain a healthy REC balance for the duration of the planning period. Since this change is common to all cases and sensitivities modeled, the relative ranking of the results presented on in this report is not expected to change.

Table 8-2 CPWC and RE Results for Scenarios and Sensitivities

CASE	DESCRIPTION	CPWC ($1,000s)	% HIGHER THAN LOWEST CPWC	2030 RENEWABLE % OF RETAIL SALES	INTERMEDIATE MILESTONE RENEWABLES MET?
Base Case	Expected Load Growth with 50/50 solar and wind additions	$1,682,712	6%	60%	Yes
High Wind Case	Expected Load Growth with 80/50 wind and solar additions	$1,583,361	0%	60%	Yes
High GHG Sensitivity	Base Case and high GHG price forecast	$1,833,029	16%	60%	Yes
High Load Sensitivity	High Load Growth with 50/50 solar and wind additions	$2,888,563	82%	60%	Yes
Low Load Sensitivity	Low Load Growth with 50/50 solar and wind additions	$1,342,780	-15%	60%	Yes

8.4 DETAILED RESULTS OF THE PREFERRED AND RECOMMENDED CASE

8.4.1 Capacity and Energy Adequacy of Preferred and Recommended Case

Table 8-3 and Figure 8-1 lays out the capacity balance in the preferred and recommended case (Base Case). The information in this table is simplified but reflects the comprehensive CRAT table included in Appendix A. Table 8-4 and Figure 8-2 lays out the energy balance in the preferred and recommended case.

As can be seen in the bottom of Table 8-4, SVP's IRP modeling was optimized to meet load requirements and the 60 percent renewable target by 2030. To meet these requirements, the modelling included the addition of 670 MWs of solar and 500 MWs of wind in terms of installed capacity to the portfolio. The additions are made in 2030, 2032, 2033, 2034, 2035 and 2037. The additions translate into a 50/50 split of generation between the two resource types. Table 8-3 shows that while the energy demand is met, there is a shortfall in terms of peak dependable capacity to meet reserve margin. SVP will cover these capacity requirements through short-term capacity purchases.

The EBT Standardized Table includes an update to the energy output from some of SVP-owned RPS-eligible facilities. The output from Solar Geo Unit 1 and 2 and Stony Creek Hydro was reduced from the modeling results by approximately 148 GWh through 2032, with the difference narrowing past 2033. It was assumed that this reduction will be made up through market purchases. The updates the Standardized Tables are to take precedence over the numbers provided in this report.

Table 8-3 Capacity Balance in the Preferred and Recommended Case

Capacity Balance of Loads and Resources																					
Silicon Valley Power																					
Description		Technology	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
System Peak Demand (MW)			634	680	702	715	730	723	736	742	747	754	762	770	778	786	794	803	811	820	828	837
System Energy (GWh)			4,040	4,448	4,632	4,745	4,855	4,979	5,053	5,114	5,126	5,177	5,229	5,281	5,334	5,387	5,441	5,495	5,550	5,606	5,662	5,719
System Load Factor (%)			73%	75%	75%	76%	76%	79%	78%	79%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%
System Capacity Responsibility (Peak Demand plus Reserve Margin)			729	782	808	823	839	831	846	854	859	867	876	885	895	904	914	923	933	942	952	962
SVP Owned Units - peak dependable capacity, MW																						
SVP Owned Units (not-RPS Eligible)	Collierville (NCPA Joint Powers Agency Resource)	Large Hydro	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91
	Donald Von Raesfeld (DVR)	Natural Gas	148	148	148	148	148	148	148	148	148	148	148	148	148	148	148	148	148	148	148	148
	Gianera Generating Station	Natural Gas	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48
	Lodi Energy Center (NCPA Joint Powers Agency Resource)	Natural Gas	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78
	NCPA CT (NCPA Joint Powers Agency Resource)	Natural Gas	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31
	Santa Clara Cogeneration	Natural Gas	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
SVP Owned Units (RPS Eligible)	Big Horn 1 (M-S-R JPA resource)	Wind	39	39	39	39	39	39	39	39	39	39	39	39	39	-	-	-	-	-	-	-
	Big Horn 2 (M-S-R JPA resource)	Wind	6	6	6	6	6	6	6	6	6	6	6	6	-	-	-	-	-	-	-	-
	Geo 1-4 (NCPA Joint Powers Agency Resource)	Geothermal	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
	Grizzly Hydro	Small Hydro	18	18	18	18	18	18	18	18	18	18	18	18	18	18	-	-	-	-	-	-
	Jenny Strand	Solar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	NCPA Solar Hydro	Solar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	NewSpicr (NCPA Joint Powers Agency Resource)	Small Hydro	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
	Solar Geo Unit 1 (NCPA Joint Powers Agency Resource)	Solar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Solar Geo Unit 2 (NCPA Joint Powers Agency Resource)	Solar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Stony Creek Hydro Project	Small Hydro	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
Total SVP Owned Units, MW			524	524	524	524	524	524	524	524	524	524	524	524	517	478	460	460	460	460	460	460
Long term contracts - peak dependable capacity, MW																						
Long Term Contracts (not-RPS Eligible)	Tri-Dam Donnells	Large Hydro	72	72	72	72	72	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	WAPA	Large Hydro	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126
	Graphics Packaging	Natural Gas	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	San Juan	Coal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Long Term Contracts (RPS Eligible)	Ameresco FWD	Landfill Gas	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	-	-	-	-	-
	Ameresco Landfill	Landfill Gas	1	1	1	1	1	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-
	Ameresco VASCO	Landfill Gas	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	-	-	-	-	-
	Central 40 Solar	Solar	-	-	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16
	Friant 1	Small Hydro	17	17	17	17	17	17	17	17	17	17	17	17	17	17	-	-	-	-	-	-
	Friant 2	Small Hydro	7	7	7	7	7	7	7	7	7	7	7	7	7	7	-	-	-	-	-	-
	G2 Landfill	Landfill Gas	2	2	2	2	2	2	2	2	2	2	-	-	-	-	-	-	-	-	-	-
	Manzana Wind	Wind	24	24	24	24	24	24	24	24	24	24	24	24	24	24	-	-	-	-	-	-
	Recurrent Solar	Solar	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9
	Rooney Ranch	Wind	-	-	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
	San Hill A	Wind	-	-	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
	San Hill B	Wind	-	-	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
	Tioga Solar	Solar	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	-	-	-	-	-
	Tri Dam Southern	Small Hydro	13	13	13	13	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Tri-Dam Beardsley	Small Hydro	7	7	7	7	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Tri-Dam Tulloch	Small Hydro	18	18	18	18	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Viento Loco	Wind	-	-	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53
	WAPA (Small Hydro)	Small Hydro	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Total Long term contracts, MW			315	315	399	399	399	289	289	289	288	288	287	287	287	287	238	229	229	229	229	229
New Resource Additions - peak dependable capacity, MW																						
New Resource	Generic Solar	Solar	-	-	-	-	-	-	-	-	-	-	-	27	27	53	80	80	106	106	133	133
	Generic Wind	Wind	-	-	-	-	-	-	-	-	-	-	-	57	57	111	164	168	221	221	275	275
Total new resource additions, MW			-	-	-	-	-	-	-	-	-	-	-	84	84	164	244	248	327	327	407	407
Total System Capacity			839	839	923	923	923	813	813	813	812	812	810	894	888	928	941	937	1,017	1,017	1,097	1,097
Capacity Balance Surplus/(Deficit) to be addressed with capacity purchases			109	56	115	100	84	(19)	(34)	(41)	(47)	(55)	(66)	9	(7)	24	28	14	84	74	144	134

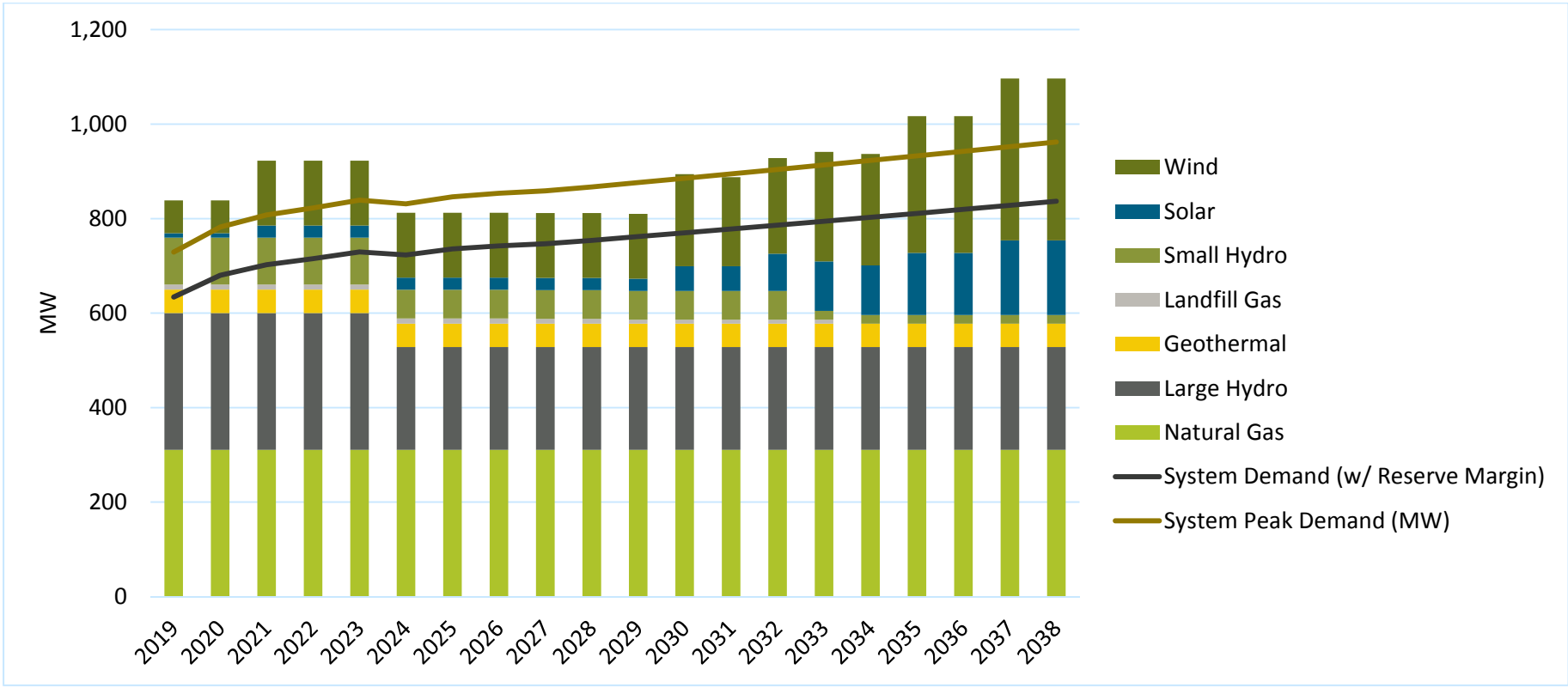


Figure 8-1 Capacity Balance in the Preferred and Recommended Case

Table 8-4 Energy Balance in the Preferred and Recommended Case

Annual Energy Balance of Loads and Resources Silicon Valley Power																					
Description		Technology	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
System Energy Demand (GWh)			4,040	4,448	4,632	4,745	4,855	4,979	5,053	5,114	5,126	5,177	5,229	5,281	5,334	5,387	5,441	5,495	5,550	5,606	5,662	5,719
Generation																						
SVP Owned Units (not-RPS Eligible)	Collierville (NCPA Joint Powers Agency Resource)	Large Hydro	203	203	203	203	203	203	203	203	203	203	203	203	203	203	203	203	203	203	203	202
	Donald Von Raesfeld (DVR)	Natural Gas	835	839	777	711	670	727	720	728	716	701	685	660	669	653	606	616	530	536	467	470
	Gianera Generating Station	Natural Gas	8	12	5	4	3	7	5	5	3	3	2	2	1	0	0	0	0	-	-	-
	Lodi Energy Center (NCPA Joint Powers Agency Resource)	Natural Gas	394	418	337	288	280	364	367	371	363	359	352	319	318	291	263	281	224	228	190	195
	NCPA CT (NCPA Joint Powers Agency Resource)	Other	0	0	0	0	0	0	0	0	-	-	0	0	-	-	-	-	-	-	-	-
	Santa Clara Cogeneration	Natural Gas	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48
SVP Owned Units (RPS Eligible)	Big Horn 1 (M-S-R JPA resource)	Wind	281	282	281	281	281	282	275	275	275	275	275	275	275	-	-	-	-	-	-	-
	Big Horn 2 (M-S-R JPA resource)	Wind	42	42	42	42	42	42	42	42	42	42	42	42	-	-	-	-	-	-	-	-
	Geo 1-4 (NCPA Joint Powers Agency Resource)	Geothermal	342	336	329	322	316	310	303	297	291	285	280	274	269	263	258	253	248	243	238	233
	Grizzly Hydro	Small Hydro	43	43	43	43	43	43	43	43	43	43	43	43	43	43	-	-	-	-	-	-
	Jenny Strand	Solar	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	-	-	-	-
	NCPA Solar Hydro	Solar	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	NewSpicr (NCPA Joint Powers Agency Resource)	Small Hydro	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
	Solar Geo Unit 1 (NCPA Joint Powers Agency Resource)	Solar	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	Solar Geo Unit 2 (NCPA Joint Powers Agency Resource)	Solar	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	Stony Creek Hydro Project	Small Hydro	163	164	163	163	163	164	163	163	163	164	163	163	163	164	163	163	163	164	163	163
Total Generation from SVP Units, GWh			2,369	2,395	2,236	2,114	2,057	2,199	2,179	2,184	2,155	2,132	2,101	2,039	1,998	1,673	1,550	1,572	1,424	1,429	1,318	1,321
Long Term Contracts (not-RPS Eligible)	Tri-Dam Donnells	Large Hydro	298	298	298	298	298	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	WAPA	Large Hydro	254	254	254	254	254	254	254	254	254	254	254	254	254	254	254	254	254	254	254	254
Long Term Contracts (RPS Eligible)	Ameresco FWD	Landfill Gas	40	40	40	40	40	40	40	40	40	40	40	40	40	40	40	-	-	-	-	-
	Ameresco Landfill	Landfill Gas	2	2	2	2	2	2	2	2	-	-	-	-	-	-	-	-	-	-	-	-
	Ameresco VASCO	Landfill Gas	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	-	-	-	-	-
	Central 40 Solar	Solar	-	-	96	95	95	95	94	94	93	93	92	92	91	91	90	90	89	89	88	88
	Friant 1	Small Hydro	58	58	58	58	58	58	58	58	58	58	58	58	58	58	-	-	-	-	-	-
	Friant 2	Small Hydro	29	29	29	29	29	29	29	29	29	29	29	29	29	29	-	-	-	-	-	-
	G2 Landfill	Landfill Gas	11	11	11	11	11	11	11	11	11	11	-	-	-	-	-	-	-	-	-	-
	Manzana Wind	Wind	130	130	130	130	130	130	130	130	130	130	130	130	130	130	-	-	-	-	-	-
	Recurrent Solar	Solar	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59
	Rooney Ranch	Wind	-	-	67	67	67	67	67	67	67	67	67	67	67	67	67	67	67	67	67	67
	San Hill A	Wind	-	-	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44
	San Hill B	Wind	-	-	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59	59
	Tioga Solar	Solar	1	1	1	1	1	1	1	1	1	1	1	1	1	1	-	-	-	-	-	-
	Tri Dam Southern	Small Hydro	86	86	86	86	86	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Tri-Dam Beardsley	Small Hydro	56	56	56	56	56	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Tri-Dam Tulloch	Small Hydro	95	95	95	95	95	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Viento Loco	Wind	-	-	400	800	800	800	800	800	800	800	800	800	800	800	800	800	800	800	800	800
	WAPA (Small Hydro)	Small Hydro	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7
Total Generation from Contracts, GWh			1,170	1,170	1,835	2,235	2,234	1,699	1,698	1,698	1,695	1,695	1,683	1,682	1,682	1,682	1,464	1,379	1,379	1,379	1,378	1,377
New Resource Additions	Generic Solar	Solar	-	-	-	-	-	-	-	-	-	-	-	368	368	712	1,051	1,077	1,419	1,423	1,761	1,761
	Generic Wind	Wind	-	-	-	-	-	-	-	-	-	-	-	350	350	704	1,051	1,051	1,402	1,408	1,752	1,752
Total New Resource Additions, GWh			-	-	-	-	-	-	-	-	-	-	-	718	718	1,416	2,102	2,129	2,821	2,831	3,513	3,513
Market Purchases			607	949	675	568	722	1,119	1,207	1,259	1,298	1,368	1,460	878	960	663	473	546	326	355	241	261
Market Sales			(106)	(67)	(114)	(172)	(158)	(39)	(31)	(27)	(23)	(18)	(15)	(36)	(24)	(41)	(113)	(103)	(324)	(326)	(724)	(701)
Net Market Purchases, GWh			501	882	561	396	564	1,081	1,177	1,232	1,275	1,350	1,445	842	936	622	360	443	2	30	(483)	(441)
Net System Energy, GWh			4,040	4,448	4,632	4,745	4,855	4,979	5,053	5,114	5,126	5,177	5,229	5,281	5,334	5,393	5,476	5,523	5,625	5,669	5,726	5,770

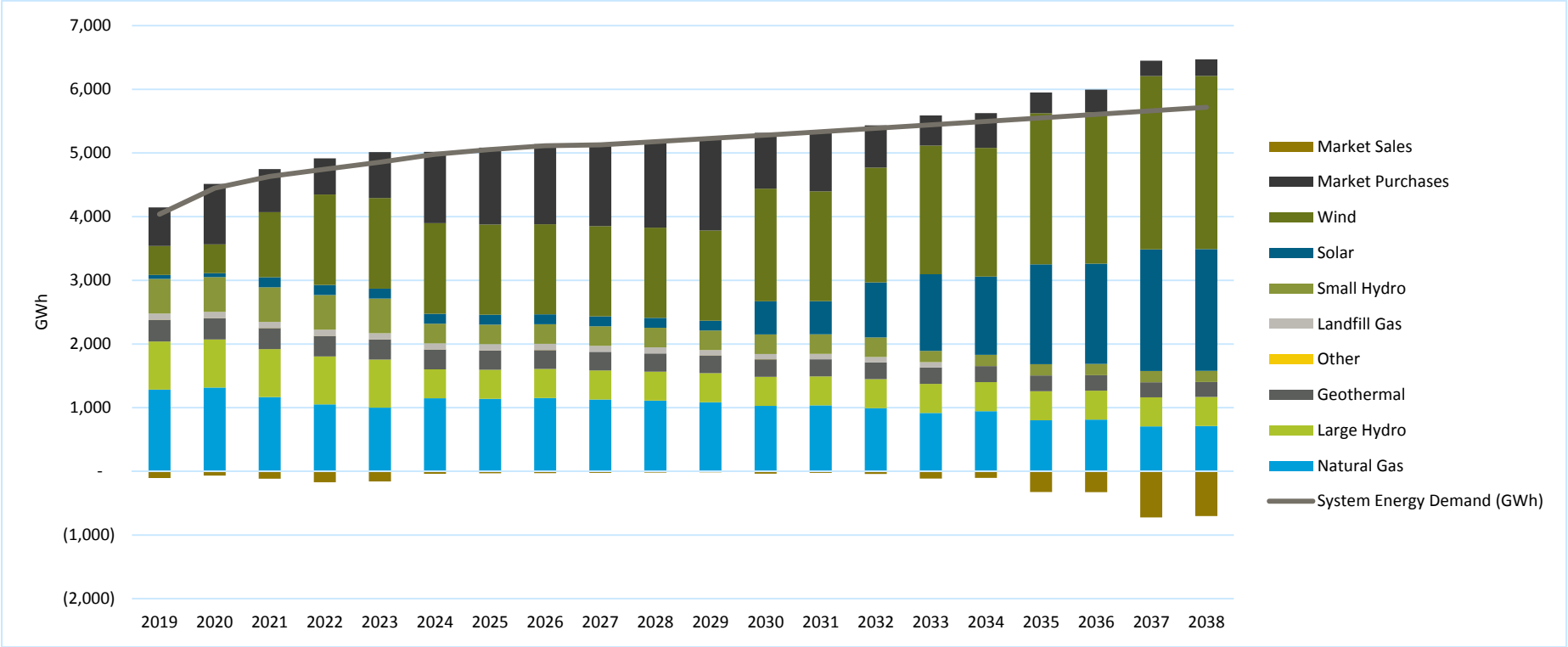


Figure 8-2 Energy Balance for the Preferred and Recommended Case

8.4.2 Renewable Energy and GHG Emissions of Preferred and Recommended Case

Under the Base Case preferred scenario, a total of five 100 MW wind projects and sixty-seven 10 MW solar projects were added starting in 2030. As shown in Table 8-5 these additions, along with RECs were used to meet the RPS targets. Also shown in the table is the REC balance which remains positive through the planning period. The table shows that the RPS targets are met through the duration of the planning period.

The RPT Standardized Table is based on the 50 percent renewable target. In this IRP, SVP has focused on attaining the 60 percent by 2030 target under SB 100. SVP is ahead of the renewable requirements per the CEC guidelines. Additionally, the update to the energy output after the completion of the modeling and the corresponding impact to the REC balance is reflected in the RPT Standardized Table. SVP continues to maintain a healthy REC balance through the duration of the planning period.

Table 8-6 shows a projection of GHG emissions for the planning period under the Base Case. These numbers are represented in MTCO2e. Based on the portfolio currently owned by SVP, the GHG emissions in 2030 are projected to be 448,797 MTCO2e. This is just under SVP's High 2030 target of 485,000 MTCO2e. SVP finds that the generic emissions rate of 0.428 Mt CO2e/MWh for spot market purchases per the CEC guidelines to be too high. If this rate is applied, SVP's portfolio emissions will exceed the GHG target. Section 2.4.1.2 describes SVP's approach to the accounting of carbon emissions.

8.4.3 Detailed CPWC Sheet for Preferred and Recommended Case

The annual cost breakdown of the Base Case is provided in Table 8-7. Since the model is run based on nominal dollars, a 4.5 percent discount rate is used in the calculations. The CPWC of this case is presented in 2017 dollars. The CPWC takes into account the cost of generation which includes fuel costs, variable O&M and emissions cost for existing resources. The calculations also include the cost of new renewable generation build. The total system cost at the end of the 20-year IRP period is $1,682 million.

Table 8-5 Renewable Energy and REC Adequacy in the Preferred and Recommended Case

Renewable Energy Achieved (GWh) and Renewable Energy Credits (1,000)																				
Silicon Valley Power																				
Technology	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**
Solar		62	62	158	157	157	157	156	155	155	155	154	521	521	864	1,203	1,228	1,569	1,574	1,910	1,910
Wind		453	454	1,022	1,422	1,422	1,423	1,416	1,416	1,416	1,417	1,417	1,767	1,725	1,803	2,021	2,021	2,371	2,377	2,721	2,721
Small Hydro		544	544	544	544	544	308	307	307	307	308	307	307	307	308	177	177	177	177	177	177
Landfill Gas		98	98	98	98	98	98	98	98	95	96	84	84	84	84	84	-	-	-	-	-
Geothermal		342	336	329	322	316	310	303	297	291	285	280	274	269	263	258	253	248	243	238	233
Total RECs Generated		**1,499**	**1,494**	**2,150**	**2,543**	**2,536**	**2,295**	**2,280**	**2,274**	**2,265**	**2,260**	**2,242**	**2,954**	**2,905**	**3,323**	**3,742**	**3,679**	**4,365**	**4,371**	**5,046**	**5,041**
RPS Target, %		31%	33%	36%	39%	42%	45%	48%	50%	53%	55%	58%	60%	63%	65%	68%	71%	73%	76%	79%	81%
RPS Target		1,190	1,394	1,584	1,758	1,937	2,128	2,304	2,429	2,556	2,705	2,856	3,010	3,175	3,344	3,515	3,689	3,867	4,047	4,231	4,419
REC Sales Obligation		(111)	(111)	(111)	(111)	(72)	(72)	(72)	(72)	(72)	-	-	-	-	-	-	-	-	-	-	-
RECs Available for compliance		**1,387**	**1,382**	**2,039**	**2,432**	**2,464**	**2,223**	**2,208**	**2,202**	**2,193**	**2,260**	**2,242**	**2,954**	**2,905**	**3,323**	**3,742**	**3,679**	**4,365**	**4,371**	**5,046**	**5,041**
Historical Banked RECs	2,856																				
Deposits		198	-	455	674	527	94	-	-	-	-	-	-	-	-	227	-	498	323	815	623
Withdrawals		-	12	-	-	-	-	96	227	363	445	615	56	270	21	-	11	-	-	-	-
REC Bank Balance		**3,054**	**3,042**	**3,497**	**4,170**	**4,697**	**4,791**	**4,695**	**4,468**	**4,105**	**3,660**	**3,045**	**2,989**	**2,719**	**2,698**	**2,925**	**2,915**	**3,413**	**3,736**	**4,551**	**5,174**
Renewable Generation and REC withdrawal		**1,499**	**1,506**	**2,150**	**2,543**	**2,536**	**2,295**	**2,376**	**2,501**	**2,629**	**2,705**	**2,856**	**3,010**	**3,175**	**3,344**	**3,742**	**3,689**	**4,365**	**4,371**	**5,046**	**5,041**
Renewable and RECs as a % of retail sales		**39%**	**36%**	**49%**	**56%**	**55%**	**49%**	**50%**	**51%**	**54%**	**55%**	**58%**	**60%**	**63%**	**65%**	**72%**	**71%**	**83%**	**82%**	**94%**	**93%**

Table 8-6 SVP's GHG Emissions in the Preferred and Recommended Case

Generating Plant Emissions																				
Silicon Valley Power																				
Generator	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**	**2032**	**2033**	**2034**	**2035**	**2036**	**2037**	**2038**
Donald Von Raesfeld (DVR)	153,883	363,084	345,651	305,793	300,914	311,868	308,318	310,590	308,543	303,778	296,941	284,776	283,291	282,701	272,286	262,115	246,175	228,029	216,245	200,940
Gianera Generating Station	161	7,545	9,916	3,050	2,674	3,478	5,691	4,137	3,224	2,363	2,100	1,267	1,308	455	85	289	120	-	-	-
Lodi Energy Center (NCPA)	52,708	148,370	150,271	102,952	104,739	118,228	133,115	134,604	133,411	132,080	128,081	122,086	115,039	112,653	101,236	99,646	93,527	81,285	77,197	71,375
Santa Clara Cogeneration	20,491	40,757	40,643	40,643	40,643	40,757	40,643	40,643	40,643	40,757	40,643	40,643	40,643	40,757	40,643	40,643	40,643	40,757	40,643	40,643
NCPA CT	-	152	101	101	51	101	101	25	51	-	-	25	51	-	-	-	-	-	-	-
Total Emissions (Metric Tons CO2e)	**227,243**	**559,906**	**546,583**	**452,540**	**449,021**	**474,431**	**487,869**	**490,000**	**485,872**	**478,978**	**467,766**	**448,797**	**440,332**	**436,566**	**414,251**	**402,693**	**380,466**	**350,071**	**334,085**	**312,958**

Table 8-7 CPWC Results for the Preferred and Recommended SVP Case

Year	$2017						Present Worth, $2017 at 4.5% discount rate						
	Generation Cost ($000)	New Resource Additions		Market Activity		Total System Cost ($000)	Generation Cost ($000)	New Resource Additions		Market Activity		Total System Cost ($000)	Cumulative Present Worth ($000)
		New Build Cost ($000)	Fixed O&M ($000)	Market Purchases ($000)	Market Sales ($000)			New Build Cost ($000)	Fixed O&M ($000)	Market Purchases ($000)	Market Sales ($000)		
2019	51,684	-	-	23,109	5,096	69,697	49,458	-	-	22,114	4,877	66,696	66,696
2020	56,447	-	-	38,997	3,458	91,987	51,690	-	-	35,711	3,167	84,235	150,931
2021	50,875	-	-	22,535	6,116	67,294	44,582	-	-	19,747	5,359	58,970	209,901
2022	48,359	-	-	18,042	9,002	57,399	40,552	-	-	15,129	7,549	48,132	258,033
2023	48,899	-	-	22,484	8,661	62,722	39,239	-	-	18,042	6,950	50,331	308,364
2024	58,223	-	-	41,973	2,270	97,927	44,709	-	-	32,231	1,743	75,197	383,561
2025	59,807	-	-	47,815	1,830	105,792	43,948	-	-	35,136	1,345	77,739	461,300
2026	62,365	-	-	52,611	1,636	113,340	43,854	-	-	36,995	1,151	79,699	540,999
2027	61,960	-	-	52,958	1,376	113,543	41,693	-	-	35,636	926	76,403	617,402
2028	62,248	-	-	55,939	1,101	117,087	40,084	-	-	36,021	709	75,396	692,798
2029	62,899	-	-	60,736	893	122,742	38,758	-	-	37,425	550	75,634	768,432
2030	60,282	34,856	6,963	34,903	2,147	134,856	35,546	20,553	4,106	20,581	1,266	79,520	847,952
2031	62,914	34,856	6,963	41,679	1,457	144,954	35,501	19,668	3,929	23,518	822	81,793	929,745
2032	62,461	68,235	13,711	32,095	2,029	174,472	33,727	36,845	7,403	17,330	1,096	94,210	1,023,955
2033	59,915	101,614	20,384	28,184	3,265	206,831	30,959	52,506	10,533	14,563	1,687	106,874	1,130,829
2034	64,232	103,090	20,636	34,667	2,774	219,852	31,761	50,975	10,204	17,142	1,372	108,710	1,239,539
2035	56,918	136,470	27,347	24,057	8,588	236,204	26,932	64,574	12,940	11,383	4,064	111,766	1,351,305
2036	59,964	136,470	27,422	26,772	8,944	241,682	27,152	61,793	12,416	12,122	4,050	109,434	1,460,739
2037	54,938	169,849	34,057	20,450	20,219	259,075	23,805	73,596	14,757	8,861	8,761	112,258	1,572,996
2038	58,159	169,849	34,057	22,992	20,453	264,603	24,115	70,427	14,122	9,533	8,481	109,716	1,682,712

8.5 HIGH WIND AND SENSITIVITY CASES

SVP evaluated a High Wind case and three sensitivities in addition to the Base Case. The expansion plan for each of these cases are laid out in Table 8-8. The High Wind case was an alternative expansion plan to the Base Case considered by SVP. This included the addition of 80 percent wind and 20 percent solar resources. As laid out in Table 8-2, while this scenario had the lowest CPWC, this case was not considered due to its high reliance on a single technology. Under this case a total of 400 MWs of solar and 1,200 MWs of wind were added to the portfolio starting in 2030.

Using the base case with a balanced procurement of solar and wind resources the following three sensitivities were evaluated. In all the cases, the goal was to attain the 60 percent RPS target by 2030 and the addition of resources were modeled accordingly.

- Balanced procurement with high GHG Price forecast: This scenario assumed the high GHG prices as published in the Revised 2017 IEPR GHG Price Projections. Under the high GHG scenario, the total amount of renewable resource additions is the same as the Base Case preferred scenario, i.e., 670 MWs of solar and 500 MWs of wind which translate into a 50/50 split of wind and solar generation. The additions commenced in 2030, however to due to the high GHG forecast, the additions in the later years were pulled forward as compared to the Base Case.
- Balanced procurement with high load growth: due to the assumed high load growth, the additions now begin in 2026. A total of 940 MWs of solar and 700 MWs of wind resources were added to the portfolio.
- Balanced procurement with low load growth: due to the assumed low load growth, the additions are pushed back to 2032. A total of 540 MWs of solar and 400 MWs of wind were added to this scenario.

Table 8-8 Expansion Plan for High Wind Case and Sensitivities (MW)

CASE	RESOURCE TYPE	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
High Wind	Solar					100		40	30	30	40	40	60	60
	Wind					300		100	100	100	100	100	200	200
High GHG	Solar					140	130		130	140			130	
	Wind					100	100		100	100			100	
High Load	Solar	60	80			260	10	130	130	130	140			
	Wind		100			200		100	100	100	100			
Low Load	Solar							140	130		130	10		130
	Wind							100	100		100			100

Table 8-9 SVP's High and Low Load Forecast

YEAR	LOW LOAD SENSITIVITY		HIGH LOAD SENSITIVITY	
	ENERGY REQUIREMENTS, GWH	PEAK DEMAND, MW	ENERGY REQUIREMENTS, GWH	PEAK DEMAND, MW
2019	4,040	647	4,040	647
2020	4,305	671	4,448	694
2021	4,353	679	4,717	732
2022	4,438	690	5,110	788
2023	4,521	701	5,581	848
2024	4,616	712	6,068	909
2025	4,670	721	6,472	959
2026	4,717	726	6,783	994
2027	4,724	728	6,932	1,014
2028	4,743	731	7,070	1,034
2029	4,762	734	7,212	1,055
2030	4,781	737	7,356	1,076
2031	4,800	740	7,503	1,097
2032	4,819	743	7,653	1,119
2033	4,838	746	7,806	1,142
2034	4,858	749	7,962	1,164
2035	4,877	752	8,122	1,188
2036	4,897	755	8,284	1,211
2037	4,916	758	8,450	1,236
2038	4,936	761	8,619	1,260

8.6 RETAIL RATES AND THE RECOMMENDED EXPANSION PLAN

The total power portfolio costs are expected to increase by just under $200 million ($2017) from 2019 to 2038 as presented in the Figure 8-3. This implies an annual average increase of 8 percent (or 4 percent without the discount factor). Almost 80 percent of the increase in portfolio cost is attributed to the incremental generation cost of existing plants and contracts in the portfolio and the cost of new renewable additions as laid out in Table 8-7. These portfolio costs are a X percent increase from today's retail rates over the duration of the planning period or an X percent annual increase.

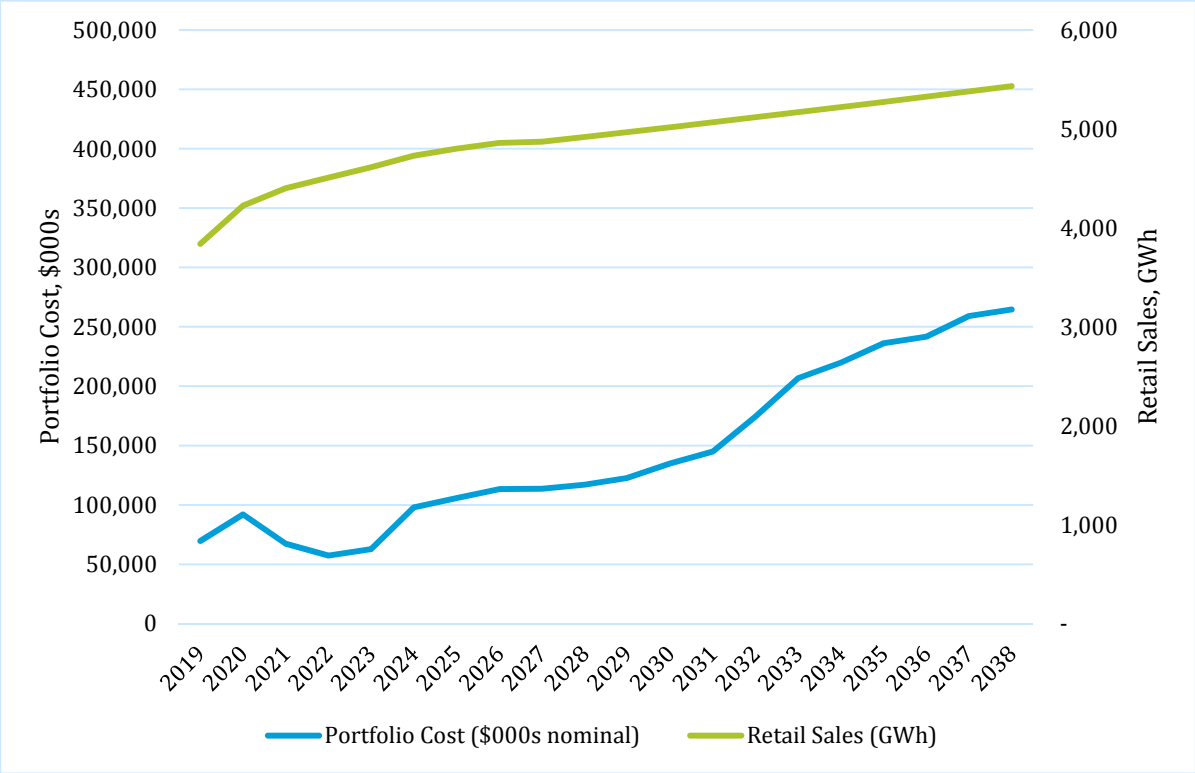


Figure 8-3 Cost of the SVP's Preferred and Recommended Case

8.7 THE RECOMMENDED PLAN IN CONSIDERATION OF FUTURE CONDITIONS AND RISKS

A number of factors could emerge in the energy industry or in the economy that could impose new conditions or risks not contemplated in this analysis. Some of these factors include new legislation and regulations that impact utility operation and could include the following:

- **AB 813 (Electric Regionalization)** - The bill would open the door for the CAISO to expand its membership to include other balancing authorities across the 14 western states. This regionalization bill would require approval from the state before any California transmission owner, retail seller, or local publicly owned utility joins a multistate regional transmission system organization. Bill proponents believe regionalization would reduce rates and costs, ensure consistent reporting and tracking of renewable energy targets and achievements, and reduce transmission rates. Opponents believe that the bill would harm the independence of state policy

including the progress made in California toward its renewable energy standards, which are generally more aggressive than in other states.

- **SB 1110 (Safeguarding Public Utility Ratepayers from Bond Debt authored by Senator Bradford)** – This bill protects the City of Santa Clara and some other local POU's from construction debt of power plants built in the early 2000's in response to the energy crisis. In the early 2000's, when many California cities were struggling with how to serve their communities with electricity and experiencing brown outs; Santa Clara's.21.

  With construction of these safe, efficient, and reliable power generating facilities, debt was incurred. To date, SVP has bond indebtedness of approximately $51 million dollars; which is scheduled to be paid in full by 2028.

  SB 1110 would protect SVP's investment as our state moves down the path of 100% renewable energy mandates by 2040, and allow SVP to continue to operate these effective facilities at a level that would allow us to pay our debt off without financial harm to our community.

- Re-introduction of the Clean Power Plan or the equivalent at the federal level in future years.

With potential changes in the legislative landscape, the impact to SVP's decision making and planning is constantly evolving. The IRP developed provides SVP with the flexibility to adapt to potential changes in the future. Additionally, the balanced portfolio approach helps mitigate the impact of technology specific changes such as cost, incentives, favorability, etc.

8.8 THE RECOMMENDED PLAN WITH CONSIDERATION OF LOCALIZED AIR POLLUTANTS AND DISADVANTAGED COMMUNITIES

Santa Clara's defined Disadvantaged Community (DAC) is comprised of Industrial and Commercial customers with few residential and even fewer lower income FRAP (Federal rate assistance program customers) residential customers residing within the borders as shown in Figure 8-4. SVP's DAC border's highway 101 and the San Jose Airport and is comprised of 24/7 manufacturing, SVP's DVR power plant, data centers, high tech companies and small industrial. The city of Santa Clara has kept this area of the city zoned for heavy industrial and commercial and has kept infill of housing at a minimum except where it makes sense.

SVP purchased 11 acres of industrial land in the heart of the DAC to build a state of the art energy center. Instead, SVP sold the 11 acres to the City to create the Reed & Grant Street Sport Park. This park will feature five lighted soccer fields and other park amenities including EV charging.

SVP is only 19 square miles and land is at a premium and in most cases utilized to maximum densities. In working with the City as they update their General Plan, there is an opportunity to maximize infill building potential with whole building electrification and maximize potential of distributed energy, such as PV. There is not land available to build large scale PV projects (>10MW) within our City but ample opportunity throughout California, keeping with SVP's positions on having a diversified portfolio, both geographically and by fuel source. Adding renewable generation to SVP's portfolio is beneficial to the disadvantage community as well as SVP's service area. In selecting the Base Case, both the low CPWC and the benefit of a balanced portfolio was taking into account while selecting the case as the preferred scenario.

SVP offers a number of customer programs and rebate to all of their customers, as outlined in Section 5. On the energy efficiency side, one of the many goals of the programs is to assist low - income residents in helping them pay their electric bills and in installing energy efficient appliances. The following programs are offered by SVP to specifically support low-income and disadvantaged communities:

- Financial Rate Assistance Program (FRAP) – This program provides a 25 percent discount on the electric portion of utility bills for income-qualified residential customers, up to the first 800 kWh of use per month.
- Low Income EV Charging Station Grant for Multi-family properties – Under its low income programs, SVP will offer a grant of up to $1,000 per charging station for multi-family properties where 15 percent of customers residing at the property qualify for SVP's low income programs. This program was approved in FY 2016/2017 but has not launched as of the time of this report. The utility is looking at providing charging station rebates for all eligible customers.
- Medical Rate Assistance Program: Customers receive a 25 percent discount on their electric bill if they qualify due to high electric use for medical reasons. The programs are managed in-house.

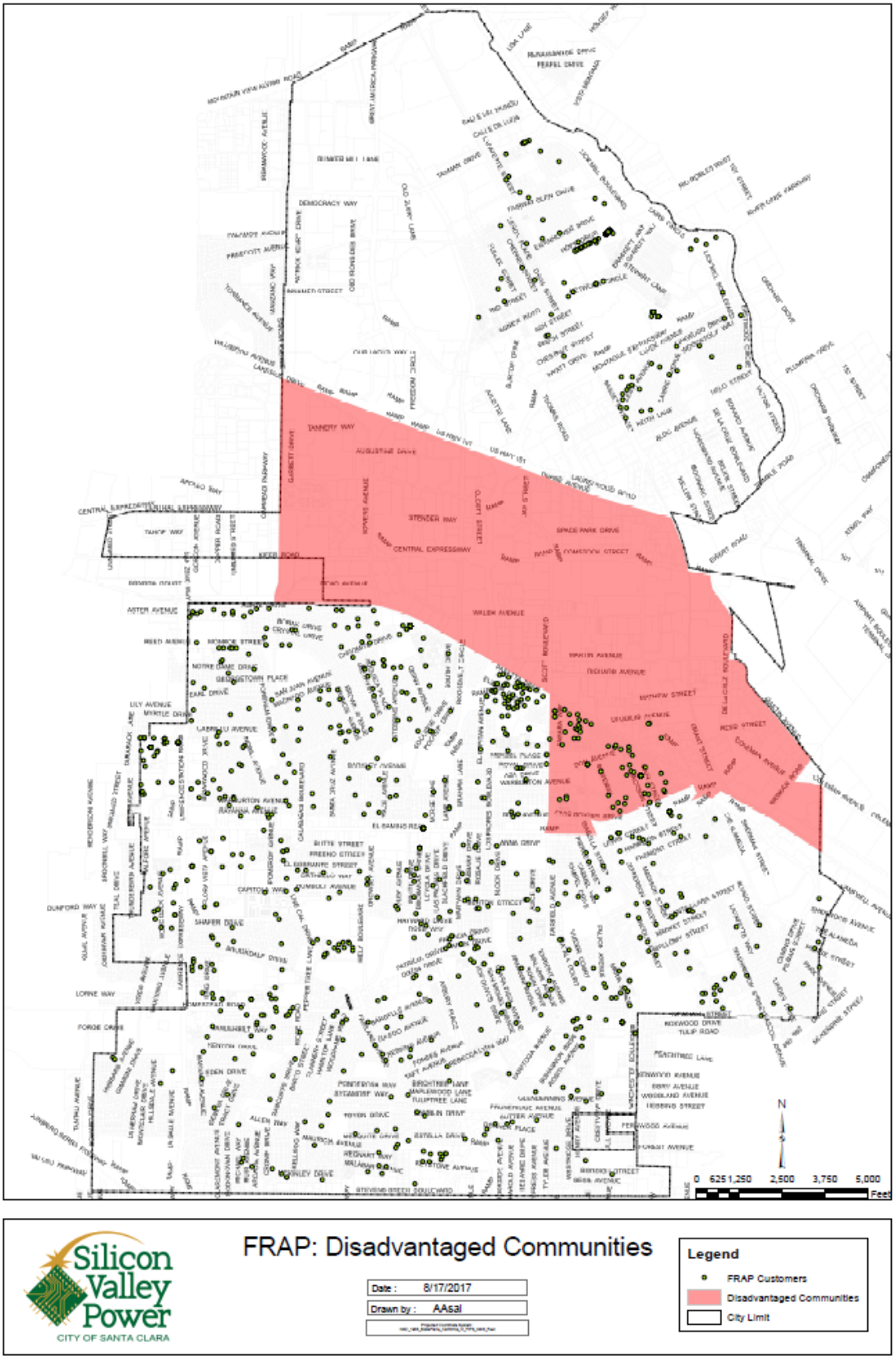


Figure 8-4 SVP's Disadvantaged Community

9.0 Conclusions and Recommended Expansion Plan

This report documents the IRP planning process undertaken by SVP and presents the results. The plan was developed in collaboration with SVP staff and Black & Veatch. SVP in a separate process also engaged their stakeholders to solicit feedback on the planning process.

The Base Case is selected as the preferred scenario. Under this case, all the existing generation and known contracts that are currently in place and planned to be delivered in the future were included in the modeling. SVP's IRP modeling was optimized to meet load requirements and the 60 percent renewable target by 2030. In order to meet these requirements, the modelling included the addition of 670 MWs of solar and 500 MWs of wind in terms of installed capacity to the portfolio. The additions translate into a 50/50 split of generation between the two resource types. The energy demand is met with the appropriate amount of renewables to meet SB 100. There is a shortfall in the peak dependable capacity to meet the reserve margin. SVP will cover these capacity requirements through short-term capacity purchases.

Based on SVP's current portfolio of owned assets, the GHG emissions in 2030 are projected to be 448,797 $MTCO_2e$. This is just under SVP's High 2030 target of 485,000 $MTCO_2e$. Meeting the GHG targets is based on the assumption that only SVP-owned resources count towards the emissions target. SVP finds that the generic emissions rate of 0.428 Mt CO2e/MWh for spot market purchases per the CEC guidelines can be either to be too high or too low based on the mix of hourly dispatched resource on the grid. If this rate is applied, SVP's portfolio emissions will exceed the GHG target. Section 2.4.1.2 describes SVP's approach to the accounting of carbon emissions. Also, GHG methodology must not double count carbon emissions in the generic emissions rate that are accounted under another utilities ownership.

The details of the Base Case preferred scenario are outlined in Section 8 along with accompanying tables and graphs. The four tables required in the CEC Guidelines are provided in Appendix A. These tables support the conclusion that the Base Case is a viable plant that meets the objectives and requirements of a POU integrated resource plan. SVP intends to update this IRP plan as conditions warrant.

Appendix A. CEC Standardized Tables for the Adopted Resource Scenario

The *CEC Guidelines* require four standardized tables to be part of the IRP Filing. The standardized tables presented in this Appendix for the recommended SVP's Scenario are as follows:

- Capacity Resource Accounting Table (CRAT): Annual peak capacity demand in each year and the contribution of each energy resource (capacity) in the POU's portfolio to meet that demand.
- Energy Balance Table (EBT): Annual total energy demand and annual estimates for energy supply from various resources.
- RPS Procurement Table (RPT): A detailed summary of a POU resource plan to meet the RPS requirements.
- GHG Emissions Accounting Table (GEAT): Annual GHG emissions associated with each resource in the POU's portfolio to demonstrate.

Standardized Reporting Tables
for Publicly Owned Utility IRP Filing
California Energy Commission
Energy Assessment Division

POUs must submit the following four Standardized Tables to the Energy Commission as part of the IRP Filing. The Energy Commission encourages POUs to submit data for multiple scenarios, though POUs are only required to submit data for one scenario that meets the requirements of PUC Section 9621. Annual data must be reported in the Standardized Tables through the planning horizon.

Instructions for filling out the tables are in Appendix B Standardized Reporting Tables

Description of Worksheet Tabs

Admin Info: A listing of contact information of the tables' preparer with information for any back-up personnel.

year and the contribution of each energy resource (capacity) in the POU's portfolio to meet that demand.

EBT: Energy Balance Table (EBT): Annual total energy demand and annual estimates for energy supply from various resources.

GEAT: GHG Emissions Accounting Table (GEAT): Annual GHG emissions associated with each resource in the POU's portfolio to demonstrate compliance with the GHG emissions reduction targets established by CARB.

RPT: Resource Procurement Table (RPT): A detailed summary of a POU resource plan to meet the RPS requirements.

State of California
California Energy Commission

Standardized Reporting Tables for Public Owned Utility IRP Filing

Administrative Information

Form CEC 113 (May 2017)

Name of Publicly Owned Utility ("POU")	POU Name on Admin Tab
Name of Resource Planning Coordinator	
Name of Scenario	

Persons who prepared Tables	**CRAT**	**Energy Balance Table**	**Emissions Table**	**RPS Table**	**Application for Confidentiality**
Name:					
Title:					
E-mail:					
Telephone:					
Address:					
Address 2:					
City:					
State:	CA	CA	CA	CA	CA
Zip:					
Date Completed:					
Date Updated:					

Back-up / Additional Contact Persons for Questions about these Tables (Optional):

Name:					
Title:					
E-mail:					
Telephone:					
Address:					
Address 2:					
City:					
State:					
Zip:					

State of California
California Energy Commission
Standardized Reporting Tables for Public Owned Utility IRP Filing
Capacity Resource Accounting Table
Form CEC 109 (May 2017)

Scenario Name:

Yellow fill relates to an application for confidentiality.
Data input by User are in dark green font.

Units = MW

PEAK LOAD CALCULATIONS

			2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
1	Forecast Total Peak-Hour 1-in-2 Demand				647	694	716	731	746	760	772	778	782	790	798	806	814	822	830	839	847	856	864	873
2	[Customer-side solar: nameplate capacity]				17	18	18	19	19	20	20	21	21	22	22	22	22	22	22	22	22	22	22	22
2a	[Customer-side solar: peak hour output]																							
3	[Peak load reduction due to thermal energy storage]																							
4	[Light Duty PEV consumption in peak hour]																							
5	Additional Achievable Energy Efficiency Savings on Peak				3	3	3	3	3	4	3	3	3	3	3	3	3	3	3	3	3	3	3	3
6	Demand Response / Interruptible Programs on Peak				10	11	11	13	13	13	33	33	33	33	33	33	33	33	33	33	33	33	33	33
7	**Peak Demand (accounting for demand response and AAEE) (1-5-6)**		**586**	**550**	**634**	**680**	**702**	**715**	**730**	**723**	**736**	**742**	**747**	**754**	**762**	**770**	**778**	**786**	**794**	**803**	**811**	**820**	**828**	**837**
8	Planning Reserve Margin	15%	88	83	95	102	105	107	109	108	110	111	112	113	114	115	117	118	119	120	122	123	124	126
9	Firm Sales Obligations																							
10	**Total Peak Procurement Requirement (7+8+9)**		**674**	**633**	**729**	**782**	**808**	**823**	**839**	**831**	**846**	**854**	**859**	**867**	**876**	**885**	**895**	**904**	**914**	**923**	**933**	**942**	**952**	**962**

EXISTING AND PLANNED CAPACITY SUPPLY RESOURCES

Utility-Owned Generation and Storage (not RPS-eligible):
For fuel type, choose from list or enter value

	[list resource by name]	Fuel type	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
11a	Collierville (NCPA Joint Powers Agency Resource)	Large Hydro	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91	91
11b	Donald Von Raesfeld (DVR)	Natural Gas	148	148	148	148	148	148	148	148	148	148	148	148	148	148	148	148	148	148	148	148	148	148
11c	Gianera Generating Station	Natural Gas	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48	48
11d	Lodi Energy Center (NCPA Joint Powers Agency Resource)	Natural Gas	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78	78
11e	NCPA CT (NCPA Joint Powers Agency Resource)	Natural Gas	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31	31
11f	Santa Clara Cogeneration	Natural Gas	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
11g																								

Long-Term Contracts (not RPS-eligible):

	[list contracts by name]	Fuel type	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
11h	Tri-Dam Donnells	Large Hydro	72	72	72	72	72	72	72	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11i	WAPA	Large Hydro	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126	126
11j	Graphics Packaging	Natural Gas	28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11k	San Juan	Coal	51	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11l																								
11m																								
11n																								
11	**Total peak dependable capacity of existing and planned supply resources (not RPS-eligible) (sum of 11a…11n)**		**679**	**600**	**600**	**600**	**600**	**600**	**600**	**528**	**528**	**528**	**528**	**528**	**528**	**528**	**528**	**528**	**528**	**528**	**528**	**528**	**528**	**528**

Utility-Owned RPS-eligible Resources:

	[list resource by plant or unit]	Fuel type	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
12a	Big Horn 1 (M-S-R JPA resource)	Wind	39	39	39	39	39	39	39	39	39	39	39	39	39	39	39	-	-	-	-	-	-	-
12b	Big Horn 2 (M-S-R JPA resource)	Wind	6	6	6	6	6	6	6	6	6	6	6	6	6	6	-	-	-	-	-	-	-	-
12c	Geo 1-4 (NCPA Joint Powers Agency Resource)	Geothermal	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
12d	Grizzly Hydro	Small Hydro	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	-	-	-	-	-	-
12e	Jenny Strand	Solar																						
12f	NCPA Solar Hydro	Solar																						
12g	NewSpicr (NCPA Joint Powers Agency Resource)	Small Hydro	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2
12h	Solar Geo Unit 1 (NCPA Joint Powers Agency Resource)	Solar	-	-																				
12i	Solar Geo Unit 2 (NCPA Joint Powers Agency Resource)	Solar	-	-																				
12j	Stony Creek Hydro Project	Small Hydro	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
12k																								
12l																								
12m																								
12n																								

Long-Term Contracts (RPS-eligible):

	[list contracts by name]	Fuel type	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
12o	Ameresco FWD	Landfill Gas	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	-	-	-	-	-
12p	Ameresco Landfill	Landfill Gas	1	1	1	1	1	1	1	1	1	1	-	-	-	-	-	-	-	-	-	-	-	-
12q	Ameresco VASCO	Landfill Gas	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	-	-	-	-	-
12r	Central 40 Solar	Solar	-	-	-	-	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16
12s	Friant 1	Small Hydro	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	17	-	-	-	-	-	-
12t	Friant 2	Small Hydro	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	-	-	-	-	-	-
12u	G2 Landfill	Landfill Gas	2	2	2	2	2	2	2	2	2	2	2	2	-	-	-	-	-	-	-	-	-	-
12v	Manzana Wind	Wind	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	24	-	-	-	-	-	-
12w	Recurrent Solar	Solar	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9
12x	Rooney Ranch	Wind	-	-	-	-	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
12y	San Hill A	Wind	-	-	-	-	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
12z	San Hill B	Wind	-	-	-	-	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
12aa	Tioga Solar	Solar	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	-	-	-	-	-
12ab	Tri Dam Southern	Small Hydro	13	13	13	13	13	13	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12ac	Tri-Dam Beardsley	Small Hydro	7	7	7	7	7	7	7	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12ad	Tri-Dam Tulloch	Small Hydro	18	18	18	18	18	18	18	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12ae	Viento Loco	Wind	-	-	-	-	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53	53
12af	WAPA (Small Hydro)	Small Hydro	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
12ag																								
12	**Total peak dependable capacity of existing and planned RPS-eligible resources (sum of 12a…12t)**		**238**	**238**	**238**	**238**	**323**	**323**	**323**	**284**	**284**	**284**	**284**	**284**	**282**	**282**	**276**	**236**	**170**	**161**	**161**	**161**	**161**	**161**
13	**Total peak dependable capacity of existing and planned supply resources (11+12)**		**917**	**838**	**839**	**839**	**923**	**923**	**923**	**813**	**813**	**813**	**812**	**812**	**810**	**810**	**804**	**764**	**698**	**689**	**689**	**689**	**689**	**689**

GENERIC ADDITIONS

NON-RPS ELIGIBLE RESOURCES:

	[list resource by name or description]	Fuel type	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
14a																								
14b																								
14c																								
14d																								
14e																								
14f																								
14g																								
14h																								
14i																								
14j																								
14k																								
14l																								
14m																								
14n																								
14	**Total peak dependable capacity of generic supply resources (not RPS-eligible)**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

RPS-ELIGIBLE RESOURCES:

	[list resource by name or description]	Fuel type	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
15a	Generic Solar	Solar			-	-	-	-	-	-	-	-	-	-	-	27	27	53	80	80	106	106	133	133
15b	Generic Wind	Wind			-	-	-	-	-	-	-	-	-	-	-	57	57	111	164	168	221	221	275	275
15c																								
15d																								
15e																								
15f																								
15g																								
15h																								
15i																								
15j																								
15k																								
15l																								
15m																								
15n																								
15	**Total peak dependable capacity of generic RPS-eligible resources**				**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**84**	**84**	**164**	**244**	**248**	**327**	**327**	**407**	**407**
16	**Total peak dependable capacity of generic supply resources (14+15)**				**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**84**	**84**	**164**	**244**	**248**	**327**	**327**	**407**	**407**

CAPACITY BALANCE SUMMARY

		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
17	**Total peak procurement requirement (from line 10)**	**674**	**633**	**729**	**782**	**808**	**823**	**839**	**831**	**846**	**854**	**859**	**867**	**876**	**885**	**895**	**904**	**914**	**923**	**933**	**942**	**952**	**962**
18	**Total peak dependable capacity of existing and planned supply resources (from line 13)**	**917**	**838**	**839**	**839**	**923**	**923**	**923**	**813**	**813**	**813**	**812**	**812**	**810**	**810**	**804**	**764**	**698**	**689**	**689**	**689**	**689**	**689**
19	**Current capacity surplus (shortfall) (18-17)**	**243**	**205**	**109**	**56**	**115**	**100**	**84**	**(19)**	**(34)**	**(41)**	**(47)**	**(55)**	**(66)**	**(75)**	**(91)**	**(140)**	**(216)**	**(234)**	**(243)**	**(253)**	**(263)**	**(273)**
20	**Total peak dependable capacity of generic supply resources (from line 16)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**84**	**84**	**164**	**244**	**248**	**327**	**327**	**407**	**407**
21	**Planned capacity surplus/shortfall (shortfalls assumed to be met with short-term capacity purchases) (19+20)**	**243**	**205**	**109**	**56**	**115**	**100**	**84**	**(19)**	**(34)**	**(41)**	**(47)**	**(55)**	**(66)**	**9**	**(7)**	**24**	**28**	**14**	**84**	**74**	**144**	**134**

State of California
California Energy Commission
Standardized Reporting Tables for Public Owned Utility IRP Filing
Energy Balance Table
Form CEC 110 (May 2017)

Scenario Name:

Units = MWh

Yellow fill relates to an application for confidentiality.

Historical Data

	NET ENERGY FOR LOAD CALCULATIONS	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
1	Retail sales to end-use customers										
2	Other loads										
3	Net energy for load										
4	Retail sales to end-use customers (accounting for AAEE impacts)	3,543,619	3,513,711	3,837,543	4,225,240	4,400,245	4,507,566	4,612,485	4,729,945	4,800,751	4,857,882
5	Net energy for load (accounting for AAEE impacts)	3,726,775	3,698,643	4,039,519	4,447,621	4,631,837	4,744,806	4,855,247	4,978,889	5,053,422	5,113,560
6	Firm Sales Obligations										
7	**Total net energy for load (accounting for AAEE impacts) (5+6)**	**3,726,775**	**3,698,643**	**4,039,519**	**4,447,621**	**4,631,837**	**4,744,806**	**4,855,247**	**4,978,889**	**5,053,422**	**5,113,560**
8	[Customer-side solar generation]										
9	[Light Duty PEV electricity consumption/procurement requirement]										
10	[Other transportation electricity consumption/procurement requirement]										
11	[Other electrification/fuel substitution; consumption/procurement requirement]										

EXISTING AND PLANNED GENERATION RESOURCES

Utility-Owned Generation Resources (not RPS-eligible):

	[list resource by name]	Fuel type	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
12a	Collierville (NCPA Joint Powers Agency Resource)	Large Hydro	387,429	137,330	202,569	202,569	202,569	202,569	202,569	202,569	202,569	202,569
12b	Donald Von Raesfeld (DVR)	Natural Gas	642,282	850,115	835,402	838,647	776,592	710,957	669,816	726,909	719,813	728,417
12c	Gianera Generating Station	Natural Gas	5,510	9,943	7,903	12,396	5,103	3,582	3,200	7,486	5,327	4,546
12d	Lodi Energy Center (NCPA Joint Powers Agency Resource)	Natural Gas	186,655	331,646	393,568	417,987	336,541	288,487	279,626	364,383	367,011	370,654
12e	NCPA CT (NCPA Joint Powers Agency Resource)	Natural Gas	7,278	5,569	189	126	126	63	126	126	32	63
12f	Santa Clara Cogeneration	Natural Gas	46,566	46,328	48,060	48,194	48,060	48,060	48,060	48,194	48,060	48,060
12g												

Long-Term Contracts (not RPS-eligible):

	[list contracts by name]	Fuel type	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**
12h	Tri-Dam Donnells	Large Hydro	432,593	167,433	298,474	298,474	298,474	298,474	298,474	-	-	-
12i	WAPA	Large Hydro	432,078	245,461	253,558	253,558	253,558	253,558	253,558	253,558	253,558	253,558
12j	Graphics Packaging	Natural Gas	121,494	0	0	0	0	0	0	0	0	0
12k	San Juan	Coal	331,293	0	0	0	0	0	0	0	0	0
12l		0										
12m		0										
12n		0										

2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
4,869,440	4,918,137	4,967,317	5,016,990	5,067,160	5,117,832	5,169,010	5,220,700	5,272,907	5,325,636	5,378,893	5,432,682
5,125,726	5,176,986	5,228,755	5,281,043	5,333,853	5,387,191	5,441,063	5,495,474	5,550,429	5,605,933	5,661,992	5,718,612
5,125,726	**5,176,986**	**5,228,755**	**5,281,043**	**5,333,853**	**5,387,191**	**5,441,063**	**5,495,474**	**5,550,429**	**5,605,933**	**5,661,992**	**5,718,612**

2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
202,569	202,569	202,569	202,569	202,569	202,569	202,569	202,569	202,569	202,569	202,569	202,386
715,624	700,845	684,643	660,472	669,471	652,861	606,293	615,567	529,806	535,540	467,415	470,453
2,705	2,712	1,504	1,705	681	256	310	150	50	-	-	-
362,618	359,010	351,688	318,842	317,758	290,738	262,863	280,937	224,025	228,222	190,404	194,990
-	-	32	63	-	-	-	-	-	-	-	-
48,060	48,194	48,060	48,060	48,060	48,194	48,060	48,060	48,060	48,194	48,060	48,060

2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
-	-	-	-	-	-	-	-	-	-	-	-
253,558	253,558	253,558	253,558	253,558	253,558	253,558	253,558	253,558	253,558	253,558	253,558
0	0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0	0

	NET ENERGY FOR LOAD CALCULATIONS		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
12	**Total energy from existing and planned supply resources (not RPS-eligible) (sum of 12a…12n)**		**2,593,178**	**1,793,824**	**2,039,724**	**2,071,951**	**1,921,023**	**1,805,750**	**1,755,429**	**1,603,226**	**1,596,370**	**1,607,867**
	Utility-Owned RPS-eligible Generation Resources:											
	[list resource by plant or unit]	Fuel type	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
13a	Big Horn 1 (M-S-R JPA resource)	Wind	246,352	280,226	281,109	281,749	280,739	280,861	280,839	281,659	275,310	275,311
13b	Big Horn 2 (M-S-R JPA resource)	Wind	41,557	43,137.778	42,230	42,320	42,180	42,140	42,170	42,310	42,190	42,190
13c	Geo 1-4 (NCPA Joint Powers Agency Resource)	Geothermal	342,828.59	348,250.66	342,431.06	335,582.44	328,870.79	322,293.38	315,847.51	309,530.56	303,339.95	297,273.15
13d	Grizzly Hydro	Small Hydro	91,211	29,200	43,392	43,392	43,392	43,392	43,392	43,392	43,392	43,392
13e	Jenny Strand	Solar	199.57	201.475	161	160	159	159	158	157	156	156
13f	NCPA Solar Hydro	Solar	16	16	16	16	16	16	16	16	15	15
13g	NewSpicr (NCPA Joint Powers Agency Resource)	Small Hydro	13,405	6,158	6,053	6,053	6,053	6,053	6,053	6,053	6,053	6,053
13h	Solar Geo Unit 1 (NCPA Joint Powers Agency Resource)	Solar	408	401	719	715	712	708	705	701	698	694
13i	Solar Geo Unit 2 (NCPA Joint Powers Agency Resource)	Solar	919	518	913	908	904	899	895	890	886	882
13j	Stony Creek Hydro Project	Small Hydro	13,346	8,940	10,344	10,344	10,344	10,344	10,344	10,344	10,344	10,344
13k	NCPA Geo 1&2 Onsite Load OSL	EE	6,263	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
13l		0										
13m		0										
13n		0										
	Long-Term Contracts (RPS-eligible):											
	[list contracts by name]	Fuel type	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
13o	Ameresco FWD	Landfill Gas	32,574	31,085	40,296	40,406	40,296	40,296	40,296	40,406	40,296	40,296
13p	Ameresco Landfill	Landfill Gas	2,150	3,276.950	2,260	2,266	2,260	2,260	2,260	2,266	2,260	2,260
13q	Ameresco VASCO	Landfill Gas	33,126	33,904	43,800	43,920	43,800	43,800	43,800	43,920	43,800	43,800
13r	Central 40 Solar	Solar	0	0	-	-	95,881	95,402	94,925	94,726	93,978	93,508
13s	Friant 1	Small Hydro	130,792	84,846	58,000	58,000	58,000	58,000	58,000	58,000	58,000	58,000
13t	Friant 2	Small Hydro	31,454	48,572	29,000	29,000	29,000	29,000	29,000	29,000	29,000	29,000
13u	G2 Landfill	Landfill Gas	11,044	12,696	11,350	11,381	11,350	11,350	11,350	11,381	11,350	11,350
13v	Manzana Wind	Wind	134,022	136,101	129,542	129,800	129,542	129,542	129,542	129,800	129,542	129,542
13w	Recurrent Solar	Solar	57,672	60,051	59,113	59,113	59,113	59,113	59,113	59,113	59,113	59,113
13x	Rooney Ranch	Wind	0	0	-	-	66,576	66,576	66,576	66,592	66,576	66,576
13y	San Hill A	Wind	0	0	-	-	43,844	43,844	43,844	43,844	43,844	43,844
13z	San Hill B	Wind	0	0	-	-	59,021	59,021	59,021	59,021	59,021	59,021
13aa	Tioga Solar	Solar	539.12	434.127	574	572	568	565	562	559	557	555
13ab	Tri Dam Southern	Small Hydro	121,416	87,060	85,684	85,684	85,684	85,684	85,684	-	-	-
13ac	Tri-Dam Beardsley	Small Hydro	83,744	61,874	56,102	56,205	56,100	56,087	56,078	-	-	-
13ad	Tri-Dam Tulloch	Small Hydro	139,516	125,601	94,815	94,815	94,815	94,815	94,815	-	-	-
13ae	Viento Loco	Wind	0	0	-	-	66,667	800,000	800,000	800,000	800,000	800,000
13af	WAPA (Small Hydro)	Small Hydro	8,972	9244	7,271	7,291	7,271	7,271	7,271	7,291	7,271	7,271
13ag		0										
13	**Total energy from RPS-eligible resources (sum of 13a…13t, and 13z)**		**1,543,528**	**1,417,794**	**1,351,175**	**1,345,694**	**1,669,158**	**2,395,492**	**2,388,556**	**2,146,973**	**2,132,992**	**2,126,445**

2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
1,585,135	1,566,889	1,542,055	1,485,269	1,492,097	1,448,176	1,373,653	1,400,841	1,258,069	1,268,084	1,162,006	1,169,447

2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
275,310	275,311	275,312	275,310	275,310	-	-	-	-	-	-	-
42,190	42,366	42,366	42,366	-	-	-	-	-	-	-	-
291,327.69	285,501.13	279,791.11	274,195.29	268,711.38	263,337.15	258,070.41	252,909.00	247,850.82	242,893.81	238,035.93	233,275.21
43,392	43,392	43,392	43,392	43,392	43,392	-	-	-	-	-	-
155	154	153	152	152	151	0	-	-	-	-	-
15	15	15	15	15	15	15	15	15	15	15	14
6,053	6,053	6,053	6,053	6,053	6,053	6,053	6,053	6,053	6,053	6,053	6,053
691	687	684	680	677	674	670	667	664	660	657	654
877	873	868	864	860	855	851	847	843	838	834	830
10,344	10,344	10,344	10,344	10,344	10,344	10,344	10,344	10,344	10,344	10,344	10,344
6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000

2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
40,296	40,406	40,296	40,296	40,296	40,406	40,296	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
43,800	43,920	43,800	43,800	43,800	43,920	43,800	-	-	-	-	-
93,040	92,846	92,112	91,652	91,193	91,002	90,284	89,832	89,383	89,197	88,492	88,049
58,000	58,000	58,000	58,000	58,000	58,000	-	-	-	-	-	-
29,000	29,000	29,000	29,000	29,000	28,832	-	-	-	-	-	-
11,350	11,381	-	-	-	-	-	-	-	-	-	-
129,542	129,800	129,542	129,542	129,542	129,800	-	-	-	-	-	-
59,113	59,113	59,113	59,113	59,113	59,113	59,113	59,113	59,113	59,113	59,113	59,113
66,576	66,592	66,576	66,576	66,576	66,592	66,576	66,576	66,576	66,592	66,576	66,576
43,844	43,844	43,844	43,844	43,844	43,844	43,844	43,844	43,844	43,844	43,844	43,844
59,021	59,021	59,021	59,021	59,021	59,021	59,021	59,021	59,021	59,021	59,021	59,021
551	548	547	544	540	538	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000	800,000
7,271	7,291	7,271	7,271	7,271	7,291	7,271	7,271	7,271	7,291	7,271	7,271
2,117,758	2,112,458	2,094,101	2,088,030	2,039,709	1,759,180	1,492,208	1,402,491	1,396,976	1,391,862	1,386,255	1,381,044

	NET ENERGY FOR LOAD CALCULATIONS	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
13z	**Undelivered RPS energy**										
14	**Total energy from existing and planned supply resources (12+13)**	**4,136,707**	**3,211,618**	**3,390,899**	**3,417,645**	**3,590,181**	**4,201,242**	**4,143,984**	**3,750,199**	**3,729,362**	**3,734,313**

GENERIC ADDITIONS

NON-RPS ELIGIBLE RESOURCES:

	[list resource by name or description]	Fuel type	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
15a		0										
15b		0										
15c		0										
15d		0										
15e		0										
15f		0										
15g		0										
15h		0										
15i		0										
15j		0										
15k		0										
15l		0										
15m		0										
15n		0										
15	**Total energy from generic supply resources (not RPS-eligible)**				**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

RPS-ELIGIBLE RESOURCES:

	[list resource by name or description]	Fuel type	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
16a	Generic Solar	Solar			-	-	-	-	-	-	-	-
16b	Generic Wind	Wind			-	-	-	-	-	-	-	-
16c		0										
16d		0										
16e		0										
16f		0										
16g		0										
16h		0										
16i		0										
16j		0										
16k		0										
16l		0										
16m		0										
16n		0										
16	**Total energy from generic RPS-eligible resources**				**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038

3,702,893	3,679,347	3,636,156	3,573,299	3,531,806	3,207,357	2,865,861	2,803,332	2,655,045	2,659,945	2,548,261	2,550,491

2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
0	0	0	0	0	0	0	0	0	0	0	0

2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
-	-	-	367,920	367,920	711,666	1,051,200	1,077,480	1,419,120	1,423,333	1,760,760	1,760,760
-	-	-	350,400	350,400	703,867	1,051,200	1,051,200	1,401,600	1,407,734	1,752,000	1,752,000
0	0	0	718,320	718,320	1,415,533	2,102,400	2,128,680	2,820,720	2,831,066	3,512,760	3,512,760

NET ENERGY FOR LOAD CALCULATIONS

		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
17	Total energy from generic supply resources (15+16)			0	0	0	0	0	0	0	0
17z	Total energy from RPS-eligible short-term contracts										

ENERGY FROM SHORT-TERM PURCHASES

		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
18	Short term and spot market purchases:	688,192	141,243	754,249	1,096,665	1,156,059	715,238	869,540	1,267,261	1,354,954	1,406,229
18a	Short term and spot market sales (only report sales of energy from resources already	136,540	(696,574)	105,629	66,689	114,403	171,674	158,278	38,571	30,894	26,982

ENERGY BALANCE SUMMARY

		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
19	Total energy from supply resources (14+17+17z)	4,136,707	3,211,618	3,390,899	3,417,645	3,590,181	4,201,242	4,143,984	3,750,199	3,729,362	3,734,313
19a	Undelivered RPS energy (from 13z)	0	0	0	0	0	0	0	0	0	0
20	Net Short term and spot market purchases (18 - 18a)	551,652	837,818	648,620	1,029,976	1,041,656	543,564	711,263	1,228,690	1,324,060	1,379,247
21	Total delivered energy (19-19a+20)	4,688,359	4,049,436	4,039,519	4,447,621	4,631,837	4,744,806	4,855,247	4,978,889	5,053,422	5,113,560
22	Total net energy for load (from 7)	3,726,775	3,698,643	4,039,519	4,447,621	4,631,837	4,744,806	4,855,247	4,978,889	5,053,422	5,113,560
23	Surplus/Shortfall (21-22)	961,584	350,793	0	0	0	0	0	0	0	0

2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
0	0	0	718,320	718,320	1,415,533	2,102,400	2,128,680	2,820,720	2,831,066	3,512,760	3,512,760

2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
1,445,653	1,516,068	1,607,290	1,025,179	1,107,678	805,011	585,315	666,881	398,961	440,476	324,647	356,547
22,819	18,429	14,691	35,756	23,950	40,710	112,513	103,419	324,297	325,554	723,675	701,185

2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
3,702,893	3,679,347	3,636,156	4,291,619	4,250,126	4,622,890	4,968,261	4,932,012	5,475,765	5,491,012	6,061,021	6,063,251
0	0	0	0	0	0	0	0	0	0	0	0
1,422,833	1,497,639	1,592,599	989,423	1,083,727	764,301	472,802	563,462	74,664	114,921	(399,028)	(344,638)
5,125,726	5,176,986	5,228,755	5,281,043	5,333,853	5,387,191	5,441,063	5,495,474	5,550,429	5,605,933	5,661,992	5,718,612
5,125,726	5,176,986	5,228,755	5,281,043	5,333,853	5,387,191	5,441,063	5,495,474	5,550,429	5,605,933	5,661,992	5,718,612
0	0	0	0	0	0	0	0	0	0	0	0

State of California
California Energy Commission
Standardized Reporting Tables for Public Owned Utility IRP Filing
GHG Emissions Accounting Table
Form CEC 111 (May 2017)

Scenario Name:

Yellow fill relates to an application for confidentiality.

Emissions Intensity Units = mt CO2e/MWh
Yearly Emissions Total Units = Mmt CO2e

GHG EMISSIONS FROM EXISTING AND PLANNED SUPPLY

Utility-Owned Generation (not RPS-eligible):

	[list resource by name]	Emissions Intensity	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
1a	Donald Von Raesfeld (DVR)		0.275	0.365	0.154	0.363	0.346	0.306	0.301	0.312	0.308	0.311	0.309	0.304	0.297	0.285	0.283	0.283	0.272	0.262	0.246	0.228	0.216	0.201
1b	Gianera Generating Station		0.004	0.008	0.000	0.008	0.010	0.003	0.003	0.003	0.006	0.004	0.003	0.002	0.002	0.001	0.001	0.000	0.000	0.000	0.000	0.000	0.000	0.000
1c	Lodi Energy Center (NCPA Joint Powers Agency Resource)		0.073	0.130	0.053	0.148	0.150	0.103	0.105	0.118	0.133	0.135	0.133	0.132	0.128	0.122	0.115	0.113	0.101	0.100	0.094	0.081	0.077	0.071
1d	NCPA CT (NCPA Joint Powers Agency Resource)		0.006	0.004	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
1e	Santa Clara Cogeneration		0.040	0.040	0.020	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041	0.041
1f																								
1g																								

Long-Term Contracts (not RPS-eligible):

	[list contracts by name]	Emissions Intensity	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
1h	Graphics Packaging		0.071	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1i	San Juan		0.366	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1j																								
1k																								
1l																								
1m																								
1n																								
1	**Total GHG emissions of existing and planned supply resources (not RPS-eligible) (sum of 1a...1n)**		1	1	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Utility-Owned RPS-eligible Generation Resources:

	[list resource by plant or unit]	Emissions Intensity	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
2a																								
2b																								
2c																								
2d																								
2e																								
2f																								
2g																								
2h																								
2i																								
2j																								
2k																								
2l																								
2m																								
2n																								

Long-Term Contracts (RPS-eligible):

	[list contracts by name]	Emissions Intensity	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
2o																								
2p																								
sq																								
2r																								
2s																								
2t																								
2	**Total GHG emissions from RPS-eligible resources (sum of 2a...2t)**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	**Total GHG emissions from existing and planned supply resources (1+2)**		1	1	0	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

EMISSIONS FROM GENERIC ADDITIONS

NON-RPS ELIGIBLE RESOURCES:

	[list resource by name or description]	Emissions Intensity	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
4a																								
4b																								
4c																								
4d																								
4e																								
4f																								
4g																								
4h																								
4i																								
4j																								
4k																								
4l																								
4m																								
4n																								
4	**Total GHG emissions from generic supply resources (not RPS-eligible)**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

RPS-ELIGIBLE RESOURCES:

	[list resource by name or description]	Emissions Intensity	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
5a																								
5b																								
5c																								
5d																								
5e																								
5f																								
5g																								
5h																								
5i																								
5j																								
5k																								
5l																								
5m																								
5n																								
5	**Total GHG emissions from generic RPS-eligible resources**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6	**Total GHG emissions from generic supply resources (4+5)**		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

GHG EMISSIONS OF SHORT TERM PURCHASES

* Net Spot Market Purchases assumed to be in-state and therefore attributed to the generator

		Emissions Intensity	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
7	**Net spot market/short-term purchases:**	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

TOTAL GHG EMISSIONS

		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
8	**Total GHG emissions to meet net energy for load (3+6+7)**	0.835	0.546	0.227	0.560	0.547	0.453	0.449	0.474	0.488	0.490	0.486	0.479	0.468	0.449	0.440	0.437	0.414	0.403	0.380	0.350	0.334	0.313

EMISSIONS ADJUSTMENTS

8a	**Undelivered RPS energy (MWh from EBT)**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8b	**Firm Sales Obligations (MWh from EBT)**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8c	**Total energy for emissions adjustment (8a+8b)**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8d	**Emissions intensity (portfolio gas/short-term and spot market purchases)**																						
8e	**Emissions adjustment (8CxBD)**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

PORTFOLIO GHG EMISSIONS

8f	**Adjusted Portfolio emissions (8-8e)**	0.835	0.546	0.227	0.560	0.547	0.453	0.449	0.474	0.488	0.490	0.486	0.479	0.468	0.449	0.440	0.437	0.414	0.403	0.380	0.350	0.334	0.313

GHG EMISSIONS IMPACT OF TRANSPORTATION ELECTRIFICATION

		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
9	**GHG emissions reduction due to gasoline vehicle displacement by LD PEVs**																						
10	**GHG emissions increase due to LD PEV electricity loads**																						
11	**GHG emissions reduction due to fuel displacement - other transportation electrification**																						
12	**GHG emissions increase due to increased electricity loads - other transportation electrification**																						

State of California
California Energy Commission
Standardized Reporting Tables for Public Owned Utility IRP Filing
RPS Procurement Table
Form CEC 112 (May 2017)

Scenario Name:

		Beginning balances Start of 2017	Units = MWh																
			Compliance Period 3					Compliance Period 4					Compliance Period 5				Compliance Period 6		
	RPS ENERGY REQUIREMENT CALCULATIONS		**2017**	**2018**	**2019**	**2020**		**2021**	**2022**	**2023**	**2024**		**2025**	**2026**	**2027**		**2028**	**2029**	**2030**
1	Annual Retail sales to end-use customers (accounting for AAEE impacts) (From EBT)		3,543,619	3,513,711	3,837,543	4,225,240		4,400,245	4,507,566	4,612,485	4,729,945		4,800,751	4,857,882	4,869,440		4,918,137	4,967,317	5,016,990
2	Green pricing program Exclusion, (may include other exclusions like self generation exclusion)																		
3	Soft target (%)		27.00%	29.00%	31.00%	33.00%		34.75%	36.50%	38.25%	40.00%		41.67%	43.33%	45.00%		46.67%	48.33%	50.00%
4	Required procurement for compliance period					4,559,721					6,830,600			6,296,641				7,204,494	
	Category 0, 1 and 2 Resources (bundled with RECs)																		
5	Excess balance at beginning/end of compliance period	2,265,608.00					2,636,343					3,461,700				2,332,762			957,887
6	RPS-eligible energy procured (copied from EBT)		1,543,528	1,417,794	1,351,175	1,345,694		1,669,158	2,395,492	2,388,556	2,146,973		2,132,992	2,126,445	2,117,758		2,112,458	2,094,101	2,806,350
6A	Amount of energy applied to procurement obligation		236,245	384,644	1,189,638	1,233,642		740,091	1,757,951	1,937,243	2,073,822		2,060,997	2,054,451	2,045,769		2,111,770	2,094,238	2,088,174
6B	RPS sales commitment	*additional row specific to SVP	(287,000)	(254,250)	(161,250)	(111,493)		(111,250)	(111,250)	(72,125)	(72,440)		(72,125)	(72,125)	(72,125)				
7	Net purchases of Category 0, 1 and 2 RECs																		
7A	Excess balance and REC purchases applied to procurement obligation		650,532	618,075		160,687		843,997			54,652		243,363	374,489	510,688		593,205	608,553	891,844
8	Net change in balance/carryover (RECs and RPS-eligible energy) (6+7-6A-7A)	*formula updated to include 6B and 7A adjusted in line 5	1,020,283	778,900	287	559		817,817	526,291	379,187	711		(130)	(131)	(136)		688	(137)	718,176
	Category 3 Resources (unbundled RECs)																		
9	Excess balance at beginning/end of compliance period	16,257.00					0					0				0			0
10	Net purchases of Category 3 RECs		70,000																
11	Excess balance and REC purchases applied to procurement obligation		70,000	16257															
12	Net change in REC balance		0	(16,257)	0	0		0	0	0	0		0	0	0		0	0	0
13	Total generation plus RECs (all Categories) applied to procurement requirement (6A + 7A + 11)			4,559,721					7,407,757					7,289,757				8,387,785	
14	Over/under procurement for compliance period (13 - 4)	*SVP targeted 60% by 2030 per SB100, hence the overprocurement				(0.16)					577,156.79				993,116				1,183,291
	check - compliance requirement under SB100		956,777	1,018,976	1,189,638	1,394,329.32		1,584,088	1,757,951	1,937,243	2,128,474		2,304,360	2,428,940	2,556,457		2,704,975	2,702,791	2,980,018

Appendix B. SVP's Stakeholder Input Results

City of Santa Clara
The Center of What's Possible

Silicon Valley Power's Integrated Resource Plan (IRP)

November 6, 2018, 11:04 AM

Contents

i. Summary of registered responses 2

Summary Of Registered Responses

As of November 6, 2018, 11:04 AM, this forum had:		**Topic Start**	**Topic End**
Attendees:	366	June 6, 2018, 2:57 PM	October 11, 2018, 8:04 AM
Registered Responses:	90		
Hours of Public Comment:	10.8		

QUESTION 1

How satisfied are you with the electric services offered by Silicon Valley Power (on a level of 1-5, with 1 being "very unsatisfied" and 5 being "very satisfied")?

	%	Count
Very Unsatisfied	11.1%	10
Neutral	3.3%	3
Satisfied	27.8%	25
Very Satified	57.8%	52

QUESTION 2

Please rank the following electric service priorities in terms of importance:

- High reliability (keeping the lights on and avoiding blackouts)
- Affordable Rates
- Minimizing Environmental Impacts
- Quality of Customer Service

QUESTION 3

"I believe adding additional renewable resources to Silicon Valley Power's energy supply will:"

	%	Count
Decrease rates	16.1%	14
Increase rates	46.0%	40
Have no impact on rates	37.9%	33

QUESTION 4

The Integrated Resource Plan process will determine the lowest-cost portfolio mix to meet regulatory and reliability requirements. To what extent would you be willing to pay more on your electric bill to achieve:

Increased reliability and fewer power interruptions

	%	Count
0% increase	47.2%	42
5% increase	25.8%	23
10% increase	20.2%	18
25% increase	4.5%	4
100% increase	2.2%	2

Lower Green House Gas emissions

	%	Count
0% increase	41.6%	37
5% increase	24.7%	22
10% increase	24.7%	22
25% increase	5.6%	5
50% increase	1.1%	1

	%	Count
100% increase	2.2%	2

Increases in renewable energy supply

	%	Count
0% increase	40.4%	36
5% increase	24.7%	22
10% increase	25.8%	23
25% increase	4.5%	4
50% increase	1.1%	1
100% increase	2.2%	2

Additional energy efficiency rebates and programs

	%	Count
0% increase	53.9%	48
5% increase	23.6%	21
10% increase	14.6%	13
25% increase	4.5%	4
50% increase	2.2%	2
100% increase	1.1%	1

Greater use of electric energy storage systems

	%	Count
0% increase	50.6%	45

	%	Count
5% increase	21.3%	19
10% increase	19.1%	17
25% increase	6.7%	6
50% increase	1.1%	1
100% increase	1.1%	1

Enhanced rebates, incentives and investment in electric vehicle charging infrastructure

	%	Count
0% increase	46.1%	41
5% increase	32.6%	29
10% increase	12.4%	11
25% increase	4.5%	4
50% increase	1.1%	1
100% increase	3.4%	3

QUESTION 5

What would you like to see from Silicon Valley Power in five years? Ten Years?

Answered	57
Skipped	33

QUESTION 6

What do you think Silicon Valley Power should prioritize as it develops the Integrated Resource Plan?

	%	Count
Meeting the compliance requirements	7.8%	7
Exceeding the compliance requirements	25.6%	23
Public outreach/community input	4.4%	4
Keeping costs down	44.4%	40
Reliability	17.8%	16

QUESTION 7

Would you support an electric rate increase to implement the recommendations of the Power IRP?

	%	Count
Yes	51.2%	44
No	48.8%	42

QUESTION 8

If "yes", please comment on options you are willing to pay more for (additional renewables, better customer service, investment in newer technologies, etc.): (fill in)

Answered	45
Skipped	45

QUESTION 9

Have you participated in any of the following programs offered by Silicon Valley Power? Select all that apply:

	%	Count
Energy efficiency rebates	57.4%	27

	%	Count
Solar rebates	36.2%	17
Income-qualified electric rates	4.3%	2
Home Energy Audit	36.2%	17
Other	23.4%	11

QUESTION 10

Are you a Green Power Program customer (Do you pay additional money on your electric bill for SVP to purchase 100% solar power on your behalf)?

	%	Count
Yes	33.7%	30
No	66.3%	59

QUESTION 11

Do you live in Santa Clara?

	%	Count
Yes	98.9%	89
No	1.1%	1

QUESTION 12

If you live in Santa Clara, do you:

	%	Count
Own	94.4%	84

		%	Count
Rent		5.6%	5

QUESTION 13

Do you own or operate a business in Santa Clara?

		%	Count
Yes		14.4%	13
No		85.6%	77

QUESTION 14

Do you work in Santa Clara?

		%	Count
Yes		32.2%	29
No		67.8%	61

QUESTION 15

Additional Comments

Answered	18
Skipped	72

18-1434 **Agenda Date: 11/27/2018**

REPORT TO COUNCIL

SUBJECT

Action on a Procurement Agreement with Wireless Structures Consulting, Inc. dba Western Utility Telecom, Inc. for the purchase of steel poles for Parker Substation

BACKGROUND

Vantage Data Centers, LLC (Vantage) is expanding its business in Santa Clara through the construction of the Parker Substation for the Vantage McLaren Data Center. On August 29, 2017, Council approved an Electric Service and Substation Agreement with Vantage where Silicon Valley Power (SVP) would provide 73 MVA of capacity upon completion of restructuring the existing Southern electrical transmission loop (South Loop) in the year 2020 and Vantage would construct the Parker Substation per SVP's standards and requirements. SVP's procurement of five (5) custom engineered Tubular Steel Poles with full-length anchor bolt cages and one (1) light duty, direct embedded tangent pole is required to ensure Parker Substation has infrastructures in place to tie into SVP's transmission system. SVP is preparing separately a Public Works bid document for the installation of these steel poles. All costs associated with procurement and construction will be reimbursed by Vantage Data Centers, LLC.

DISCUSSION

A Request for Bids (RFB) was issued on September 28, 2018 and four (4) proposals were received by the October 12, 2018 deadline as follows:

Bidder Name	Bid Amount
Dis-Tran*	$ 233,960.00
Klute Incorporated	$ 270,048.74
Sabre-FWT*	$ 181,179.00
Wireless Structures Consulting, Inc. dba Western Utility Telecom, Inc.	$ 240,676.00

* These bids are non-responsive due to longer than specified delivery lead times

To accommodate the forecasted energization date of May 6, 2019, the bidders were required to deliver the materials and equipment by a specified date to allow crews to install the transmission lines to finish the interconnection of Parker Substation. Bids from Sabre-FWT and Dis-Tran were deemed non-responsive because they submitted delivery lead times that were 20 weeks and 34 weeks longer than the required lead time of 8 weeks, respectively. The delivery dates of these poles are critical to maintaining Vantage's energization date for Parker Substation. A copy of the Procurement Agreement is provided in Attachment 1.

Staff recommends award of contract to Wireless Structures Consulting, Inc. dba Western Utility

Telecom, Inc. as the lowest responsive, responsible bidder pursuant to Section 2.105.270 of the Santa Clara City Code.

ENVIRONMENTAL REVIEW

The potential environmental impacts of the project were addressed in the Mitigated Negative Declaration prepared for the McLaren Data Center project (and which was certified/approved on March 29, 2017).

FISCAL IMPACT

The total cost of the Procurement Agreement with Wireless Structures Consulting, Inc. dba Western Utility Telecom, Inc. shall not exceed $240,676. Sufficient funds for this project are available in the FY 2018/19 Electric Department Capital Improvement Program Parker Substation Project Budget funded by Vantage's developer contributions.

COORDINATION

This report has been coordinated with the Finance Department and City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Approval of the Procurement Agreement with Wireless Structures Consulting, Inc. dba Western Utility Telecom, Inc. in an amount not to exceed $240,676 for the purchase of steel poles for the development of Parker Substation

Reviewed by: John C. Roukema, Chief Electric Utility Officer
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Procurement Agreement with Wireless Structures Consulting, Inc. dba Western Utility Telecom, Inc.

AGREEMENT

THIS AGREEMENT is between The City of Santa Clara dba Silicon Valley Power ("Buyer")

and Wireless Structures Consulting, Inc. dba Western Utility Telecom, Inc. ("Seller")
Buyer and Seller, in consideration of the mutual covenants hereinafter set forth, agree as follows:

ARTICLE 1 – GOODS AND SPECIAL SERVICES

1.01 Seller shall furnish the Goods and Special Services as specified or indicated in the Contract Documents and Sellers bid documents.

ARTICLE 2 – THE PROJECT

2.01 The Project for which the Goods and Special Services to be provided under the Contract Documents may be the whole or only a part is generally described as follows:

A. Item #1 is the procurement of a 62' tall custom engineered tubular steel structure for STR. #58.

B. Item #2 is the procurement of a 26' long anchor bolt cage for STR. #58.

C. Item #3 is the cost adder per foot change in length of the anchor bolt cage for STR. #58.

D. Item #4 is the cost subtracter per foot change in length of the anchor bolt cage for STR. #58.

E. Item #5 is the procurement of a 61' tall custom engineered tubular steel structure for STR. #58A.

F. Item #6 is the procurement of a 26' long anchor bolt cage for STR. #58A.

G. Item #7 is the cost adder per foot change in length of the anchor bolt cage for STR. #58A.

H. Item #8 is the cost subtracter per foot change in length of the anchor bolt cage for STR. #58A.

I. Item #9 is the procurement of a 66' tall custom engineered tubular steel structure for STR. #58B.

J. Item #10 is the procurement of a 26' long anchor bolt cage for STR. #58B.

AGREEMENT

K. Item #11 is the cost adder per foot change in length of the anchor bolt cage for STR. #58B.

L. Item #12 is the cost subtracter per foot change in length of the anchor bolt cage for STR. #58B.

M. Item #13 is the procurement of a 67' tall custom engineered tubular steel structure for STR. #59.

N. Item #14 is the procurement of a 26' long anchor bolt cage for STR. #59.

O. Item #15 is the cost adder per foot change in length of the anchor bolt cage for STR. #59.

P. Item #16 is the cost subracter per foot change in length of the anchor bolt cage for STR. #59.

Q. Item #17 is the procurement of a 60' tall custom engineered tubular steel structure for STR. #60.

R. Item #18 is the procurement of a 26' long anchor bolt cage for STR. #60.

S. Item #19 is the cost adder per foot change in length of the anchor bolt cage for STR. #60.

T. Item #20 is the cost subtracter per foot change in length of the anchor bolt cage for STR. #60.

U. Item #21 is the procurement of an H6-80' light duty tubular steel structure for STR. #59A

V. Item #22 is the Subtotal for items #1 through #21 (Excluding items 3, 4, 7, 8, 11, 12, 15, 16, 19 and 20)

W. Item #23 is the Shipping Charge for items #1 through #21 (Excluding items 3, 4, 7, 8, 11, 12, 15, 16, 19 and 20)

X. Item #24 is the Subtotal of items #22 and #23

Y. Item #25 is the Bid Total (Item #24)

AGREEMENT

ARTICLE 3 – ENGINEER

3.01 The Contract Documents for the Goods and Special Services have been prepared by Buyer, who will assume all duties and responsibilities, and have the rights and authority assigned to the Electric Engineering Division Manager or Designate (Engineer) in the Contract Documents in connection with the furnishing of Goods and Special Services.

ARTICLE 4 – POINT OF DESTINATION

4.01 The place where the Goods are to be delivered is defined in the General Conditions as the Point of Destination and is designated as:

A. Point of Destination for all tubular steel structures and the anchor bolt cages (Items #1 through #21) shall be at 795 Mathew Street, Santa Clara, CA 95050.

ARTICLE 5 – CONTRACT TIMES

5.01 *Time of the Essence*

A. All time limits for Milestones, if any, the delivery of Goods and the furnishing of Special Services as stated in the Contract Documents are of the essence of the Contract.

5.02 *Days to Achieve Delivery of Goods*

A. The Goods are to be delivered to the Point of Destination and ready for Buyer's receipt of delivery based on a schedule to be determined at the time the order is placed by the Buyer with the Seller.
B. The anchor bolt cages for the custom tubular steel structures must be delivered by January 2, 2019.
C. All tubular steel structures must be delivered by January 30, 2019.

ARTICLE 6 – CONTRACT PRICE

6.01 Buyer shall pay Seller for furnishing the Goods and Special Services in accordance with the Contract Documents in current funds as follows:

NOTE: SALES TAX SHOULD NOT BE INCLUDED IN BID AMOUNT. THE SHEAR TIE REINFORCEMENT FOR THE ANCHOR BOLT CAGES SHOULD NOT BE INCLUDED IN ITEMS #2, #6, #10, #14, and #18.

AGREEMENT

Item	Qty	Description	Contract Price
#1	1 ea.	*STR. #58: 62' tall custom engineered tubular steel structure*	$34,860.00
		Contract Price in Words: Thirty-four thousand eight hundred sixty dollars and zero cents	
#2	1 ea.	*26' long anchor bolt cage for STR. #58*	$11,030.00
		Contract Price in Words: Eleven thousand thirty dollars and zero cents	
#3	10 ft.	*Cost adder change in length of anchor bolt cage for STR. #58*	$2,250.00
		Contract Price in Words: Two thousand two hundred fifty dollars and zero cents	
#4	0 ft.	*Cost subtracter per foot change in length of anchor bolt cage for STR. #58*	$0.00
		Contract Price in Words: Zero dollars and zero cents	
#5	1 ea.	*STR. #58A: 61' tall custom engineered tubular steel structure*	$22,968.00
		Contract Price in Words: Twenty-two thousand nine hundred sixty-eight dollars and zero cents	
#6	1 ea.	*26' long anchor bolt cage for STR. #58A*	$8,175.00
		Contract Price in Words: Eight thousand one hundred seventy-five dollars and zero cents	
#7	10 ft.	*Cost adder change in length of anchor bolt cage for STR. #58A*	$2,250.00
		Contract Price in Words: Two thousand two hundred fifty dollars and zero cents	

AGREEMENT

#8	0 ft.	*Cost subtracter per foot change in length of anchor bolt cage for STR. #58A*	$0.00

Contract Price in Words:

Zero dollars and zero cents

#9	1 ea.	*STR. #58B: 66' tall custom engineered tubular steel structure*	$24,652.00

Contract Price in Words:

Twenty-four thousand six hundred fifty-two dollars and zero cents

#10	1 ea.	*26' long anchor bolt cage for STR. #58B*	$8,205.00

Contract Price in Words:

Eight thousand two hundred five dollars and zero cents

#11	1 ft.	*Cost adder change in length of anchor bolt cage for STR. #58B*	$2,250.00

Contract Price in Words:

Two thousand two hundred fifty dollars and zero cents

#12	0 ft.	*Cost subtracter per foot change in length of anchor bolt cage for STR. #58B*	$0.00

Contract Price in Words:

Zero dollars and zero cents

#13	1 ea.	*STR. #59: 67' tall custom engineered tubular steel structure*	$30,130.00

Contract Price in Words:

Thirty thousand one hundred thirty dollars and zero cents

#14	1 ea.	*26' long anchor bolt cage for STR. #59*	$8,385.00

Contract Price in Words:

Eight thousand three hundred eighty-five dollars and zero cents

AGREEMENT

#15	1 ft.	*Cost adder per foot change in length of anchor bolt cage for STR. #59*	$2,250.00

Contract Price in Words:

Two thousand two hundred fifty dollars and zero cents

16	10ft.	*Cost subtracter per foot change in length of anchor bolt cage for STR. #59*	$0.00

Contract Price in Words:

Zero dollars and zero cents

#17	1 ea.	*STR. #60: 60' tall custom engineered tubular steel structure*	$44,026.00

Contract Price in Words:

Forty-four thousand twenty-six dollars and zero cents

#18	1 ea.	*26' long anchor bolt cage for STR. #60*	$11,030.00

Contract Price in Words:

Eleven thousand thirty dollars and zero cents

#19	1 ft.	*Cost adder per foot change in length of anchor bolt cage for STR. #60*	$2,250.00

Contract Price in Words:

Two thousand two hundred fifty dollars and zero cents

#20	0 ft.	*Cost subtracter per foot change in length of anchor bolt cage for STR. #60*	$0.00

Contract Price in Words:

Zero dollars and zero cents

AGREEMENT

#21 1 ea. *STR. #59A: Light Duty H6-80' tubular steel structure* $11,030.00

Contract Price in Words:

Eleven thousand thirty dollars and zero cents

#22 *Subtotal for Items #1 through #21* $225,741.00

Contract Price in Words:

Two hundred twenty five thousand seven hundred forty-one dollars and zero cents

#23 *Shipping Charges for Items #1 through #21* $14,935.00

Contract Price in Words:

Fourteen thousand nine hundred thirty-five dollars and zero cents

#24 *Subtotal of Items #22 and #23* $240,676.00

Contract Price in Words:

Two hundred forty thousand six hundred seventy-six dollars and zero cents

#25 *Bid Total (Item #24)* $240,676.00

Contract Price in Words:

Two hundred forty thousand six hundred seventy-six dollars and zero cents

ARTICLE 7 – PAYMENT PROCEDURES

7.01 *Submittal and Processing of Payments*

A. Seller shall submit Applications for Payment no later than 30 days after the date of shipment of the material. Applications for Payment will be processed by Engineer upon receipt and acceptance of all the items including but not limited to as-built vendor drawings, factory certified test results, manuals, etc. at the Point of Destination.

7.02 *Liquidated Damages*

Buyer and Seller recognize that time is of the essence of this Agreement and that Buyer will suffer financial loss in the form of contract administration expenses (such as project management and consultant expenses), if all or any part of the Product is not completed within the times specified (Section 5.01.B.and C.), plus any extensions thereof allowed in accordance with the Contract Documents. Consistent with Procurement Document 00750 (Liquidated Damages), Seller and Buyer agree that because of the nature of the Project, it would be impractical or extremely difficult to fix the amount of actual damages incurred by Buyer because of a delay in completion of all or any part of the Product. Accordingly, Buyer and Seller agree that as liquidated damages for delay Seller shall pay Buyer.

A. $5,000 for each Day that expires after the delivery time specified herein for Seller.

These measures of liquidated damages shall apply cumulatively and except as provided below, shall be presumed to be the damages suffered by Buyer resulting from delay in delivery of product.

Liquidated damages for delay shall only cover administrative, overhead, interest on bonds, and general loss of public use damages suffered by Buyer as a result of delay. Liquidated damages shall not cover the cost of completion of the Work, damages resulting from defective Work, lost revenues or costs of substitute facilities, or damages suffered by others who then seek to recover their damages from Buyer (for example, delay claims of other contractors, subcontractors, tenants, or other third-parties), and defense costs thereof.

ARTICLE 8 – SELLER'S REPRESENTATIONS

8.01 In order to induce Buyer to enter into this Agreement, Seller makes the following representations:

A. Seller has examined and carefully studied the Contract Documents and the other related data identified in the Bid Documents.

B. If specified or if, in Seller's judgment, any local condition may affect cost, progress or the furnishing of the Goods and Special Services, Seller has visited the Point of Destination and become familiar with and is satisfied as to the local conditions that may affect cost, progress or the furnishing of the Goods and Special Services.

C. Seller is familiar with and is satisfied as to all local federal, state and local Laws and Regulations that may affect cost, progress and the furnishing of the Goods and Special Services.

AGREEMENT

D. Seller has carefully studied and correlated the information known to Seller, and information and observations obtained from Seller's visits, if any, to the Point of Destination, with the Contract Documents.

E. Seller has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Seller has discovered in the Contract Documents, and the written resolution thereof by Engineer is acceptable to Seller.

F. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for furnishing Goods and Special Services.

ARTICLE 9 – CONTRACT DOCUMENTS

9.01 *Contents*

A. The Contract Documents consist of the following:

1. All plans and drawings listed on Document 00015 – (List of Maps, Drawings, and Sketches
2. Document 00301 – Schedule of Bid Price
3. Document 00510 – Bid Certification Form
4. Document 00520 – Agreement
5. Document 00750 – Liquidated Damages
6. Document 00821 – Insurance
7. Section 01100 – General Requirements
8. Section 05120 – Structural Steel – Tubular Steel Structures
9. The following which may be delivered or issued on or after the Effective Date of the Agreement and are not attached hereto:
    a. Notice of Award;
    b. Written Amendment(s);
    c. Change Order(s);
    d. Field Order(s);
    e. Engineer's Written Interpretation(s).

B. The documents listed in paragraph 9.01.A are attached to this Agreement (except as expressly noted otherwise above).

C. There are no Contract Documents other than those listed above in this Article 9.

AGREEMENT

ARTICLE 10 – MISCELLANEOUS

10.01 *Term of Agreement*

A. Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by a written amendment to this Agreement, the term shall terminate three (3) years from the Effective Date.

10.02 *Assignment*

A. Buyer has the right to assign the Contract for furnishing Goods and Special Services hereunder and Seller shall accept such assignment. Forms documenting the assignment of the Contract, and consent of Seller's surety to the assignment are attached as exhibits to this Agreement.

1. The Contract will be executed in the name of Buyer initially, and will be assigned to an assignee designated by Buyer. The assignment will occur on the effective date of the agreement between Buyer and the Seller. As of the date of acceptance of assignment by the Seller, all references in the Contract Documents to Buyer shall mean the designated Assignee whose responsibilities will include the incorporation of the Goods.
2. The assignment of the Contract shall relieve Buyer from all further obligations and liabilities under the Contract. After assignment, Seller shall become a subcontractor or seller to the assignee and, except as noted herein, all rights, duties, and obligations of Buyer under the Contract shall become the rights, duties and obligations of the assignee.
3. After assignment:
    a. All performances warranties and guarantees required by the Contract Documents will continue to run for the benefit of Buyer and, in addition, for the benefit of the assignee.
    b. Except as provided in this Paragraph 10.02.A.3.b, all rights, duties and obligations of Engineer to assignee and Seller under this Contract will cease.
        1) Engineer will review Seller's Applications for Payment and make recommendations to assignee for payments.
        2) Upon the written request of either the assignee or Seller, Engineer will issue with reasonable promptness such clarifications or interpretations of the Contract Documents, which shall be consistent with or reasonably inferable from the overall intent of the Contract Documents. Such written clarifications and interpretations will be final and binding on assignee and Seller unless:
            a) an appeal from Engineer's clarification or interpretation is made within the time limits and in accordance with the dispute resolution procedures; or

b) if no such dispute resolution procedures have been set forth, a written notice of intention to appeal is delivered by assignee or Seller to the other within 30 days after the date of such decision, and a formal proceeding is instituted by the appealing party in a forum of competent jurisdiction within 60 days after the date of such decision (unless otherwise agreed to in writing by assignee and Seller), to exercise such rights or remedies as the appealing party may have with respect to such clarification or interpretation in accordance with applicable Laws and Regulations.

3) When rendering a clarification or interpretation under Paragraph 10.02.A.3.b.2, Engineer will not show partiality to assignee or Seller and will not be liable in connection with any clarification or interpretation rendered in good faith.

B. No other assignment by a party hereto of any rights under or interests in the Contract Documents will be binding on another party hereto without the written consent of the party sought to be bound. Specifically but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law). Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

10.03 *Successors and Assigns*

A. Buyer and Seller each binds itself, its partners, successors, assigns and legal representatives to the other party hereto, its partners, successors, assigns and legal representatives in respect to all covenants, agreements and obligations contained in the Contract Documents.

10.04 *Severability*

A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Buyer and Seller. The Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

10.05 *Warranty, Disclaimer, and Limitation of Liability*

Seller represents and warrants that it is and will be at all times fully qualified and capable performing every phase of work and to complete work in accordance with the terms of the contract documents. Seller warrants that all services shall be performed in accordance with generally accepted professional standards of good and sound practices and all requirements of the Contract Documents. Seller warrants that work, including but not limited to each item of material and equipment incorporated therein, shall be new, of suitable grade of its respective kind for its intended use, and free from

defects in design, engineering, materials, construction and workmanship. Seller warrants that work shall conform in all respects with all applicable requirements of federal, state and local laws, applicable construction codes and standards, licenses and permits, drawings and specifications and all descriptions set forth therein, and all requirements of Contract Documents. Seller shall not be responsible, however, for the negligence of others in the specification of specific equipment, materials, design parameters and means or methods of construction where that is specifically shown and expressly required by Contract Documents.

Extended Guarantees: Any guarantee exceeding one (1) year provided by the supplier or manufacturer of any equipment or materials used shall be extended for such term. Seller expressly agrees to act as co-guarantor of such equipment and materials and shall supply City with all warranty and guarantee documents relative to equipment and materials incorporated in the Project and guaranteed by their suppliers or manufacturers.

AGREEMENT

IN WITNESS WHEREOF, Buyer and Seller have signed this Agreement in duplicate. One counterpart each has been delivered to Buyer and Seller. All portions of the Contract Documents have been signed or identified by Buyer and Seller or on their behalf.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

Approved as to Form: Dated: _____

BRIAN DOYLE
City Attorney

DEANNA J. SANTANA
City Manager
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

"BUYER"

***INSERT CONTRACTOR'S NAME**
*choose one: a[n] _____ (insert State) corporation/partnership/individual

Dated: _____

By (Signature): _____

Name: ADRIAN MCJUNKIN, PE

Title: President

Principal Place of Business Address: 5032 Salem Dallas Hwy, NW Salem, OR 97304

Email Address: seanh@westernutilitytelecom.com

Telephone: (503) 587-0101

Fax: (503) 316-1864

"SELLER"

18-1450 **Agenda Date: 11/27/2018**

REPORT TO STADIUM AUTHORITY BOARD

SUBJECT
Action on Bills and Claims for the month of October 2018 (Stadium Authority)

BACKGROUND
Disbursements made by the Stadium Authority are based on invoices submitted for payment. Prior to payment, staff reviews all disbursement documents to ensure that they are in compliance with the goods or services provided.

The Bills and Claims listing represents the cash disbursements required of normal and usual operations during the period. Budget control is set by the Stadium Authority Board through the budget adoption process.

DISCUSSION
Significant expenditures in this time period include:

- Payment to Stadium Funding Trust in the amount of $6,756,660 for six months of interest on the Term A fixed rate debt.

- Payment to Forty Niners Stadium Management Co. (ManagementCo) in the amount of $866,631 for stadium operations costs such as staffing, supplies, and equipment.

- Payments totaling $210,110 to the City of Santa Clara for the following:
  - $99,884 for reimbursement of City staff time spent planning and preparing for the College Football Playoff (CFP) Championship game.
  - $65,113 for reimbursement of General and Administrative (G&A) City staff time (e.g.: City Manager's Office, City Attorney's Office, and Finance Department).
  - $45,113 for the Senior and Youth Fees collected ($0.35 per ticket) for two National Football League (NFL) games held in October.

- Five payments totaling $97,168 for the following four capital expense (CapEx) projects: (1) Lymtal floor coating (2) Stadium Field Conduits (3) Water Bottle Refill Stations and (4) Security Access Control System.

ENVIRONMENTAL REVIEW
The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

FISCAL IMPACT
There is a $7,963,461 fiscal impact to the Stadium Authority.

COORDINATION
This report has been coordinated with the Stadium Authority Counsel's Office.

PUBLIC CONTACT
Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION
Approve the list of Bills and Claims for October 2018.

Reviewed by: Angela Kraetsch, Treasurer
Approved by: Deanna J. Santana, Executive Director

ATTACHMENTS
1. 2018-10 SCSA Bills and Claims

Santa Clara Stadium Authority

Bills and Claims
Expenses Paid by Wire Transfer
For the Month of October 2018

Payment Date	Vendor	Invoice No.	Description	Fund		Amount
10/1/18	Stadium Funding Trust	N/A	Term A Loan Payment - Int	Debt Service		$ 6,756,660.27
10/4/18	Public Dialogue Consortium	Jun-18	June '18 Comm Outreach	Operating		3,600.00
10/5/18	Blue's Roofing Co.	30712	CapEx - Prem Areas/Lymtal	CIP		49,951.00
10/15/18	Bank of America	N/A	Sept 2018 bank fees	Operating		25.48
10/17/18	City of Santa Clara	86147A	Aug17-Jun18 CFP Planning	Operating	$ 95,587.97	
10/17/18	City of Santa Clara	86227	Jul17 CFP Planning	Operating	2,044.75	
			City of Santa Clara Subtotal			97,632.72
10/17/18	Hagen, Streiff, Newton & Oshiro Accts,Pc	100446159	Aug 2018 Consult Svcs	Operating		5,020.00
10/17/18	Jordan Consulting And Investigations	5	Sept 2018 Consult Svcs	Operating		6,834.52
10/18/18	City of Santa Clara	N/A	B1820 SCSA Admin PR Costs	Operating		30,130.83
10/19/18	Calpack Crating, Inc.	8316	CapEx Proj - Field Conduits	CIP	$ 14,219.67	
10/19/18	Calpack Crating, Inc.	8332	CapEx - Field Conduits	CIP	1,635.00	
			Calpack Crating Subtotal			15,854.67
10/23/18	DLI Mechanical	6218	CapEx - Water Stations	CIP		17,700.00
10/23/18	Dryco Construction Inc	16641	CapEx - Security/Access Contro	CIP		7,900.00
10/23/18	Johnson Controls	1-75066891438	CapEx - Security/Access Contro	CIP		5,762.28
10/24/18	City of Santa Clara	N/A	Sr-Yth fee NFL gm 4 addl rent	Operating		22,784.65

Santa Clara Stadium Authority

Bills and Claims
Expenses Paid by Wire Transfer
For the Month of October 2018

Payment Date	Vendor	Invoice No.	Description	Fund			Amount
10/24/18	Forty Niners Stadium Mgmnt Co, LLC	SLS-101518-A	Oct 18 Std Mgr - Groundskeepin	Operating	$	13,630.52	
10/24/18	Forty Niners Stadium Mgmnt Co, LLC	SLS-101518-A	Oct 18 Std Mgr - Guest Svcs	Operating		67,749.40	
10/24/18	Forty Niners Stadium Mgmnt Co, LLC	SLS-101518-A	Oct 18 Std Mgr - Security	Operating		128,592.53	
10/24/18	Forty Niners Stadium Mgmnt Co, LLC	SLS-101518-A	Oct 18 Std Mgr - Engineering	Operating		152,893.75	
10/24/18	Forty Niners Stadium Mgmnt Co, LLC	SLS-101518-A	Oct 18 Std Mgr - SBL Sales	Operating		193,666.67	
10/24/18	Forty Niners Stadium Mgmnt Co, LLC	SLS-101518-A	Oct 18 Std Mgr - Std Ops	Operating		310,098.03	
			Forty Niners Stadium Mgmnt Co, LLC Subtotal				866,630.90
10/26/18	City of Santa Clara	N/A	B1821 SCSA Admin PR Costs	Operating			34,981.98
10/29/18	City of Santa Clara	N/A	Sr-Yth fee NFL gm 5 addl rent	Operating			22,328.25
10/31/18	City of Santa Clara	86465	Aug18 CFP Planning	Operating	$	690.80	
10/31/18	City of Santa Clara	86585	Sept17 CFP Planning	Operating		1,560.13	
			City of Santa Clara Subtotal				2,250.93
10/31/18	Hagen, Streiff, Newton & Oshiro Accts,Pc	100446813	Sept. 2018 Consulting Svcs	Operating			17,412.50
			Total				**$ 7,963,460.98**

18-005 **Agenda Date: 11/27/2018**

REPORT TO COUNCIL

SUBJECT
Action on Rezone and Variance for the property located at 130 Serena Way

BACKGROUND
The property owner of 130 Serena Way, George Tsai, is requesting that his property be rezoned from the A-Agricultural Zoning District to the R1-6L Single Family zoning district and that a Variance be granted to the property for deviations from the R-1-6L Zoning District development standards including allowance for a two foot and two inch side yard setback on the north side of the property. For the north side of the property a three foot side yard setback is normally required and allowance for an existing 648 square foot detached garage when 480 square feet is the maximum allowed for a detached accessory building.

The property was annexed into the City in 1969 from the County, and assigned the A - Agricultural zoning designation upon annexation. A 1974 City-initiated rezoning was never acted upon and the property has retained the A - Agricultural zoning designation.

DISCUSSION
The property owner is requesting the rezoning to facilitate the long-term use of the site as a single family residence consistent with neighboring uses, and to allow future expansion of the existing residence and construction of an accessory dwelling unit. The City's practice is to require issuance of a Variance in cases where an action initiated by the property owner, such as the requested rezoning, would result in a non-conforming condition. The degree of non-conformance (e.g., a setback 10 inches less than the requirement and an accessory structure 168 square feet larger than the maximum) exceeds the 25% variation from the Zoning Code that may be approved administratively and thus requires approval of a Variance by the Planning Commission or City Council. Although the variance was approved by the Planning Commission, the variance needs to be approved with the rezoning, and the rezoning must be approved by City Council. Staff determined that the proposed rezoning is consistent with the General Plan and that the City can make the findings required to grant a Variance as described in the attached Planning Commission report and the attached resolution.

The project was considered at a noticed public hearing by the Planning Commission on October 24, 2018. The proposal was approved unanimously by the Planning Commission without discussion as a Consent Calendar item. No community members spoke on the project at the hearing. The excerpt of the Planning Commission meeting minutes, staff report, related documents, and resolutions approving the rezone and variance are attached to this report.

Approval of the proposed rezoning and Variance is necessary for the preservation and enjoyment of the property, will not adversely affect the general welfare of the neighborhood, and is consistent with the use of the property as a single family residential property. The proposed R1-6L zoning district and

the existing residence are consistent with the City's General Plan Transitional Policies and the Single-Family and Duplex Design Guidelines, subject to approval of the variance. The existing building and the proposed single-family use is compatible in density and character with the surrounding neighborhood.

FISCAL IMPACT

There is no impact to the City for processing the requested application other than administrative staff time and expense.

ENVIRONMENTAL REVIEW

The action being considered is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15301 (Class 1 - "Existing Facilities") as the activity consists of the permitting of existing private structures involving negligible or no expansion of use beyond that existing at the time of the City's determination.

COORDINATION

This report has been coordinated with the Finance Department and City Attorney's Office.

PUBLIC CONTACT

On November 16, 2018, a notice of public hearing of this item was posted in three conspicuous locations within 300 feet of the project site and mailed to property owners within 300 feet of the project site. Planning Staff has not received public comments for this application.

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1. Adopt a resolution approving the rezoning of the property at 130 Serena Way from Agricultural (A) to Single-Family Zoning District (R1-6L) and;
2. Adopt a resolution approving a Variance for an existing substandard side yard setback of two feet and two inches and a 648 square foot detached accessory building.

Reviewed by: Andrew Crabtree, Director of Community Development
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Excerpt of Planning Commission Minutes 10.24.18
2. Planning Commission Staff Report 10.24.18
3. Excerpt of Planning Commission Minutes 4.11.18
4. Project Data
5. Request Letter for Rezoning
6. Development Plans
7. Resolution Approving a Variance

8. Resolution Approving Rezoning
9. Conditions of Approval

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Excerpt Planning Commission
Meeting Minutes of October 24, 2018

1.C 18-383 Action on Rezone and Variance for the property located at 130 Serena Way

Recommendation: 1. Recommend to City Council approval of the rezoning of the property at 130 Serena Way from Agricultural (A) to Single-Family Zoning District (R1-6L) and;
2. Recommend to City Council approval of a Variance for an existing substandard side yard setback of two feet and two inches and a 648 square foot detached accessory building.

A motion was made by Commissioner Ikezi, seconded by Commissioner Kelly, to approve the consent calendar.

Aye: 5 - Chair Jain, Commissioner Ikezi, Commissioner Saleme, Commissioner Chahal, Commissioner Becker

Absent: 1 – Commissioner William

I:\PLANNING\2018\Project Files Active\PLN2018-13356 130 Serena Way\CC\CC Attachment\Excerpt of Planning Commission Minutes 10.24.18.docx

REPORT TO PLANNING COMMISSION

SUBJECT

..Title

Action on Rezone and Variance for the property located at 130 Serena Way

..Report

BACKGROUND

The property owner of 130 Serena Way, George Tsai, is requesting that his property be rezoned from the A Agricultural district to the R1-6L Single Family zoning district and that a Variance be granted to the property for existing structures that would not conform to the R1-6L zoning district standards. Mr. Tsai initiated the current process by submitting a letter to the Planning Division requesting that the Planning Commission initiate a rezoning of his property. On April 11, 2018, the Planning Commission considered and approved the request to initiate the rezone. An excerpt of the Planning Commission meeting minutes of April 11, 2018 is attached.

Subsequently, on June 22, 2018, the owner submitted a formal application requesting issuance of a variance to allow an existing two foot and two inch side yard setback on the north side of the property where a three foot side yard setback is normally required and to allow an existing 648 square foot detached garage when 480 square feet is the maximum allowed for a detached accessory building in R1-6L Zoning District.

The property at 130 Serena Way was annexed into the City in 1969 from the County, and assigned the A - Agricultural zoning designation upon annexation. The City initiated a rezoning to the R1-6L designation in January 1974, but the Project Clearance Committee continued the item for further study due to a question over the imposition of conditions on a City-initiated project. The 1974 City-initiated rezoning was never acted upon and the property retained the A - Agricultural zoning designation.

The property is currently developed with a single-family residence, as are the neighboring properties along both sides of Serena Way. The back yard of the site abuts the Spring Creek Apartments multi-family residential site.

DISCUSSION

The owner's intent for the requested rezone is to establish a zoning district for the property consistent with the existing single-family residential use. Although a single-family residence is a permitted use in the A zone, the A zone development standards place limitations on future improvement of the existing single-family residence including larger setback requirements and preclude development of an accessory dwelling unit. Rezoning to the R1-6L district would facilitate single family residential use of the site consistent with neighboring uses, and allow for expansion of the existing single-family use and future construction of an accessory dwelling unit.

The subject property was constructed in 1947 as a 1,291 square foot single-story residence with a 648 square foot detached garage. The detached garage is set back by

two feet and two inches from the side yard property line to the north. Approval of the rezoning would create a nonconforming side yard setback and detached accessory building area because under the proposed rezoning to R1-6L, a three foot interior side yard setback is required and a detached accessory building cannot exceed 480 square feet.

General Plan and Zoning Conformance:
The General Plan land use designation for the subject property is Medium Density Residential. The project data, aerial map, zoning map, and General Plan map are provided in the attached Project Data Sheet.

The Medium Density Residential designation is intended to support a mix of residential development at a density of 20 to 36 units per acre with access from collector or arterial streets or in close proximity to neighborhood centers and mixed uses. Discretionary Use Policy section 5.5.1-P1 allows application of the next lower density range for smaller residential properties, but the proposed project's density of approximately 5 dwelling units per acre is less than the 8-19 dwelling units per acre density range for Low Density Residential. As a Charter City, Santa Clara is allowed to apply zoning districts that don't directly align with General Plan designations. The subject site is immediately adjacent to single-family residences to the north, south and east and already developed with a single-family residence at a density consistent with the established surrounding neighborhood. While the Spring Creek Apartment community backs up to the west of the property, the existing single-story residence on the property is similar in appearance and character to the other single-family residences along Serena Way.

Given the similarity in scale and character with the established surrounding single-family neighborhood, rezoning the proposed single-family home to the R1-6L district would be consistent with General Plan Transitional Goals and Policies that focus on preserving neighborhood identity, ensuring continuity in design, and providing an appropriate transition between existing land uses in that the proposed rezoning would promote the long-term maintenance of a use of the subject property consistent with adjoining properties. These goals and policies include:

Goal 5.5.2-G2: Preservation of the character of individual neighborhoods.
Goal 5.5.2-G3: New development that is compatible with adjacent existing and planned residential neighborhoods.
Policy 5.5.2-P5: Require that new development provide an appropriate transition to surrounding neighborhoods.
Policy 5.5.2-P6: Adjust new building height, scale and massing along the site perimeter abutting planned lower- intensity uses.

The proposed rezoning was reviewed for consistency with the criteria for rezoning actions established within the City's Zoning Code. The existing Agricultural zoning is inappropriate or inequitable for the project site in that it does not allow similar development standards as single-family residential zoning districts. Rezoning the property to R1-6L would also give the Owner the option of adding an accessory dwelling unit in the future; accessory units are not a permitted use under the existing zoning,

Santa Clara City Code ("SCCC") Chapter 18.08. Further, the proposed zone change will conserve property values, protect or improve the existing character and stability of the area in question, in that the existing building is visually consistent with use as a single-family home and is located within a neighborhood surrounded by mostly single-family residences. The proposed zone change is required by public necessity, public convenience, or the general welfare of the City, in that the proposed zone change supports residential development that is consistent with policies of the General Plan that allow smaller lots of less than half an acre in size to be developed entirely as a residential use to maintain the neighborhood compatibility with surrounding land uses. The rezoning shall not, under the circumstances of the particular case, materially affect adversely the health, safety, peace, comfort or general welfare of persons residing or working in the neighborhood of the applicant's property, and will not be materially detrimental to the public welfare or injurious to property or improvements in said neighborhood, in that the proposal would create a single-story dwelling that is compatible with the City's Single-Family and Duplex Design Guidelines.

The rezoning of the site would create a nonconforming side yard setback and detached accessory building area that would require an approval of a Variance. The City's practice is to require issuance of a Variance in cases where an action initiated by the property owner, such as the requested rezoning, would result in a non-conforming condition. The deficiency of 10 inches and 168 square feet is beyond the 25% variation from the Zoning Code that may be approved administratively and thus requires approval of a Variance by the Planning Commission or City Council. The Variance findings are met and are included in the attached resolution. Given that the Variance is relying upon the approval of the rezoning by Council, the Planning Commission would provide recommendation of the Variance to Council for final action.

Conclusion:
Approval of the proposed rezoning and Variance will be necessary for the preservation and enjoyment of the property, and would not adversely affect the general welfare of the people residing in this neighborhood. The existing building and the proposed single-family use would be compatible in density and character with the surrounding neighborhood.

FISCAL IMPACT

There is no impact to the City for processing the requested application other than administrative staff time and expense typically covered by processing fees paid by the applicant.

ENVIRONMENTAL REVIEW

The action being considered is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15301 (Class 1 - "Existing Facilities") as the activity consists of the permitting of existing private structures involving negligible or no expansion of use beyond that existing at the time of the City's determination.

COORDINATION

This report has been coordinated with the City Attorney's Office.

PUBLIC CONTACT

On October 12, 2018, a notice of public hearing of this item was posted in three conspicuous locations within 300 feet of the project site and mailed to property owners within 300 feet of the project site. Planning Staff has not received public comments for this application.

RECOMMENDATION

..Recommendation

1. Recommend to City Council approval of the rezoning of the property at 130 Serena Way from Agricultural (A) to Single-Family Zoning District (R1-6L) and;
2. Recommend to City Council approval of a Variance for an existing substandard side yard setback of two feet and two inches and a 648 square foot detached accessory building.

..Staff

Reviewed by: Andrew Crabtree, Director of Community Development
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Request Letter for Rezoning
2. Project Data
3. Excerpt of Planning Commission Minutes 4.11.18
4. Development Plans
5. Resolution Recommending Approval of a Variance
6. Resolution Recommending Approval for Rezoning
7. Conditions of Approval

Excerpt of Planning Commission Meeting Minutes of
April 11, 2018 for 130 Serena Way

1.B. 18-420 Request to Initiate Rezoning of 120 and 130 Serena Way
Recommendation: Adopt a resolution of intention to rezone the properties at 120 and 130 Serena Way from Agricultural Zoning District (A) to Single Family Zoning District (R1-6L).

Assistant City Attorney Alexander Abbe stated that a resolution to approve the request to initiate the rezoning for 120 and 130 Serena Way was left out of the packets. He explained that the resolution approves the start of the process and not the project itself. Copies were given to the Commission, staff, and public during the meeting

A motion was made by Commissioner Jain, seconded by Commissioner Kelly, to approve the consent calendar.

Aye: 5 - Chair Ikezi, Commissioner Jain, Commissioner Kelly, Commissioner O'Halloran, Commissioner Saleme.

Absent: 1 - Commissioner Chahal

Project Data

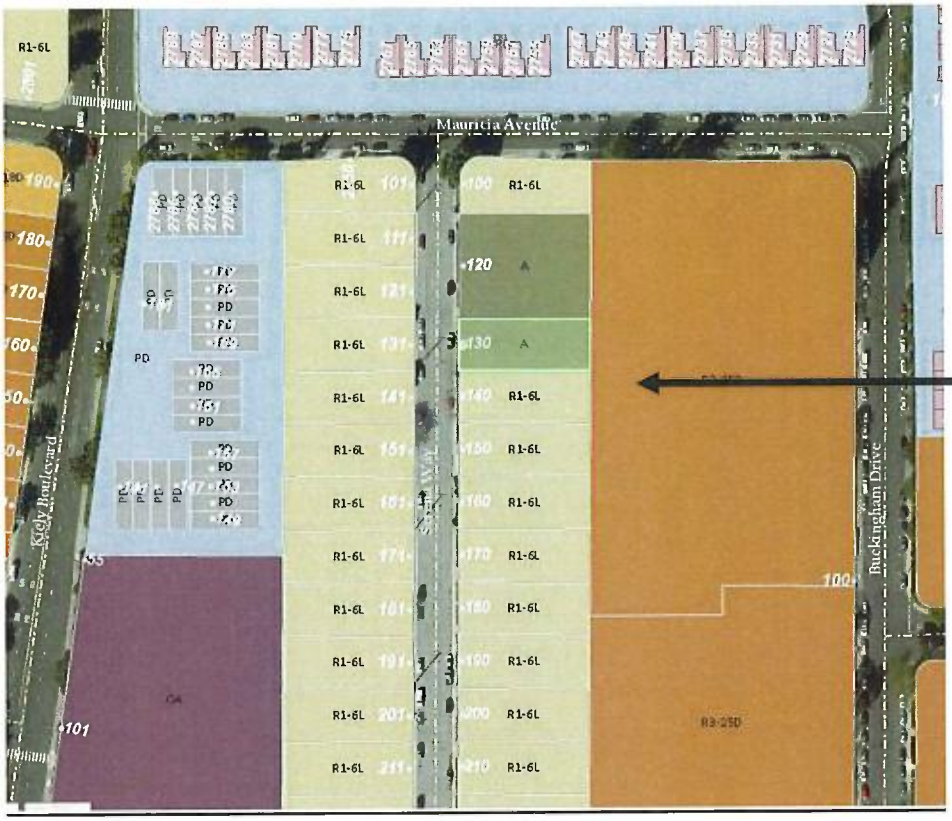
File:	PLN2018-13356
Location:	130 Serena Way, a 8,605 square foot property located at the east of Serena Way, APN: 294-36-017; property is zoned A - Agricultural
Applicant/Owner:	George Tsai
Request:	**Rezone** from A (Agricultural) to R1-6L (Single-family) for the existing single-family residential use and a **Variance** for an existing substandard side yard setback of two feet and two inches and a 648 square foot detached accessory building, which exceed the maximum 480 square feet allowed for a detached residential accessory building.
CEQA Determination:	Categorically Exempt per CEQA Section 15301, Existing Facilities
Project Planner:	Steve Le, Assistant Planner I
Recommendation:	Approve, subject to conditions.

	Existing	Proposed
General Plan Designation	Medium Density Residential	Same
Zoning District	A – Agricultural	Single Family - R1-6L
Lot Size	8,605 sf.	Same
Land Use	Single-family home	Same
Stories / Total Height	One-story	same
Lot Coverage	24.9% (2,146sf)	Same
Parking	Two-car garage	Same

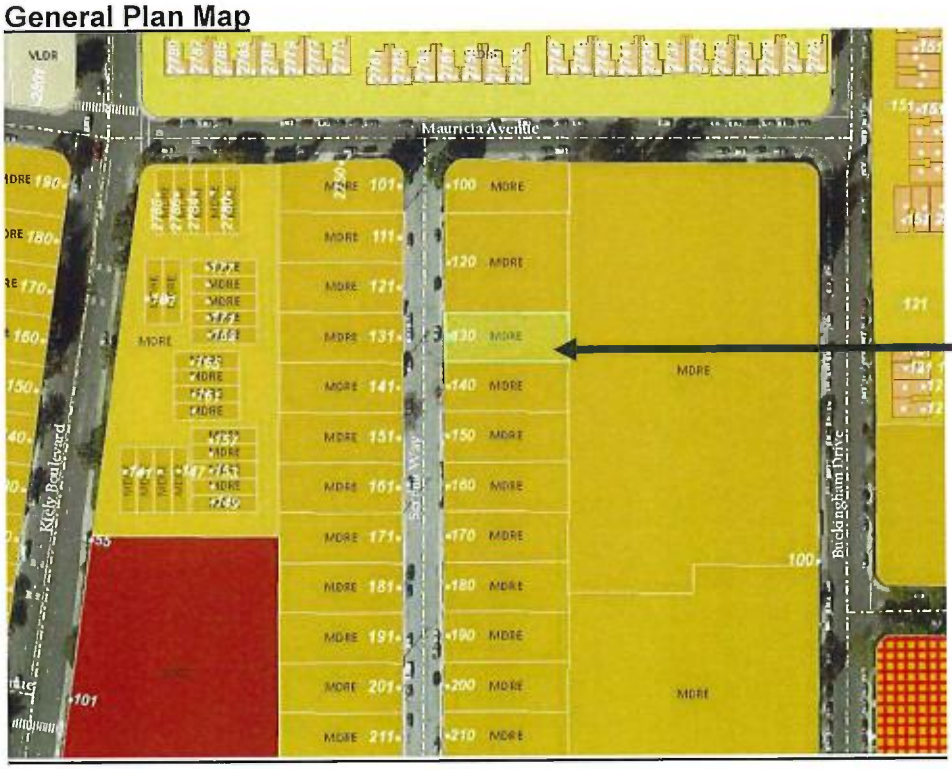
Aerial Map



Zoning Map



General Plan Map



REVIEWED
JUN 22 20[illegible]
BUILDING DIVISION
CITY OF SANTA CLARA

June 20, 2018

City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050

To whom it may concern:

We are writing to call attention to a matter that is currently affecting our family. We have been informed by the Planning Division that our property is designated as Agricultural (A) zoning, and thus, bound by the regulations that are typically reserved to limit density of development and to preserve existing farm lands.

This unusual condition has presented an unique hardship as we attempt to improve our home to accommodate our growing family. A restriction of 15' setback on each side is extremely restrictive and creates practical difficulties as our lot is only 60' in width.

We have consulted architects and have been advised that in order to construct single-story addition to our home, our parcel would require a change in the restrictions that regulate our side yards.

As such, we would like to request the City of Santa Clara to facilitate a rezoning of 130 Serena Way (APN 294-36-017) from A district to R1-6L district.

Sincerely,

George Tsai and Karen Lee
Homeowners - 130 Serena Way, Santa Clara

REVIEWED
BUILDING DIVISION
CITY OF SANTA CLARA

2018 © Kereative Design 6/6/2018 3:00:46 AM Tele: 408.921.0005

PROJECT DATA

130 SERENA WAY, SANTA CLARA, CA 95051

APN: 294-36-017
ZONING: A
LOT SIZE: 8605 SF

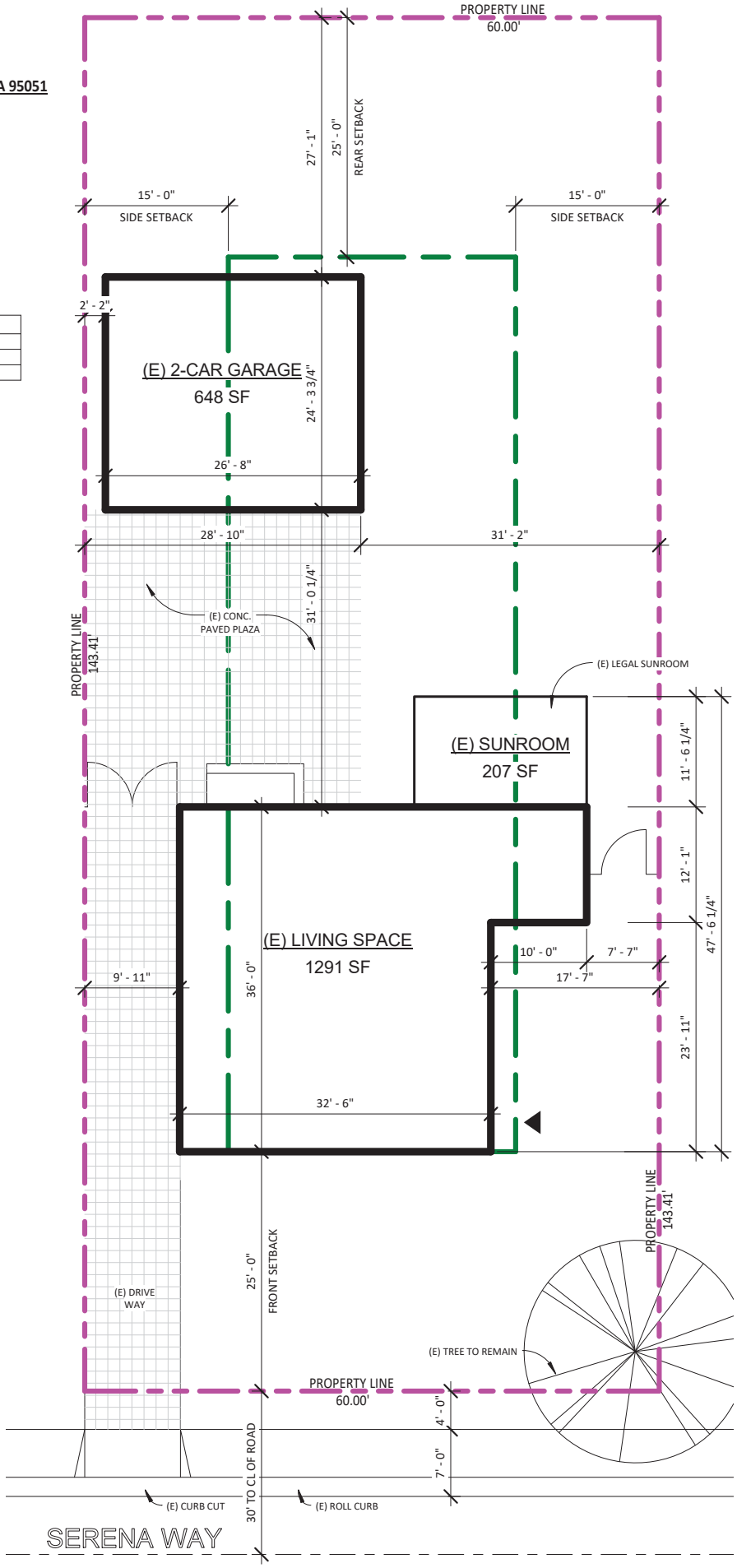
 # OF STORIES: 1
BLDG HEIGHT:

EXISTING USE: SINGLE FAMILY
PROPOSED USE: SINGLE FAMILY
OCCUPANCY GROUP: R3
CONSTRUCTION TYPE: VB

(E) GROSS FLOOR AREA	
(E) LIVING SPACE	1291 SF
(E) 2-CAR GARAGE	648 SF
(E) SUNROOM	207 SF
	2146 SF

EXISTING BUILDING COVERAGE

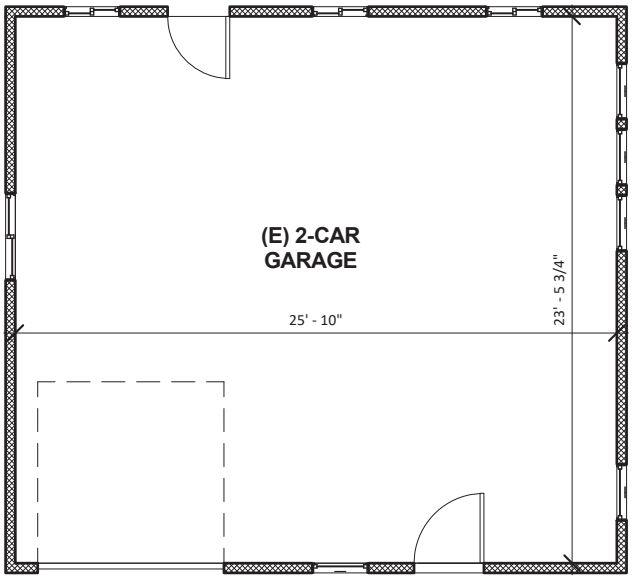
2146 / 8605 = 24.9 % < 40 %

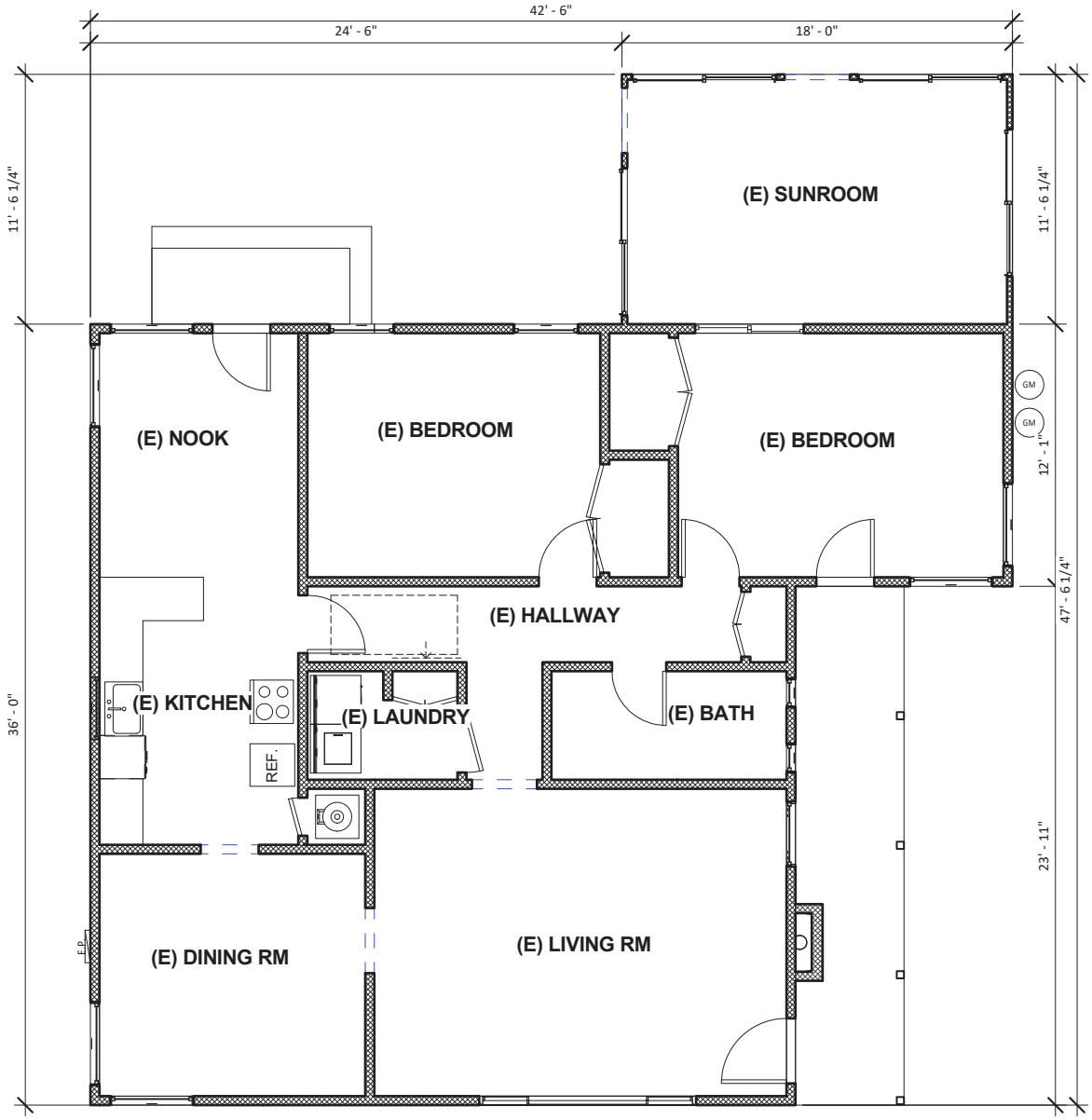


SITE PLAN (EXISTING) - A ZONE

Scale 3/32" = 1'-0"

TSAI RESIDENCE





FLOOR PLAN (EXISTING)

Scale 3/16" = 1'-0"

TSAI RESIDENCE

2018 © Kereative Design 6/6/2018 3:02:05 AM

Tele: 408.921.0005



LEFT VIEW



FRONT VIEW



REAR VIEW



RIGHT VIEW

EXTERIOR PHOTOS (EXISTING)

Scale

TSAI RESIDENCE

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA, APPROVING THE VARIANCE FOR AN EXISTING SUBSTANDARD SIDE YARD SETBACK OF TWO FEET AND TWO INCHES AND A 648 SQUARE FOOT DETACHED ACCESSORY BUILDING FOR THE PROPERTY LOCATED AT 130 SERENA WAY, SANTA CLARA, CALIFORNIA

PLN2018-13356 (Variance)

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS, George Tsai ("Property Owner") filed an application on June 22, 2018 requesting a Rezone from A to R1-6L and a Variance to maintain a two feet and two inches side yard setback to the north and a 648 square foot detached accessory building for the property located at 130 Serena Way (APN: 294-36-017) ("Project Site") in the City of Santa Clara;

WHEREAS, the Project Site is a developed property with a single-family residence and a detached garage, as shown on the attached Development Plans;

WHEREAS, the Project Site is zoned Agricultural (A);

WHEREAS, the General Plan land use designation for the Project Site is Medium Density Residential;

WHEREAS, the existing 648 square foot detached garage backs up to the two feet and two inches side yard setback on the north side;

WHEREAS, *the California Environmental Quality Act ("CEQA"), Public Resources Code § 21000 et seq., requires a public agency to evaluate the environmental impacts of a proposed project. CEQA contains a list of categorical exemptions for projects that are not required to undergo environmental evaluation. Pursuant to CEQA Guidelines section 15301 (Class 1 - "Existing Facilities"), the project is categorically exempt from formal environmental review, as it consists of the permitting of existing private structures involving negligible or no expansion of use beyond that existing at the time of the City's determination*;

WHEREAS, on October 24, 2018, the Planning Commission conducted a duly noticed public hearing to consider the proposed variance, at the conclusion of which, the Planning Commission voted to recommend that the City Council approve the variance;

WHEREAS, on November 16, 2018, the notice of public hearing for the November 27, 2018 meeting date for this item was posted in three conspicuous locations within 300 feet of the Project Site and mailed to all property owners located within 300 feet of the Project Site; and

WHEREAS, on November 27, 2018, the City Council held a duly noticed public hearing to consider the Variance application, during which the City Council invited and considered any and all verbal and written testimony and evidence offered in favor of and in opposition to the proposed Variance application.

NOW THEREFORE, BE IT FURTHER RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. That the City Council hereby finds that the above Recitals are true and correct and by this reference makes them a part hereof.

2. That the City Council hereby approves the Variance to allow a two feet and two inch side yard setback on the north side of the Project Site and a 648 square foot detached garage where a three foot side yard setback is required and 480 square foot is the maximum allowed size for a detached accessory building in a R1-6L zone.

3. That pursuant to SCCC Section 18.108.040, the City Council determines that the following findings exist for approval of the Variance:

A. That there are unusual conditions applying to the land or building which do not apply generally in the same district, in that the location of the detached garage was constructed along with the primary residence in 1947 and a Variance is required at this time due to the implementation of the R1-6L development standards for setback and maximum allowable area for a detached accessory building.

B. That the granting of the Variance is necessary for the preservation and enjoyment of substantial property rights of the Property Owner in that maintaining the pre-existing location and size of the detached garage reasonably meets personal family needs.

C. That the granting of such Variance, under the circumstances of the particular case, will not materially affect adversely the health, safety, peace, comfort, or general welfare of persons residing or working in the neighborhood of the Property Owner's property, and will not be materially detrimental to the public welfare or injurious to property or improvements in said neighborhood, in that the proposed Project is compatible in layout and appearance of homes in the surrounding neighborhood.

D. That the approval of the Variance is in keeping with the purpose and intent of the Zoning Ordinance, in that the proposed Project would provide and maintain on-site parking on the driveway and in the existing garage as current conditions.

4. Effective date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE 27th DAY OF NOVEMBER, 2018, BY THE FOLLOWING VOTE:

AYES:	COUNCILORS:
NOES:	COUNCILORS:
ABSENT:	COUNCILORS:
ABSTAINED:	COUNCILORS:

ATTEST: _____
NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments Incorporated by Reference:
1. Conditions of Approval
2. Development Plans

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA, APPROVING THE REZONING FROM AGRICULTURAL (A) TO SINGLE FAMILY ZONING DISTRICT (R1-6L) FOR THE PROPERTY LOCATED AT 130 SERENA WAY, SANTA CLARA

PLN2018-13356 (Rezone)

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS, George Tsai ("Property Owner") filed an application on June 22, 2018 requesting a Rezone from A to R1-6L to allow a consistent zoning district for the existing single-family residential use located at 130 Serena Way (APN: 294-36-017) ("Project Site") in the City of Santa Clara;

WHEREAS, the Project Site is a developed property with a single-family residence, as shown on the attached Development Plans;

WHEREAS, the Project Site is zoned Agricultural (A);

WHEREAS, the California Environmental Quality Act ("CEQA"), Public Resources Code § 21000 *et seq.*, requires a public agency to evaluate the environmental impacts of a proposed project. CEQA contains a list of categorical exemptions for projects that are not required to undergo environmental evaluation. Pursuant to CEQA Guidelines section 15301 (Class 1 - "Existing Facilities"), the project is categorically exempt from formal environmental review, as it consists of the permitting of existing private structures involving negligible or no expansion of use beyond that existing at the time of the City's determination;

WHEREAS, SCCC Sections 18.112.030 and 18.112.040 require that the Planning Commission hold a public hearing and provide a recommendation on any rezoning request prior to City Council action;

WHEREAS, on October 24, 2018, the Planning Commission held a duly noticed public hearing to consider the rezoning application, at the conclusion of which, the Planning Commission voted to recommend that the City Council approve the rezoning;

WHEREAS, on November 16, 2018, the notice of public hearing for the November 27, 2018 meeting date for this item was posted in three conspicuous locations within 300 feet of the Project Site and mailed to all property owners located within 300 feet of the Project Site; and

WHEREAS, on November 27, 2018, the City Council held a duly noticed public hearing to consider the Rezone application, during which the City Council invited and considered any and all verbal and written testimony and evidence offered in favor of and in opposition to the proposed Rezone application.

NOW THEREFORE, BE IT FURTHER RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. That the City Council hereby finds the above Recitals are true and correct and by this reference makes them a part thereof.

2. That the City Council hereby approves the rezoning from Agricultural (A) to Single Family Zoning District (R1-6L) for the property located at 130 Serena Way to allow a consistent zoning district for the existing single-family residential use at the Project Site.

3. That pursuant to SCCC Chapter 18.112.050, the City Council determines that the following findings exist in support of the rezoning:

A. The existing zoning is inappropriate or inequitable in that, the existing zoning for the Project Site require more restrictive standards than the R1-6L for single-family residential dwelling.

B. The proposed zone change will conserve property values, protect or improve the existing character and stability of the area in question, in that the existing building is visually consistent with use as a single-family home within a neighborhood surrounded predominantly by single family residences.

C. The proposed zone change is required by public necessity, public convenience, or the general welfare of the City, in that the proposed zone change provides residential development that is consistent with surrounding land uses.

D. That the rezoning shall not, under the circumstances of the particular case, materially affect adversely the health, safety, peace, comfort or general welfare of persons residing or working in the neighborhood of the applicant's property, and will not be materially detrimental to the public welfare or injurious to property or improvements in said neighborhood, in that the proposal would maintain the existing single-family residence that is consistent with the City's Single-Family and Duplex Design Guidelines.

4. Effective date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE 27th DAY OF NOVEMBER, 2018, BY THE FOLLOWING VOTE:

AYES: COUNCILORS:

NOES: COUNCILORS:

ABSENT: COUNCILORS:

ABSTAINED: COUNCILORS:

ATTEST: _____
NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments Incorporated by Reference:
1. Conditions of Approval
2. Development Plans

CONDITIONS OF APPROVAL
130 Serena Way
PLN2018-13356

In addition to complying with all applicable codes, regulations, ordinances and resolutions, the following **conditions of approval** are recommended:

GENERAL

G1. If relocation of an existing public facility becomes necessary due to a conflict with the developer's new improvements, then the cost of said relocation shall be borne by the developer.

G2. Comply with all applicable codes, regulations, ordinances and resolutions.

ATTORNEY'S OFFICE

A1. The Developer agrees to defend and indemnify and hold City, its officers, agents, employees, officials and representatives free and harmless from and against any and all claims, losses, damages, attorneys' fees, injuries, costs, and liabilities arising from any suit for damages or for equitable or injunctive relief which is filed by a third party against the City by reason of its approval of developer's project.

COMMUNITY DEVELOPMENT

C1. Obtain required permits and inspections from the Building Official and comply with the conditions thereof.

C2. Applicant shall conform to all development standards under R1-6L, Single-family Zoning District.

ENGINEERING

E1. Obtain site clearance through Engineering Department prior to issuance of Building Permit. Site clearance will require payment of applicable development fees. Other requirements may be identified for compliance during the site clearance process. Contact Engineering Department at (408) 615-3000 for further information.

E2. All work within the public right-of-way and/or public easement, which is to be performed by the Developer/Owner, the general contractor, and all subcontractors shall be included within a Single Encroachment Permit issued by the City Engineering Department. Issuance of the Encroachment Permit and payment of all appropriate fees shall be completed prior to commencement of work, and all work under the permit shall be completed prior to issuance of occupancy permit.

ELECTRICAL

EL1. The developer shall grant to the City, without cost, all easements and/or right of way necessary for serving the property of the developer and for the installation of utilities (Santa Clara City Code chapter 17.15.110).

EL2. All trees, existing and proposed, shall be a minimum of five (5) feet from any existing or proposed Electric Department facilities. Existing trees in conflict will have to be removed. Trees shall not be planted in PUE's or electric easements.

EL3. Any relocation of existing electric facilities shall be at Developer's expense.

EL4. All existing SVP facilities, onsite or offsite, are to remain unless specifically addressed by SVP personnel by separate document. It is the Developers responsibility to maintain all clearances from equipment and easements. Developer to contact SVP outside of the PCC process for clear definitions of these clearance requirements. Developer should not assume that SVP will be removing any existing facilities without detailed design drawings from SVP indicating potential removals. Simply indicating that SVP facilities are to be removed or relocated on conceptual plans does not imply that this action has been approved by SVP.

18-835 **Agenda Date: 11/27/2018**

REPORT TO COUNCIL

SUBJECT

Action on Agreements with Finish Line Towing Incorporated, Lima Towing, and Unique Towing for towing services and Amendment of the FY 2018-19 Municipal Fee Schedule regarding Towing Rates

BACKGROUND

The Police Department manages three Agreements with Finish Line Towing Incorporated, Lima Towing, and Unique Towing for towing services on behalf of the City of Santa Clara (City) to mitigate blight, reduce fire hazards, and address hazards to health, safety, and general welfare. The current agreements, as amended, expire on December 31, 2018.

The tow operators are compensated for their services by collecting towing and storage fees; revenues collected at vehicle lien sales for abandoned vehicles, and scrap metal costs for vehicles that cannot be sold and are recycled.

DISCUSSION

In order to prepare for successor towing agreements, staff notified approximately twenty (20) South Bay tow service operators of a Request for Information (RFI) meeting on July 27, 2018. The purpose of the meeting was to explore the possibility of increasing the number of tow operators, discuss areas where service levels can be improved, and discuss issues affecting the tow industry that are negatively impacting the operators' ability to perform the required services at reasonable profit levels.

Three tow service operators, Finish Line Towing Incorporated, Lima Towing, and Unique Towing, participated in the meeting. At the meeting, the terms of the current Agreement between the City and tow service operators were discussed and changes in the towing industry were shared. The largest area of concern was the increasing number of recreational vehicle and abandoned vehicle tows, and the significant expense to tow, clean, dismantle, and dispose of these vehicles that have little or no resale or scrap value.

A follow-up meeting was conducted on August 31, 2018, in response to the discussion at the July 27, 2018 meeting. At this meeting, several changes to the agreement were proposed with the goal of addressing lost profits due to recreational and abandoned vehicle tows and improving the overall service delivery model.

As mentioned above, only the three incumbent operators participated in the RFI process even though considerable outreach was done to encourage participation from more operators. As a result, Staff determined that additional outreach efforts or conducting a competitive process would not be of any value. Therefore, a draft tow service Agreement was sent to each of the operators on September 27, 2018, with a request for comments by October 5, 2018.

The tow service Agreements with Finish Line Towing Incorporated, Lima Towing, and Unique Towing being presented to City Council have a five (5) year term, through December 31, 2023, and incorporate the following adjustments as compared with the current Agreement:

- Reimburse the operators for towing and disposing of Recreational Vehicles (RV's), Cab-Over Campers, Motor Homes (on wheels) and open trailers; create a separate rotational tow list for such vehicles; and set a flat fee of $1,500 per vehicle for performing this service;
- Increase tow rates, service call costs, extraordinary service tows, storage fees, and after hours gate charges as detailed below;
- Allow the City to add a tow service operator(s) at any time during the term of the Agreements;
- Modify the suspension and termination clause and eliminate the tow service provider appeal procedure;
- Allow for the tow service provider to request relocation of its primary and/or secondary storage facilities to outside the City of Santa Clara with permission from the Police Department, in accordance with the Vehicle Code;
- Update the requirement of each Contractor to provide an annual list of all drivers and proof of Controlled Substance and Alcohol Testing enrollment;
- Do not include the annual fee for tow driver's permit renewal with the City;
- Adjust the conviction disqualifier to within five (5) years of the application; and
- An escalator clause allowing for rate adjustments on November 1, annually, not to exceed the Consumer Price Index for All Urban Consumers (Current Series) for the San Francisco-Oakland-Hayward, California region, not seasonally adjusted.

The new schedule of rates and charges as recommended for approval by adoption of the attached resolution includes the following. In 2014, the rates were adjusted for the last time. Therefore, the basic tow rate was increased by $10, or less than 5%, from $215 to $225. The other rate increases are mostly minimal.

Description	**Rate**
Basic Tow	$225.00 per tow
Service call where towing is found not to be necessary, for each period of fifteen (15) minutes, or portion thereof	
Class "A" regular duty tow-trucks:	$56.25 per quarter hour
Class "B" medium duty tow-trucks:	$107.50 per quarter hour
Class "C" heavy duty tow-trucks:	$137.50 per quarter hour
Class "D" heavy duty tow-trucks:	$150.00 per quarter hour
Extraordinary Services Tows	
Class "A" regular duty tow-trucks:	$225/hr.
Class "B" medium duty tow-trucks:	$430/hr.
Class "C" heavy duty tow-trucks:	$550/hr.
Class "D" heavy duty tow-trucks:	$550/hr.
Storage fee for passenger vehicles, motorcycles, vans and light trucks (per day).	

Per Space, Outside	$90.00
Per Space, Indoors	$95.00
After Hours Gate Fee - for the release of a vehicle one hour after SCPD desk closes until the desk reopens.	$85.00
Recreational Vehicle, Motor Home (on wheels), and Cab-Over Camper	$1500.00 flat fee each

The Agreements also require that the Contractor shall display in its place of business in clear view of all patrons and in language acceptable to the Chief of Police, the following:

- A listing of the Tow Rates and Fees;
- A listing of the Gate Fee and when it can be charged;
- A listing of the Lien Sale Application Fee and when it can be charged;
- The name and telephone number of the S.C.P.D. Tow Liaison.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a “project” within the meaning of a California Environmental Quality Act (“CEQA”) pursuant to the CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

The City of Santa Clara Municipal Fee Schedule currently charges $145 per Tow Driver Application, plus fingerprinting. In addition, there is an annual $47 renewal fee. The elimination of the annual renewal fee for tow driver’s has less than a $500 impact in revenue to the General Fund.

The maximum compensation paid to each Contractor for towing of RVs shall not exceed $50,000 over the entire term of the contract (5 years), subject to City Council budget appropriations.

COORDINATION

This report has been coordinated with the Finance Department, Police Department, and the City Attorney’s Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk’s Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

1. Approve and authorize the City Manager to execute an Agreement for towing services with Finish Line Towing Incorporated, Lima Towing, and Unique Towing;
2. Authorize the City Manager to add a tow service operator(s) at any time during the term of the Agreement using a substantially similar form of agreement; and
3. Authorize the City Manager to make minor modifications to the Agreement, including rate adjustment(s), if necessary, subject to the appropriation of funds.

4. Adopt a resolution to amend the 2018-19 Municipal Fee Schedule to eliminate the annual Tow Driver Renewal Fee, adopt new tow fees and charges, and authorize annual Consumer Price Index adjustments of these tow fees and charges.

Reviewed by: Michael J. Sellers, Chief of Police
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS
1. Agreement with Finish Line Towing Incorporated
2. Agreement with Lima Towing
3. Agreement with Unique Towing
4. Resolution Amending the 2018-19 Municipal Fee Schedule to Eliminate the Tow Driver Renewal Fee and adopting new tow fees and charges and an annual CPI escalator

AGREEMENT FOR SERVICES BY AND BETWEEN THE CITY OF SANTA CLARA, CALIFORNIA, AND FINISH LINE TOWING

PREAMBLE

This Agreement is entered into between Finish Line Towing, a California corporation, ("Contractor"), and the City of Santa Clara, California, a chartered California municipal corporation ("City"). City and Contractor may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement."

RECITALS

A. City requires the services of Contractor for the purpose of providing tow services for the removal of disabled, abandoned, and illegally parked motor vehicles, as well as a variety of police initiated vehicle tow requirements; and,

B. Chapter 10.10 of "The Code of the City of Santa Clara, California" ("Code") provides for *the removal of abandoned, wrecked, dismantled or inoperative vehicles, or parts thereof*; and,

C. City requires the establishment of a clear and concise tow policy to alleviate controversy among tow company operators and to minimize the complaints made to the City from members of the public at large and the owners of the specific motor vehicles involved; and,

D. Contractor represents that it, and its subcontractors, if any, have the professional qualifications, expertise, necessary licenses and desire to provide certain goods and/or required services of the quality and type which meet objectives and requirements of City; and,

E. The Parties have specified herein the terms and conditions under which such services will be provided and paid for.

The Parties agree as follows:

AGREEMENT TERMS AND CONDITIONS

1. AGREEMENT DOCUMENTS

The documents forming the entire Agreement between City and Contractor shall consist of these Terms and Conditions and the following Exhibits, which are hereby incorporated into this Agreement by this reference:

Exhibit A – Police Department Initiated Tows

Exhibit B – Non-Police Initiated Tow Services

Exhibit C – Schedule of Fees, Tow Rates and Charges

Exhibit D – Insurance Requirements

This Agreement, including the Exhibits set forth above, contains all the agreements, representations and understandings of the Parties, and supersedes and replaces any previous agreements, representations and understandings, whether oral or written. In the event of any inconsistency between the provisions of any of the Exhibits and the Terms and Conditions, the Terms and Conditions shall govern and control.

2. TERM OF AGREEMENT.

Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by a written amendment to this Agreement, the term of this Agreement shall begin on January 1, 2019 and terminate on December 31, 2023.

3. VEHICLE TOWING BY CONTRACTOR.

As material consideration to City for entering into this Agreement, Contractor shall provide:

(a) prompt tow service for vehicles involved in collisions or disabled by any other cause, or abandoned in public places or on private property, regardless of the type or condition of the vehicle;

(b) removal from the street of all debris resulting from collisions;

(c) safety and security of vehicles towed and the contents thereof;

(d) lawful conduct of lien sales or other disposal of such vehicles.

City is interested only in the results obtained by Contractor in the performance of Services hereunder. The manner and means of conducting tow service will be under the sole control of Contractor, so long as Contractor abides by the provisions of this Agreement and any applicable local, state and federal legislation.

Contractor agrees to tow any or all vehicles as requested by City, to conduct lien sales, and to dispose of said vehicles pursuant to all applicable local, state and federal laws, at Contractor's sole cost and expense. CONTRACTOR SHALL ACCEPT ANY AND ALL REQUESTS FOR SERVICE. It shall tow the vehicle assigned to it by the Public Safety Officer or Public Safety employee at the scene and is responsible for providing prompt service and/or removal of any vehicle regardless of age, size, value, or condition.

City shall have the right to require Contractor to tow vehicles from any location within the City subject to the procedures set forth in this Agreement. Contractor shall be fully responsible for conducting all categories of service set forth below. City reserves the right to make any contractual or other arrangements concerning vehicle tows as City deems necessary without incurring any liability or obligation to Contractor.

4. QUALIFICATIONS OF CONTRACTOR - STANDARD OF CARE

Contractor represents and maintains that it has, and its individual employees or agents have, the expertise in the professional calling necessary to perform the Services, and its duties and obligations, expressed and implied, contained herein, and City expressly relies upon Contractor's representations regarding its skills and knowledge. This includes all applicable licenses and certifications; Contractor and its employees shall maintain in good standing all applicable licenses and certifications during the term of this Agreement. Contractor shall perform such Services and duties in conformance to and consistent with the professional standards of a specialist in the same discipline in the State of California.

5. COMPLIANCE WITH LAWS

Contractor shall comply with all applicable laws and regulations of the federal, state and local government, including but not limited to "The Code of the City of Santa Clara, California" ("SCCC"). In particular, Contractor's attention is called to the regulations regarding Campaign Contributions (SCCC Chapter 2.130), Lobbying (SCCC Chapter 2.155), Minimum Wage (SCCC Chapter 3.20), Business Tax Certificate (SCCC section 3.40.060), and Food and Beverage Service Worker Retention (SCCC Chapter 9.60), as such Chapters or Sections may be amended from time to time or renumbered. Additionally, Contractor has read and agrees to comply with City's Ethical Standards (http://santaclaraca.gov/home/showdocument?id=58299).

6. MONITORING OF SERVICES.

City may monitor the Services performed under this Agreement to determine whether Contractor's operation conforms to City policy and to the terms of this Agreement. City may also monitor the Services to be performed to determine whether financial operations are conducted in accord with applicable City, county, state, and federal requirements. If any action of Contractor constitutes a breach, City may terminate this Agreement pursuant to the provisions described herein.

7. CATEGORIES OF TOWING SERVICES.

By entering into this Agreement, Contractor shall be placed on the City Tow Service List ("City Tow Service List") maintained by City for various types of towing services. City shall have absolute discretion in initially determining, and subsequently modifying, its Tow Service List. City shall not be required to dispatch Contractor to any minimum number of tow calls per month, or during any other period, during the term of this Agreement. As a result of being placed on City Tow Service List, Contractor shall provide the tow service activities set forth under this Agreement including police-initiated tows, abandoned vehicle tows, voluntary tows and debris removal, as follows:

A. Police-Initiated Tows

Police-initiated tow services may result from a variety of police activities, including accident investigations and cleanup, impounds, criminal investigations, and other law enforcement activities. Contractor shall be placed on two City of Santa Clara Police Department ("S.C.P.D.") rotating schedules and shall be held to strict response time standards. Rotation Schedule A is for the towing of

Recreational Vehicles (RV's), Cab-Over Campers, Motor Homes (on wheels), and open trailers. Rotation Schedule B is for all other vehicle tows. The terms and conditions of this Agreement, which apply to the contractors listed on the City Tow Service List, are set forth in Exhibit A, attached hereto and incorporated herein by reference. Any contractor that responds to police-initiated tow services requests shall also be required to provide service required for abandoned vehicle tow services and City's "Voluntary Tow Program," as defined in this Agreement.

B. Abandoned Vehicle Tows

This service category includes tow contractors that must be available to provide tow services within the jurisdictional limits of City resulting from tow service requests originating from City's Police Department on a rotating basis. Excluding weekends, tow contractors shall provide tow service to remove abandoned, wrecked, dismantled, or inoperative vehicles that are located in the jurisdictional limits of City within a 25-minute period of time. Regular hours of operations for this service would be Monday through Friday 8:00 AM to 5:00 PM. Tow contractors whose names are on the City Tow Service List shall be placed on the S.C.P.D. rotating schedules. The terms and conditions of this Agreement, which apply to the contractors that provide tow service to remove abandoned, wrecked, dismantled, or inoperative vehicles are set forth in Exhibit B, attached hereto and incorporated herein by reference.

C. Voluntary Tow Program

In an effort to assist City's citizens in the abatement of unwanted vehicles, City has established a "Voluntary Tow Program." S.C.P.D. will manage the program and notify Contractor for the removal and disposal of vehicles relinquished by parties holding title or proof of ownership accepted by S.C.P.D. Contractor agrees to provide tow services on a rotational basis for this program, as set forth in Exhibit B.

D. Debris Removal Service

This service is specifically for vehicle debris removal from scenes not related to police-initiated tows pursuant to Section 7(A). Contractor agrees to provide this service on a rotational basis at the request of the S.C.P.D., as set forth in Exhibit A.

8. PERFORMANCE OF SERVICES.

Contractor shall perform all requested services in an efficient and expeditious manner. Contractor shall be as fully responsible to City for the acts and omissions of its subcontractors, and of persons either directly or indirectly employed by them, as Contractor is for the acts and omissions of persons directly employed by it. Contractor will perform all services in a safe manner and in accordance with all federal, state and local operation and safety regulations.

9. FEES, TOW RATES AND CHARGES.

In consideration for entering into this Agreement with City, Contractor agrees to accept the payments, and to charge rates and charges no greater than the SCHEDULE OF FEES, TOW RATES AND CHARGES for any of the various tow services provided under this Agreement, as set forth in Exhibit C attached hereto and incorporated herein by reference. The maximum compensation paid to Contractor under this Agreement shall not exceed fifty thousand ($50,000.00) dollars, subject to budget appropriations, which includes all payments that may be authorized for Services and for expenses, supplies, materials and equipment required to perform the Services. All work performed or materials provided in excess of the maximum compensation shall be at Contractor's expense. Contractor shall not be entitled to any payment above the maximum compensation under any circumstance without a fully executed Amendment, as described in this Agreement.

Any charges that are billed to the City must be submitted no later than thirty days (30) days from the day the vehicle is towed by the tow company. The City will not be responsible for any billings which occur after this time frame.

Contractor shall be responsible for the collection of payment from a customer of any charge for services rendered. Requests for payments shall be made to the registered owner of the vehicle or legal representative, and no cost or expense, or any part thereof, shall be charged against the City, unless otherwise explicitly set forth in this Agreement.

10. ACCEPTANCE OF ADDITIONAL TOW COMPANIES.

A. In its sole discretion, the City may add tow operators to the City Tow Service List at any time during the term of this Agreement, subject to the same terms and conditions.

11. WAIVER OF CLAIMS.

A. Contractor, as a material part of the consideration to be rendered to City under this Agreement, hereby waives all claims or causes of action against City, its officers, agents, or employees which it may now or hereafter have for any loss or damage to the property of, or injury or damage to Contractor, its officers, employees, agents, contractors or any other person, from any cause or causes arising at any time because of any activity carried on pursuant to this Agreement, except as may arise from the sole active negligence or sole willful act of City, its officers, agents, or employees.

B. Contractor also agrees to waive any claim or cause of action against other tow operators who, at City's request or direction, conduct any type of police-initiated tow.

12. STANDARDS OF SERVICE.

A. All of Contractor's officers, agents, or employees who engage in performance of this Agreement with City on behalf of Contractor shall conduct themselves in a courteous and professional manner to City personnel and to members of the public.

B. Contractor shall require that all of Contractor's employees who serve the public wear an identifiable uniform and/or company shirt or jacket that includes, but is not limited to, Contractor's name, logo, and employee's name. Contractor shall also require that drivers maintain acceptable personal hygiene and regular maintenance of their uniform. Nothing in this Agreement shall preclude Contractor from establishing a dress code or similar rules to regulate the appearance of their employees.

C. Contractor agrees to accept, from any party whose vehicle has been towed pursuant to this Agreement, any of the following means of payment for the tow service charges: United States currency or credit cards. Appropriate credit card equipment must be located on the premises and available for immediate processing from each tow truck. In addition, a person operating or in charge of the storage facility shall have sufficient funds on the premises to accommodate and make change for a reasonable monetary transaction.

13. RECORDS/REPORT TO CITY.

Contractor shall at all times make all reasonable efforts to maintain accurate and complete records of each City-initiated tow received. These records shall contain all of the following information:

A. Name, address, and phone number of person whose vehicle was towed;

B. Vehicle identification number, license plate number, make, year, model, and color of each vehicle towed;

C. Date and time tow request was received and date and time of response;

D. Location from which vehicle was towed, and name or number of driver assigned to each tow;

E. Reason for tow, whether accident, impound, or other reason;

F. Date and time of release for each vehicle;

G. Name, address, and identification (i.e., driver's license) of party to whom vehicle was released;

H. All fees or charges connected with each tow, showing specifically tow, storage, use of dolly or drive-line labor, and lien sale in addition to the total of such charges or fees;

I. Date that charges were paid; and

J. Date and time vehicle was placed in tow storage facility.

Contractor shall, at a minimum, maintain the following information for each Employee: (a) Full legal name; (b) Date of birth; California driver's license number; (c) Copy of valid medical certificate (if required); (d) Job title/description; (e) Current home address; (f) Current home phone number; (g) Type(s) of truck(s) the driver(s) has/have been trained to operate; (h) Current Pull Notice as required by California Vehicle Code section 1808.1.

14. RIGHT OF CITY TO INSPECT RECORDS OF CONTRACTOR.

City, through its authorized employees, representatives or agents, shall have the right, during the term of this Agreement and for four (4) years from the date of final payment for goods or services provided under this Agreement, to audit the books and records of Contractor for the purpose of verifying any and all charges made by Contractor and all revenue and income arising out of Contractor's operation under this Agreement, including termination of Contractor. Contractor agrees to maintain sufficient books and records in accordance with generally accepted accounting principles to establish the correctness of all charges submitted to City. Any expenses not so recorded shall be disallowed by City. Contractor shall bear the cost of the audit if the audit determines that there has been a substantial billing deviation in excess of five (5) percent adverse to the City.

Contractor shall submit to City any and all reports concerning its performance under this Agreement that may be requested by City in writing. Contractor agrees to assist City in meeting City's reporting requirements to the State and other agencies with respect to Contractor's services hereunder.

15. TERMINATION / SUSPENSION OF CONTRACTOR.

A. In addition to all other remedies provided by law, and except as set forth in paragraph C below, if Contractor fails to perform any of its obligations under this Agreement City shall have the right to suspend or terminate this Agreement as follows:

1st violation: Written warning.

2nd violation: One week suspension from all rotation lists.

3rd violation in a twelve month period following the first violation: Two week suspension from all rotation lists.

4th violation: in a twelve month period following the first violation: Four week suspension from all rotation lists.

5th violation in a twelve-month period following the first violation: Termination of agreement

B. The Chief of Police may suspend Contractor for any period of time, or terminate the Agreement entirely, effective immediately, if the Chief determines that there is a threat to public safety.

C. During the time period of temporary suspension from the rotation schedules, City shall not make any tow requests to Contractor. Upon expiration of the time period of suspension or upon satisfaction of the conditions set for the termination of the suspension, Contractor shall again be placed on the City Tow Service List rotation schedule and all the terms and conditions of this Agreement shall remain in effect and unchanged.

D. A written notice of suspension or termination shall be personally served upon Contractor, or on any person employed in the place where the business in question, or activity, is maintained. If personal service cannot be accomplished as provided herein, a copy of such notice may be served by certified mail. Service shall be deemed complete when personal service is made or when the U.S. Postal Service delivers the certified letter.

16. REQUIRED LICENSE AND EQUIPMENT.

A. At all times during this Agreement, Contractor shall maintain a current City business license to operate in the City of Santa Clara, and at least five (5) tow trucks equipped with operable two-way radios with the capability of communicating with their own dispatching service. The tow trucks must be registered in the name of the tow company owner. Each tow truck must be equipped as required by the California Vehicle Code. City reserves the right to inspect all tow vehicles for required equipment without notice.

B. The tow trucks shall display, in lettering directly affixed to each door by painting, decal, or other permanent lettering, Contractor's business name and address, and the phone number of the primary office facility and storage lot referred to in Section 16, below. Contractor shall not, while conducting any police-initiated tow, display any other magnetic sign or other temporary sign at any place on a tow truck utilized in the conducting of police-initiated tows with the intent to deceive any party whose vehicle is being towed.

17. VEHICLE REMOVAL WITHOUT AUTHORITY.

If, upon an investigation as to the validity of S.C.P.D.'s removal of a vehicle, it is determined that a vehicle was towed in error or without cause, City will be responsible for the full tow charges.

18. STORAGE FACILITIES

A. At all times during the performance of this Agreement, Contractor shall maintain, construct, and utilize vehicle storage facilities in compliance with all applicable

City zoning and land use ordinances, codes, and regulations, and with all conditions set forth in all permits as may be required by City.

B. Contractor shall maintain its primary storage lot within the jurisdictional limits of the City of Santa Clara. During the term of this Agreement, Contractor may request re-location of its primary lot outside the jurisdictional limits of the City of Santa Clara. Such requests shall be made in writing, and in accordance with Vehicle Code 22658, and consent shall be granted at the sole discretion of the Chief of Police. Primary storage facilities shall be maintained to the satisfaction of the Chief of Police, or his/her designee, who may cause them to be inspected from time to time to ensure that they meet the following requirements:

i. Contractor's primary lot must be sufficiently large to store at least twenty-five (25) automobiles. The primary lot must be enclosed by fencing that complies with all applicable City ordinances and regulations. The primary lot must be available twenty-four (24) hours a day, seven (7) days a week for storage of vehicles towed pursuant to this Agreement. Vehicles requiring special handling or held for investigation shall be stored in an enclosed area if requested by the investigating officer and will not be removed until authorized by the concerned investigator. The primary lot shall include an enclosed building large enough to store at least four (4) vehicles. Contractor shall provide security at the primary lot to the reasonable satisfaction of the Chief of Police. Reasonable security shall include a minimum of (a) adequate lighting during hours of darkness; (b) full security camera coverage of the yard; and (c) security camera coverage of the interior of the office. Resultant security videos shall be maintained by Contractor for a time period of up to sixty (60) days and, upon request, access made available for the Chief of Police or designee.

ii. Contractor must maintain a primary office facility at the primary storage lot. Contractor shall have an employee at the primary office facility twenty-four (24) hours a day, seven (7) days a week, or have an employee available who can arrive at the primary office facility within sixty (60) minutes of a police or citizen request, in order to assure that a citizen may claim his or her vehicle at any time and to properly protect police impounded vehicles.

iii. Contractor shall provide the company's policy and procedure regarding the removal, inventory, storage, and notification to owner of personal property to the Chief of Police for his or her approval.

C. All police-impounded vehicles, stored vehicles, vehicles held for investigation, and recovered vehicles shall be stored in the primary lot and shall not be moved until authorized by the Chief of Police, or designee. City shall pay storage fees as set forth in Exhibit C. After fifteen (15) days, Contractor shall notify the City that the vehicle is still in impound/storage. Vehicles with holds placed on them by S.C.P.D. shall not be lien sold; however, Contractor may file for a lien but not complete the lien until the hold is removed.

D. Contractor may maintain secondary lots outside the jurisdictional limits of the City of Santa Clara. The secondary lots shall be maintained to the satisfaction of the Chief of Police or designee, who may cause them to be inspected from time to time. Contractor may tow and store abandoned vehicles at such a secondary lot . Said storage facilities shall be subject to compliance with the applicable City codes and regulations of the City in which said facilities are located. The towing and storage of vehicles under this Agreement at any such storage facilities outside the jurisdictional boundaries of the City must comply with all applicable laws and regulations.

19. NO ASSIGNMENT OR SUBCONTRACTING OF AGREEMENT.

City and Contractor bind themselves, their successors and assigns to all covenants of this Agreement. This Agreement shall not be assigned or transferred without the prior written approval of City. Contractor shall not hire subcontractors without express written permission from City. Contractor shall be as fully responsible to City for the acts and omissions of its subcontractors, and of persons either directly or indirectly employed by them, as Contractor is for the acts and omissions of persons directly employed by it.

20. NO THIRD-PARTY BENEFICIARY.

This Agreement shall not be construed to be an agreement for the benefit of any third party or parties and no third party or parties shall have any claim or right of action under this Agreement for any cause whatsoever.

21. INDEPENDENT CONTRACTOR.

Contractor and all person(s) employed by or contracted with Contractor to furnish labor and/or materials under this Agreement are independent contractors and do not act as agent(s) or employee(s) of City. Contractor has full rights to manage its employees in their performance of Services under this Agreement.

22. NO PLEDGING OF CITY'S CREDIT.

Under no circumstances shall Contractor have the authority or power to pledge the credit of City or incur any obligation in the name of City. Contractor shall save and hold harmless the City, its City Council, its officers, employees, boards and commissions for expenses arising out of any unauthorized pledges of City's credit by Contractor under this Agreement.

23. USE OF CITY NAME OR EMBLEM.

Contractor shall not use City's name, insignia, or emblem, or distribute any information related to services under this Agreement in any magazine, trade paper, newspaper or other medium without express written consent of City.

24. FAIR EMPLOYMENT.

Contractor shall not discriminate against any employee or applicant for employment because of race, sex, color, religion, religious creed, national origin, ancestry, age, gender, marital status, physical disability, mental disability, medical condition, genetic information, sexual orientation, gender expression, gender identity, military and veteran status, or ethnic background, in violation of federal, state or local law.

25. HOLD HARMLESS/INDEMNIFICATION.

A. To the extent permitted by law, Contractor agrees to protect, defend, hold harmless and indemnify City, its City Council, commissions, officers, employees, volunteers and agents from and against any claim, injury, liability, loss, cost, and/or expense or damage, including all costs and attorney's fees in providing a defense to any such claim or other action, and whether sounding in law, contract, tort, or equity, in any manner arising from, or alleged to arise in whole or in part from, or in any way connected with the Services performed by Contractor pursuant to this Agreement – including claims of any kind by Contractor's employees or persons contracting with Contractor to perform any portion of the Scope of Services – and shall expressly include passive or active negligence by City connected with the Services. However, the obligation to indemnify shall not apply if such liability is ultimately adjudicated to have arisen through the sole active negligence or sole willful misconduct of City; the obligation to defend is not similarly limited.

B. Contractor's obligation to protect, defend, indemnify, and hold harmless in full City and City's employees, shall specifically extend to any and all employment-related claims of any type brought by employees, contractors, subcontractors or other agents of Contractor, against City (either alone, or jointly with Contractor), regardless of venue/jurisdiction in which the claim is brought and the manner of relief sought.

C. To the extent Contractor is obligated to provide health insurance coverage to its employees pursuant to the Affordable Care Act ("Act") and/or any other similar federal or state law, Contractor warrants that it is meeting its obligations under the Act and will fully indemnify and hold harmless City for any penalties, fines, adverse rulings, or tax payments associated with Contractor's responsibilities under the Act.

D. Contractor shall be obligated to defend any action relating to any claims covered by this Indemnification Agreement through counsel approved by the City in writing. If, within fifteen (15) days prior to such time as may be required for a response to a claim, tow operator does not deliver written notice to the City of Contractor's intent to defend an action relating to such claim and identifying selected defense counsel, the City shall have the right to defend such action through counsel of the City's choice at Contractor's expense, and the City may settle such action without Contractor's consent at Contractor's sole expense. However, Contractor may not settle any claim without the consent of the City.

This section shall survive termination or expiration of this Agreement.

26. INSURANCE REQUIREMENTS.

During the term of this Agreement, and for any time period set forth in Exhibit D, Contractor shall provide and maintain in full force and effect, at no cost to City, insurance policies as set forth in Exhibit D.

27. AMENDMENTS.

This Agreement may only be modified by a written amendment duly authorized and executed by the Parties to this Agreement.

28. SEVERABILITY CLAUSE.

In case any one or more of the provisions in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, it shall not affect the validity of the other provisions, which shall remain in full force and effect.

29. WAIVER.

Contractor agrees that waiver by City of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement. Neither City's review, acceptance nor payments for any of the Services required under this Agreement shall be constructed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

30. NOTICES.

All notices to the Parties shall, unless otherwise requested in writing, be sent or served to City addressed as follows:

City of Santa Clara
Attention: Field Operations Division Commander
601 El Camino Real
Santa Clara, California 95050
or by facsimile at (408) 296-1346

And to Contractor addressed as follows:
Contractor's notice address:
Name: Dino Tomassi
Address: 1517 Memorex Drive, Santa Clara, CA 95050
or by email at: dtomassi@finishlinetowing.com

If notice is sent via email, a signed, hard copy of the material shall also be mailed. An email transmitted after 1:00 p.m. on a Friday shall be deemed to have been transmitted on the following Monday.

31. CAPTIONS.

The captions of the various sections, paragraphs and subparagraphs of this Agreement are for convenience only and shall not be considered or referred to in resolving questions of interpretation.

32. LAW GOVERNING CONTRACT AND VENUE.

This Agreement shall be governed and construed in accordance with the statutes and laws of the State of California. The venue of any suit filed by either Party shall be vested in the state courts of the County of Santa Clara, or if appropriate, in the United States District Court, Northern District of California, San Jose, California.

33. CONFLICTS OF INTEREST.

To prevent a conflict of interest, Contractor certifies that to the best of its knowledge, no City officer, employee or authorized representative has any financial interest in the business of Contractor and that no person associated with Contractor has any interest, direct or indirect, which could conflict with the faithful performance of this Agreement. Contractor is familiar with the provisions of California Government Code section 87100 and following, and certifies that it does not know of any facts which would violate these code provisions. Contractor will advise City if a conflict arises.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

The Parties acknowledge and accept the terms and conditions of this Agreement as evidenced by the following signatures of their duly authorized representatives.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

APPROVED AS TO FORM:

Dated: _____

BRIAN DOYLE
City Attorney

DEANNA J. SANTANA
City Manager
1500 Warburton
Santa Clara, CA 95050
Telephone: (408) 615-4894
Fax: (408) 261-9165

"CITY"

FINISH LINE TOWING
[A CALIFORNIA CORPORATION]

Dated: Nov. 6, 2018

By: _____
(Signature of Person executing the Agreement on behalf of Contractor)

Name: Dino Tomassi Sr.

Title: CEO

Local Address: 408-316-0353 cel

Email Address: DTomassi@FinishLineTowing.com

Telephone: (408 980 9777

Fax: (408 980 9390

"CONTRACTOR"

AGREEMENT FOR SERVICES BY AND BETWEEN THE CITY OF SANTA CLARA, CALIFORNIA, AND LIMA TOWING

PREAMBLE

This Agreement is entered into between Lima Towing, a California corporation, ("Contractor"), and the City of Santa Clara, California, a chartered California municipal corporation ("City"). City and Contractor may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement."

RECITALS

A. City requires the services of Contractor for the purpose of providing tow services for the removal of disabled, abandoned, and illegally parked motor vehicles, as well as a variety of police initiated vehicle tow requirements; and,

B. Chapter 10.10 of "The Code of the City of Santa Clara, California" ("Code") provides for the removal of abandoned, wrecked, dismantled or inoperative vehicles, or parts thereof; and,

C. City requires the establishment of a clear and concise tow policy to alleviate controversy among tow company operators and to minimize the complaints made to the City from members of the public at large and the owners of the specific motor vehicles involved; and,

D. Contractor represents that it, and its subcontractors, if any, have the professional qualifications, expertise, necessary licenses and desire to provide certain goods and/or required services of the quality and type which meet objectives and requirements of City; and,

E. The Parties have specified herein the terms and conditions under which such services will be provided and paid for.

The Parties agree as follows:

AGREEMENT TERMS AND CONDITIONS

1. AGREEMENT DOCUMENTS

The documents forming the entire Agreement between City and Contractor shall consist of these Terms and Conditions and the following Exhibits, which are hereby incorporated into this Agreement by this reference:

Exhibit A – Police Department Initiated Tows

Exhibit B – Non-Police Initiated Tow Services

Exhibit C – Schedule of Fees, Tow Rates and Charges

Exhibit D – Insurance Requirements

This Agreement, including the Exhibits set forth above, contains all the agreements, representations and understandings of the Parties, and supersedes and replaces any previous agreements, representations and understandings, whether oral or written. In the event of any inconsistency between the provisions of any of the Exhibits and the Terms and Conditions, the Terms and Conditions shall govern and control.

2. TERM OF AGREEMENT.

Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by a written amendment to this Agreement, the term of this Agreement shall begin on January 1, 2019 and terminate on December 31, 2023.

3. VEHICLE TOWING BY CONTRACTOR.

As material consideration to City for entering into this Agreement, Contractor shall provide:

(a) prompt tow service for vehicles involved in collisions or disabled by any other cause, or abandoned in public places or on private property, regardless of the type or condition of the vehicle;

(b) removal from the street of all debris resulting from collisions;

(c) safety and security of vehicles towed and the contents thereof;

(d) lawful conduct of lien sales or other disposal of such vehicles.

City is interested only in the results obtained by Contractor in the performance of Services hereunder. The manner and means of conducting tow service will be under the sole control of Contractor, so long as Contractor abides by the provisions of this Agreement and any applicable local, state and federal legislation.

Contractor agrees to tow any or all vehicles as requested by City, to conduct lien sales, and to dispose of said vehicles pursuant to all applicable local, state and federal laws, at Contractor's sole cost and expense. CONTRACTOR SHALL ACCEPT ANY AND ALL REQUESTS FOR SERVICE. It shall tow the vehicle assigned to it by the Public Safety Officer or Public Safety employee at the scene and is responsible for providing prompt service and/or removal of any vehicle regardless of age, size, value, or condition.

City shall have the right to require Contractor to tow vehicles from any location within the City subject to the procedures set forth in this Agreement. Contractor shall be fully responsible for conducting all categories of service set forth below. City reserves the right to make any contractual or other arrangements concerning vehicle tows as City deems necessary without incurring any liability or obligation to Contractor.

4. QUALIFICATIONS OF CONTRACTOR - STANDARD OF CARE

Contractor represents and maintains that it has, and its individual employees or agents have, the expertise in the professional calling necessary to perform the Services, and its duties and obligations, expressed and implied, contained herein, and City expressly relies upon Contractor's representations regarding its skills and knowledge. This includes all applicable licenses and certifications; Contractor and its employees shall maintain in good standing all applicable licenses and certifications during the term of this Agreement. Contractor shall perform such Services and duties in conformance to and consistent with the professional standards of a specialist in the same discipline in the State of California.

5. COMPLIANCE WITH LAWS

Contractor shall comply with all applicable laws and regulations of the federal, state and local government, including but not limited to "The Code of the City of Santa Clara, California" ("SCCC"). In particular, Contractor's attention is called to the regulations regarding Campaign Contributions (SCCC Chapter 2.130), Lobbying (SCCC Chapter 2.155), Minimum Wage (SCCC Chapter 3.20), Business Tax Certificate (SCCC section 3.40.060), and Food and Beverage Service Worker Retention (SCCC Chapter 9.60), as such Chapters or Sections may be amended from time to time or renumbered. Additionally, Contractor has read and agrees to comply with City's Ethical Standards (http://santaclaraca.gov/home/showdocument?id=58299).

6. MONITORING OF SERVICES.

City may monitor the Services performed under this Agreement to determine whether Contractor's operation conforms to City policy and to the terms of this Agreement. City may also monitor the Services to be performed to determine whether financial operations are conducted in accord with applicable City, county, state, and federal requirements. If any action of Contractor constitutes a breach, City may terminate this Agreement pursuant to the provisions described herein.

7. CATEGORIES OF TOWING SERVICES.

By entering into this Agreement, Contractor shall be placed on the City Tow Service List ("City Tow Service List") maintained by City for various types of towing services. City shall have absolute discretion in initially determining, and subsequently modifying, its Tow Service List. City shall not be required to dispatch Contractor to any minimum number of tow calls per month, or during any other period, during the term of this Agreement. As a result of being placed on City Tow Service List, Contractor shall provide the tow service activities set forth under this Agreement including police-initiated tows, abandoned vehicle tows, voluntary tows and debris removal, as follows:

A. Police-Initiated Tows

Police-initiated tow services may result from a variety of police activities, including accident investigations and cleanup, impounds, criminal investigations, and other law enforcement activities. Contractor shall be placed on two City of Santa Clara Police Department ("S.C.P.D.") rotating schedules and shall be held to strict response time standards. Rotation Schedule A is for the towing of

Recreational Vehicles (RV's), Cab-Over Campers, Motor Homes (on wheels), and open trailers. Rotation Schedule B is for all other vehicle tows. The terms and conditions of this Agreement, which apply to the contractors listed on the City Tow Service List, are set forth in Exhibit A, attached hereto and incorporated herein by reference. Any contractor that responds to police-initiated tow services requests shall also be required to provide service required for abandoned vehicle tow services and City's "Voluntary Tow Program," as defined in this Agreement.

B. Abandoned Vehicle Tows

This service category includes tow contractors that must be available to provide tow services within the jurisdictional limits of City resulting from tow service requests originating from City's Police Department on a rotating basis. Excluding weekends, tow contractors shall provide tow service to remove abandoned, wrecked, dismantled, or inoperative vehicles that are located in the jurisdictional limits of City within a 25-minute period of time. Regular hours of operations for this service would be Monday through Friday 8:00 AM to 5:00 PM. Tow contractors whose names are on the City Tow Service List shall be placed on the S.C.P.D. rotating schedules. The terms and conditions of this Agreement, which apply to the contractors that provide tow service to remove abandoned, wrecked, dismantled, or inoperative vehicles are set forth in Exhibit B, attached hereto and incorporated herein by reference.

C. Voluntary Tow Program

In an effort to assist City's citizens in the abatement of unwanted vehicles, City has established a "Voluntary Tow Program." S.C.P.D. will manage the program and notify Contractor for the removal and disposal of vehicles relinquished by parties holding title or proof of ownership accepted by S.C.P.D. Contractor agrees to provide tow services on a rotational basis for this program, as set forth in Exhibit B.

D. Debris Removal Service

This service is specifically for vehicle debris removal from scenes not related to police-initiated tows pursuant to Section 7(A). Contractor agrees to provide this service on a rotational basis at the request of the S.C.P.D., as set forth in Exhibit A.

8. PERFORMANCE OF SERVICES.

Contractor shall perform all requested services in an efficient and expeditious manner. Contractor shall be as fully responsible to City for the acts and omissions of its subcontractors, and of persons either directly or indirectly employed by them, as Contractor is for the acts and omissions of persons directly employed by it. Contractor will perform all services in a safe manner and in accordance with all federal, state and local operation and safety regulations.

9. FEES, TOW RATES AND CHARGES.

In consideration for entering into this Agreement with City, Contractor agrees to accept the payments, and to charge rates and charges no greater than the SCHEDULE OF FEES, TOW RATES AND CHARGES for any of the various tow services provided under this Agreement, as set forth in Exhibit C attached hereto and incorporated herein by reference. The maximum compensation paid to Contractor under this Agreement shall not exceed fifty thousand ($50,000.00) dollars, subject to budget appropriations, which includes all payments that may be authorized for Services and for expenses, supplies, materials and equipment required to perform the Services. All work performed or materials provided in excess of the maximum compensation shall be at Contractor's expense. Contractor shall not be entitled to any payment above the maximum compensation under any circumstance without a fully executed Amendment, as described in this Agreement.

Any charges that are billed to the City must be submitted no later than thirty days (30) days from the day the vehicle is towed by the tow company. The City will not be responsible for any billings which occur after this time frame.

Contractor shall be responsible for the collection of payment from a customer of any charge for services rendered. Requests for payments shall be made to the registered owner of the vehicle or legal representative, and no cost or expense, or any part thereof, shall be charged against the City, unless otherwise explicitly set forth in this Agreement.

10. ACCEPTANCE OF ADDITIONAL TOW COMPANIES.

A. In its sole discretion, the City may add tow operators to the City Tow Service List at any time during the term of this Agreement, subject to the same terms and conditions.

11. WAIVER OF CLAIMS.

A. Contractor, as a material part of the consideration to be rendered to City under this Agreement, hereby waives all claims or causes of action against City, its officers, agents, or employees which it may now or hereafter have for any loss or damage to the property of, or injury or damage to Contractor, its officers, employees, agents, contractors or any other person, from any cause or causes arising at any time because of any activity carried on pursuant to this Agreement, except as may arise from the sole active negligence or sole willful act of City, its officers, agents, or employees.

B. Contractor also agrees to waive any claim or cause of action against other tow operators who, at City's request or direction, conduct any type of police-initiated tow.

12. STANDARDS OF SERVICE.

A. All of Contractor's officers, agents, or employees who engage in performance of this Agreement with City on behalf of Contractor shall conduct themselves in a courteous and professional manner to City personnel and to members of the public.

B. Contractor shall require that all of Contractor's employees who serve the public wear an identifiable uniform and/or company shirt or jacket that includes, but is not limited to, Contractor's name, logo, and employee's name. Contractor shall also require that drivers maintain acceptable personal hygiene and regular maintenance of their uniform. Nothing in this Agreement shall preclude Contractor from establishing a dress code or similar rules to regulate the appearance of their employees.

C. Contractor agrees to accept, from any party whose vehicle has been towed pursuant to this Agreement, any of the following means of payment for the tow service charges: United States currency or credit cards. Appropriate credit card equipment must be located on the premises and available for immediate processing from each tow truck. In addition, a person operating or in charge of the storage facility shall have sufficient funds on the premises to accommodate and make change for a reasonable monetary transaction.

13. RECORDS/REPORT TO CITY.

Contractor shall at all times make all reasonable efforts to maintain accurate and complete records of each City-initiated tow received. These records shall contain all of the following information:

A. Name, address, and phone number of person whose vehicle was towed;

B. Vehicle identification number, license plate number, make, year, model, and color of each vehicle towed;

C. Date and time tow request was received and date and time of response;

D. Location from which vehicle was towed, and name or number of driver assigned to each tow;

E. Reason for tow, whether accident, impound, or other reason;

F. Date and time of release for each vehicle;

G. Name, address, and identification (i.e., driver's license) of party to whom vehicle was released;

H. All fees or charges connected with each tow, showing specifically tow, storage, use of dolly or drive-line labor, and lien sale in addition to the total of such charges or fees;

I. Date that charges were paid; and

J. Date and time vehicle was placed in tow storage facility.

Contractor shall, at a minimum, maintain the following information for each Employee: (a) Full legal name; (b) Date of birth; California driver's license number; (c) Copy of valid medical certificate (if required); (d) Job title/description; (e) Current home address; (f) Current home phone number; (g) Type(s) of truck(s) the driver(s) has/have been trained to operate; (h) Current Pull Notice as required by California Vehicle Code section 1808.1.

14. RIGHT OF CITY TO INSPECT RECORDS OF CONTRACTOR.

City, through its authorized employees, representatives or agents, shall have the right, during the term of this Agreement and for four (4) years from the date of final payment for goods or services provided under this Agreement, to audit the books and records of Contractor for the purpose of verifying any and all charges made by Contractor and all revenue and income arising out of Contractor's operation under this Agreement, including termination of Contractor. Contractor agrees to maintain sufficient books and records in accordance with generally accepted accounting principles to establish the correctness of all charges submitted to City. Any expenses not so recorded shall be disallowed by City. Contractor shall bear the cost of the audit if the audit determines that there has been a substantial billing deviation in excess of five (5) percent adverse to the City.

Contractor shall submit to City any and all reports concerning its performance under this Agreement that may be requested by City in writing. Contractor agrees to assist City in meeting City's reporting requirements to the State and other agencies with respect to Contractor's services hereunder.

15. TERMINATION / SUSPENSION OF CONTRACTOR.

A. In addition to all other remedies provided by law, and except as set forth in paragraph C below, if Contractor fails to perform any of its obligations under this Agreement City shall have the right to suspend or terminate this Agreement as follows:

1st violation: Written warning.

2nd violation: One-week suspension from all rotation lists.

3rd violation in a twelve-month period following the first violation: Two-week suspension from all rotation lists.

4th violation: in a twelve-month period following the first violation: Four-week suspension from all rotation lists.

5th violation in a twelve-month period following the first violation: Termination of agreement

B. The Chief of Police may suspend Contractor for any period of time, or terminate the Agreement entirely, effective immediately, if the Chief determines that there is a threat to public safety.

C. During the time period of temporary suspension from the rotation schedules, City shall not make any tow requests to Contractor. Upon expiration of the time period of suspension or upon satisfaction of the conditions set for the termination of the suspension, Contractor shall again be placed on the City Tow Service List rotation schedule and all the terms and conditions of this Agreement shall remain in effect and unchanged.

D. A written notice of suspension or termination shall be personally served upon Contractor, or on any person employed in the place where the business in question, or activity, is maintained. If personal service cannot be accomplished as provided herein, a copy of such notice may be served by certified mail. Service shall be deemed complete when personal service is made or when the U.S. Postal Service delivers the certified letter.

16. REQUIRED LICENSE AND EQUIPMENT.

A. At all times during this Agreement, Contractor shall maintain a current City business license to operate in the City of Santa Clara, and at least five (5) tow trucks equipped with operable two-way radios with the capability of communicating with their own dispatching service. The tow trucks must be registered in the name of the tow company owner. Each tow truck must be equipped as required by the California Vehicle Code. City reserves the right to inspect all tow vehicles for required equipment without notice.

B. The tow trucks shall display, in lettering directly affixed to each door by painting, decal, or other permanent lettering, Contractor's business name and address, and the phone number of the primary office facility and storage lot referred to in Section 16, below. Contractor shall not, while conducting any police-initiated tow, display any other magnetic sign or other temporary sign at any place on a tow truck utilized in the conducting of police-initiated tows with the intent to deceive any party whose vehicle is being towed.

17. VEHICLE REMOVAL WITHOUT AUTHORITY.

If, upon an investigation as to the validity of S.C.P.D.'s removal of a vehicle, it is determined that a vehicle was towed in error or without cause, City will be responsible for the full tow charges.

18. STORAGE FACILITIES

A. At all times during the performance of this Agreement, Contractor shall maintain, construct, and utilize vehicle storage facilities in compliance with all applicable

City zoning and land use ordinances, codes, and regulations, and with all conditions set forth in all permits as may be required by City.

B. Contractor shall maintain its primary storage lot within the jurisdictional limits of the City of Santa Clara. During the term of this Agreement, Contractor may request re-location of its primary lot outside the jurisdictional limits of the City of Santa Clara. Such requests shall be made in writing, and in accordance with Vehicle Code 22658, and consent shall be granted at the sole discretion of the Chief of Police. Primary storage facilities shall be maintained to the satisfaction of the Chief of Police, or his/her designee, who may cause them to be inspected from time to time to ensure that they meet the following requirements:

i. Contractor's primary lot must be sufficiently large to store at least twenty-five (25) automobiles. The primary lot must be enclosed by fencing that complies with all applicable City ordinances and regulations. The primary lot must be available twenty-four (24) hours a day, seven (7) days a week for storage of vehicles towed pursuant to this Agreement. Vehicles requiring special handling or held for investigation shall be stored in an enclosed area if requested by the investigating officer and will not be removed until authorized by the concerned investigator. The primary lot shall include an enclosed building large enough to store at least four (4) vehicles. Contractor shall provide security at the primary lot to the reasonable satisfaction of the Chief of Police. Reasonable security shall include a minimum of (a) adequate lighting during hours of darkness; (b) full security camera coverage of the yard; and (c) security camera coverage of the interior of the office. Resultant security videos shall be maintained by Contractor for a time period of up to sixty (60) days and, upon request, access made available for the Chief of Police or designee.

ii. Contractor must maintain a primary office facility at the primary storage lot. Contractor shall have an employee at the primary office facility twenty-four (24) hours a day, seven (7) days a week, or have an employee available who can arrive at the primary office facility within sixty (60) minutes of a police or citizen request, in order to assure that a citizen may claim his or her vehicle at any time and to properly protect police impounded vehicles.

iii. Contractor shall provide the company's policy and procedure regarding the removal, inventory, storage, and notification to owner of personal property to the Chief of Police for his or her approval.

C. All police-impounded vehicles, stored vehicles, vehicles held for investigation, and recovered vehicles shall be stored in the primary lot and shall not be moved until authorized by the Chief of Police, or designee. City shall pay storage fees as set forth in Exhibit C. After fifteen (15) days, Contractor shall notify the City that the vehicle is still in impound/storage. Vehicles with holds placed on them by S.C.P.D. shall not be lien sold; however, Contractor may file for a lien but not complete the lien until the hold is removed.

D. Contractor may maintain secondary lots outside the jurisdictional limits of the City of Santa Clara. The secondary lots shall be maintained to the satisfaction of the Chief of Police or designee, who may cause them to be inspected from time to time. Contractor may tow and store abandoned vehicles at such a secondary lot . Said storage facilities shall be subject to compliance with the applicable City codes and regulations of the City in which said facilities are located. The towing and storage of vehicles under this Agreement at any such storage facilities outside the jurisdictional boundaries of the City must comply with all applicable laws and regulations.

19. NO ASSIGNMENT OR SUBCONTRACTING OF AGREEMENT.

City and Contractor bind themselves, their successors and assigns to all covenants of this Agreement. This Agreement shall not be assigned or transferred without the prior written approval of City. Contractor shall not hire subcontractors without express written permission from City. Contractor shall be as fully responsible to City for the acts and omissions of its subcontractors, and of persons either directly or indirectly employed by them, as Contractor is for the acts and omissions of persons directly employed by it.

20. NO THIRD PARTY BENEFICIARY.

This Agreement shall not be construed to be an agreement for the benefit of any third party or parties and no third party or parties shall have any claim or right of action under this Agreement for any cause whatsoever.

21. INDEPENDENT CONTRACTOR.

Contractor and all person(s) employed by or contracted with Contractor to furnish labor and/or materials under this Agreement are independent contractors and do not act as agent(s) or employee(s) of City. Contractor has full rights to manage its employees in their performance of Services under this Agreement.

22. NO PLEDGING OF CITY'S CREDIT.

Under no circumstances shall Contractor have the authority or power to pledge the credit of City or incur any obligation in the name of City. Contractor shall save and hold harmless the City, its City Council, its officers, employees, boards and commissions for expenses arising out of any unauthorized pledges of City's credit by Contractor under this Agreement.

23. USE OF CITY NAME OR EMBLEM.

Contractor shall not use City's name, insignia, or emblem, or distribute any information related to services under this Agreement in any magazine, trade paper, newspaper or other medium without express written consent of City.

24. FAIR EMPLOYMENT.

Contractor shall not discriminate against any employee or applicant for employment because of race, sex, color, religion, religious creed, national origin, ancestry, age, gender, marital status, physical disability, mental disability, medical condition, genetic information, sexual orientation, gender expression, gender identity, military and veteran status, or ethnic background, in violation of federal, state or local law.

25. HOLD HARMLESS/INDEMNIFICATION.

A. To the extent permitted by law, Contractor agrees to protect, defend, hold harmless and indemnify City, its City Council, commissions, officers, employees, volunteers and agents from and against any claim, injury, liability, loss, cost, and/or expense or damage, including all costs and attorney's fees in providing a defense to any such claim or other action, and whether sounding in law, contract, tort, or equity, in any manner arising from, or alleged to arise in whole or in part from, or in any way connected with the Services performed by Contractor pursuant to this Agreement – including claims of any kind by Contractor's employees or persons contracting with Contractor to perform any portion of the Scope of Services – and shall expressly include passive or active negligence by City connected with the Services. However, the obligation to indemnify shall not apply if such liability is ultimately adjudicated to have arisen through the sole active negligence or sole willful misconduct of City; the obligation to defend is not similarly limited.

B. Contractor's obligation to protect, defend, indemnify, and hold harmless in full City and City's employees, shall specifically extend to any and all employment-related claims of any type brought by employees, contractors, subcontractors or other agents of Contractor, against City (either alone, or jointly with Contractor), regardless of venue/jurisdiction in which the claim is brought and the manner of relief sought.

C. To the extent Contractor is obligated to provide health insurance coverage to its employees pursuant to the Affordable Care Act ("Act") and/or any other similar federal or state law, Contractor warrants that it is meeting its obligations under the Act and will fully indemnify and hold harmless City for any penalties, fines, adverse rulings, or tax payments associated with Contractor's responsibilities under the Act.

D. Contractor shall be obligated to defend any action relating to any claims covered by this Indemnification Agreement through counsel approved by the City in writing. If, within fifteen (15) days prior to such time as may be required for a response to a claim, tow operator does not deliver written notice to the City of Contractor's intent to defend an action relating to such claim and identifying selected defense counsel, the City shall have the right to defend such action through counsel of the City's choice at Contractor's expense, and the City may settle such action without Contractor's consent at Contractor's sole expense. However, Contractor may not settle any claim without the consent of the City.

This section shall survive termination or expiration of this Agreement.

26. INSURANCE REQUIREMENTS.

During the term of this Agreement, and for any time period set forth in Exhibit D, Contractor shall provide and maintain in full force and effect, at no cost to City, insurance policies as set forth in Exhibit D.

27. AMENDMENTS.

This Agreement may only be modified by a written amendment duly authorized and executed by the Parties to this Agreement.

28. SEVERABILITY CLAUSE.

In case any one or more of the provisions in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, it shall not affect the validity of the other provisions, which shall remain in full force and effect.

29. WAIVER.

Contractor agrees that waiver by City of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement. Neither City's review, acceptance nor payments for any of the Services required under this Agreement shall be constructed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

30. NOTICES.

All notices to the Parties shall, unless otherwise requested in writing, be sent or served to City addressed as follows:

City of Santa Clara
Attention: Field Operations Division Commander
601 El Camino Real
Santa Clara, California 95050
or by facsimile at (408) 296-1346

And to Contractor addressed as follows:
Contractor's notice address:
Name: Lupe Lima
Address: 3591 Thomas Road, Santa Clara, CA 95054
or by email at: l.lima@sbcglobal.net

If notice is sent via email, a signed, hard copy of the material shall also be mailed. An email transmitted after 1:00 p.m. on a Friday shall be deemed to have been transmitted on the following Monday.

31. CAPTIONS.

The captions of the various sections, paragraphs and subparagraphs of this Agreement are for convenience only and shall not be considered or referred to in resolving questions of interpretation.

32. LAW GOVERNING CONTRACT AND VENUE.

This Agreement shall be governed and construed in accordance with the statutes and laws of the State of California. The venue of any suit filed by either Party shall be vested in the state courts of the County of Santa Clara, or if appropriate, in the United States District Court, Northern District of California, San Jose, California.

33. CONFLICTS OF INTEREST.

To prevent a conflict of interest, Contractor certifies that to the best of its knowledge, no City officer, employee or authorized representative has any financial interest in the business of Contractor and that no person associated with Contractor has any interest, direct or indirect, which could conflict with the faithful performance of this Agreement. Contractor is familiar with the provisions of California Government Code section 87100 and following, and certifies that it does not know of any facts which would violate these code provisions. Contractor will advise City if a conflict arises.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute one and the same instrument.

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The Parties acknowledge and accept the terms and conditions of this Agreement as evidenced by the following signatures of their duly authorized representatives.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

APPROVED AS TO FORM:

Dated: _____

BRIAN DOYLE
City Attorney

DEANNA J. SANTANA
City Manager
1500 Warburton
Santa Clara, CA 95050
Telephone: (408) 615-4894
Fax: (408) 261-9165

"CITY"

LIMA TOWING
[A CALIFORNIA CORPORATION]

Dated: November 7th 2018

By: _____
(Signature of Person executing the Agreement on behalf of Contractor)

Name: Lupe Lima

Title: OWNER

Local Address: 3591 THOMAS RD
SANTA CLARA CA 95054

Email Address: l.lima@sbcglobal.Net

Telephone: (408 986 8267

Fax: (408) 986 8651

"CONTRACTOR"

AGREEMENT FOR SERVICES
BY AND BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA
AND
LIMA TOWING

EXHIBIT A

ALL CITY TOWS ARISING FROM
POLICE DEPARTMENT INITIATED TOWS

In addition to the general provisions of this Agreement, Contractor agrees to the following terms and conditions.

1. CITY POLICY REGARDING TOW SERVICES

Contractor's accountability for tow service and vehicle removals under this Agreement is of paramount concern to City. The terms and conditions of this Agreement comprise the policy of the S.C.P.D. with regard to tow companies, which by signing this Agreement, have requested to be placed on the City Tow Service List. This policy is established to alleviate controversy among the tow company operators and to settle complaints made by owners of vehicles involved in tow service activities. The City shall be the final authority in the settlement of any disputes arising out of tow services provided by tow companies included on the City Tow Service List. City shall provide Contractor with the name of the City liaison between the Contractor and the S.C.P.D.

2. CONTRACTOR'S OBLIGATIONS AND NOTIFICATIONS.

Contractor shall provide tow service to City on a 24-hour basis, 7 days a week. Contractor shall also comply with the following requirements.

A. Contractor shall release stored or impounded vehicles on a 24-hour basis, 7 days week. During normal business hours, Monday through Friday 8am to 5pm (excluding Holidays), an employee of Contractor must be available on the premises to release stored vehicles or papers necessary to obtain a release. Outside of normal business hours and on Holidays, the response time for such a release shall be within 60 minutes from initial contact.

B. Between the hours of 5:00 p.m. and 8:00 a.m., Monday through Friday, and on weekends and State holidays, a gate fee may be charged, to the extent allowed by State law, by Contractor for access to the vehicle and/or to claim or to release said vehicle subject to the requirements set forth in Exhibit C. However, Contractor shall not charge a gate fee if an employee of Contractor is onsite when release and/or access to the vehicle is requested. S.C.P.D. shall be exempt from such gate fee. Notice of gate fee hours and charges shall be given.

C. Contractor's accountability for removals is of paramount concern to City. Excluding weekends, Contractor shall respond to the scene within 30 minutes for

all abandoned, wrecked, dismantled or inoperative vehicles or parts thereof as "public nuisances" upon authorization of City from private and/or public property. Upon the arrival of the vehicle at the storage facility, the Contractor shall immediately contact the S.C.P.D. by telephone to advise the S.C.P.D. of the vehicle removal information relating to the towing of that vehicle. As soon as the Abandoned Vehicle Section is open for business, Contractor is to call that section and relay the information given previously to the S.C.P.D., along with the time the information was given, and the badge number of the person at the S.C.P.D. to whom Contractor gave the removal information.

3. RATES AND CHARGES

A. All fees charged by Contractor shall not exceed the rates and service charges approved by City as set forth in Exhibit C. The tow rates and charges shall be posted at all tow facilities in plain view. A copy of the schedule of rates charged by the Contractor shall be available in each of the tow trucks, and shall be presented upon demand to the person(s), or his/her agent, for whom the tow services were provided, or to any City employee at the scene.

B. Additional charges will not be made except in unusual cases when other than normal conditions exist. Additional charges will not exceed rates as set forth in Exhibit C for such extra service and will be subject to the approval of S.C.P.D. Contractor will conform to all procedures required by City to maintain adequate tow service at reasonable rates.

C. No part of any tow service cost or expense or any other cost or expense shall be charged against City, and its officers or employees will not be responsible for the collection or payment of any charges or service rendered by reason of its having dispatched the tow service. All such charges for services rendered shall be made to the owner of the vehicle or other lawful claimant of possession.

D. Contractor shall release personal property from an impounded vehicle at the request of the vehicle owner or his/her agent. There shall be no charge for the release of personal property during normal business hours. Contractor may charge an "after hours" release fee for property released after normal business hours as set forth in Exhibit C. The fees charged shall be consistent with the "after hours" vehicle release provisions, and shall not charge more than one-half the hourly rate, as provided in California Vehicle Code section 22851(B). Contractor shall not charge City for any "after hours" access to any vehicle impounded or stored. Personal property is considered to be items located within the stored vehicle that are not affixed to the vehicle, including but not limited to, papers, transportable cellular telephones, , portable radios, clothes, luggage, tools, etc. Anything that is attached to the vehicle (i.e. wheels, tires, stereo (including hardwired GPS systems), added gauges, or car battery) is not considered personal property. Contractor shall provide a receipt, with a copy placed in the stored vehicle and a

copy to City, whenever any item is removed from a stored vehicle and taken to another place of storage.

4. RESPONSE TIME

A. Contractor agrees to respond to a tow scene within twenty-five (25) minutes after receiving a call requesting tow services from the S.C.P.D. If Contractor has an extended estimated time of arrival or feels it cannot reach the scene in time, Contractor agrees to notify the S.C.P.D. as soon as possible. Failure to notify the S.C.P.D. within that time period may result in Contractor being placed at the bottom of the list and missing one additional tow service call.

In the event a Contractor is unable to respond or will be delayed in responding, the requesting City communications operator shall be notified immediately. When a Contractor will be temporarily unavailable to provide services due to a preplanned or scheduled activity, the Contractor shall notify the liaison, in writing, at least 24 hours prior to the date that services will be unavailable noting the times and dates of unavailability.

Note: Telephone answering services are deemed agents of the tow service operator and are required to comply with all provisions contained in this policy. Contractor or its answering service is responsible for informing the Public Safety Dispatcher of the unavailability of equipment or driver to render an immediate response. Contractor shall not accept a referral and, in turn, assign the referral to another tow company.

B. Failure to reach the scene within twenty-five (25) minutes without the notification described in Section A above may, in addition to the suspension/termination provisions of the Agreement, result in a call to the next Tow Company on the rotation list. The tow company called first will then be entered at the bottom of the list. When dispatched by S.C.P.D. to abandoned vehicle tows, tow provider will respond within 25 minutes of notification for vehicle removal.

5. ACCESS TO VEHICLE

It shall be the responsibility of tow company personnel to unlock and/or gain entry when necessary for the purposes of towing a vehicle that has been ordered removed by S.C.P.D. Any claims for damage or loss arising from such entry shall be the responsibility of the tow company removing the vehicle. No parts or personal effects shall be removed by anyone from an impounded vehicle without authorization in writing from S.C.P.D. The removal of parts shall be limited to those parts that can be removed safely in accordance with safety standards common to similar business operations subject to S.C.P.D. approval.

6. REQUIREMENTS FOR TOW TRUCK OPERATORS

A. Contractor shall not operate or permit anyone to operate a tow truck for the purposes of removing a vehicle at the request of City until the following requirements are fulfilled:

Every tow truck operator shall:

i. Obtain his/her City of Santa Clara tow truck permit before taking any police related tows. All operators must complete an application for tow driver as provided by S.C.P.D. Such application will include a police background check and fingerprinting. The cost of the application is to be borne by either the applicant or tow company;

ii. Have a valid California Driver's License in accordance with section 12500 of the California Vehicle Code, and comply with all other requirements of state, federal and local laws;

iii. Possess a tow truck operator identification card issued by the S.C.P.D.;

iv. Provide a certificate of proof of controlled substance and alcohol testing (CSAT) that conforms to the requirements of Part 40 of Title 49 of the Code of Federal Regulations with the application for driver's permit.

B. The Contractor shall provide on an annual basis a current list of all drivers and proof of enrollment in a CSAT and/or program consistent with the requirements as outlined in Item 6A.v (above).

C. Tow truck operators who are found to have been convicted in a court of competent jurisdiction of any of the following offenses will not be assigned by Contractor to drive a tow truck to any police initiated calls:

v. Any offenses included in Division 4, Chapter 3 (commencing with California Vehicle Code section 10750 and which pertains to alteration or removal of vehicle's numbers) and Chapter 4 (commencing with California Vehicle Code section 10850 and which pertains to theft and injury to vehicles) of the California Vehicle Code; or,

vi. Any offenses as outlined in California Penal Code, including but not limited to, violations of any of the following California Penal Code sections:

459 P.C. (burglary);

466 P.C. (possession of burglary tools);

466.5 P.C. (unlawful possession of master key);

466.7 P.C. (unlawful possession of unauthorized key);

484 P.C. (petty theft);

487 P.C. (grand theft); or,

211 P.C. (robbery).

vii. Any violations of the requirements set forth in this paragraph, misconduct, failure to respond to accidents or other tow assignments, or any other act or omission adversely affecting City, its Police Department operation, or relationship with the public may be considered grounds for disciplinary action against Contractor and/or removal of Contractor from the towing list(s);

viii. Any of the above referenced crimes, or convicted of any such crimes after the issuance of the tow operate permit, City, at its sole discretion, may revoke said permit. Falsification of any information included in a tow driver's application shall be grounds for refusal to issue, or revocation of the tow driver permit.

ix. Any conviction of reckless driving or driving under the influence of any drug or intoxicating liquor regardless of whether the incident resulted in bodily injury or death within five (5) years prior to the date of application.

x. Any registered sex offenders under Penal Code section 290, or registered drug offenders under Health and Safety Code section 11590.

xi. For purposes of this Agreement a plea of "nolo contendere" may also serve as the basis for revocation, suspension or termination of this Agreement because the listed underlying offenses bear a substantial relationship to the qualifications, functions or duties of the tow truck driver.

7. NO DROP OR RELEASE CHARGE.

A. Prior to transit or prior to any movement of the vehicle after hook-up, any vehicle being towed upon S.C.P.D. orders shall, upon the appearance of the car's owner, or at the request of any S.C.P.D. officer, be released and no "drop" or "release" fee shall be charged. Under such circumstances, Contractor shall be replaced to the top position on the City Tow List from which they were called.

B. After transit or after any movement of the vehicle after hook-up, any vehicle being towed upon S.C.P.D. orders shall, upon the appearance of the car's owner or at the request of any S.C.P.D. officer, be released and a "drop" or "release" fee of the tow rate shall be charged.

8. ROTATION SCHEDULE.

City shall maintain two rotational tow lists as follows:

- Rotation schedule "A" shall be for towing Recreational Vehicles, Motor Homes (with wheels), Cab-Over campers, box trucks, and open trailers.

- Rotation schedule "B" shall be maintained for all other towing assignments as described in this agreement.

City agrees to place Contractor on its rotational tow schedules with other tow operators to provide vehicle towing and storage services upon the request of the City. City shall have absolute discretion in initially determining, and subsequently modifying, its rotation dispatch system. City shall not be required to dispatch Contractor any minimum number of tow calls per month, or during any other period, during the term of this Agreement. The position of names of the tow companies on the City Tow Service Lists will change following every tow in the City of Santa Clara. Contractor agrees to assume the responsibility of towing all vehicles in any one accident.

9. SPECIAL REQUESTS BY VEHICLE OWNER.

The tow list rotation schedules will be used at all times. If the vehicle is not a hazard to traffic and the owner requests a tow service other than one the City has a tow service agreement with, it shall be the responsibility of that owner to arrange their own tow service.

10. TOW TRUCK CLASSIFICATIONS

A. An operator shall equip and maintain tow trucks covered under this agreement in accordance with the provisions set forth in the CVC, Title 13 of the CCR, the specification contained in this agreement, and in a manner consistent with the industry standards and practices.

B. Contractor agrees to provide Class A and B tow trucks, as applicable, upon request by the City, pursuant to the terms set forth in the Agreement and Exhibits. If Contractor does not own and operate a Class C truck, then Contractor shall contact one of the other towing operators under contract with the City to provide such a truck. However, this contact should be made immediately and should not extend the response time to the scene. Class D is desirable, but not required as a condition of this agreement.

C. There are four (4) classes of tow trucks covered under this agreement:

1. Class A- Light Duty/ Per the CHP definition, a tow truck with a manufacturer's GVWR of at least 14,000 pounds.

2. Class B-Medium Duty/ Per the CHP definition, a tow truck with a GVWR of at least 33,000 pounds and equipped with air brakes and a tractor protection valve or

device and capable of providing and maintaining continuous air to the towed vehicle.

3. Class C-Heavy Duty/ Per the CHP definition, a three-axle tow truck with a GVWR of at least 52,000 pounds. The truck shall be equipped with air brakes and must be capable of providing and maintaining continuous air to the towed vehicle.

4. Class D-Super Heavy Duty/ Per the CHP definition, a three-axle tow truck with a GVWR of at least 54,000 pounds. The truck shall be equipped with air brakes and must be capable of providing and maintaining continuous air to the towed vehicle.

11. CLEANUP REQUIREMENTS.

In requesting that Contractor be placed on the City Tow Service List, Contractor agrees to provide prompt service, taking any vehicle regardless of age and condition, and clearing the location of debris, fluids, and glass before leaving the location of the vehicle to be towed.

12. TOWING OF VEHICLES TO S.C.P.D. IMPOUND FACILITY.

A. Any vehicle ordered to be towed by S.C.P.D. and taken to the City Corporation Yard, or the S.C.P.D. evidence garage shall be removed after impound by the tow company that originally towed the vehicle, to the extent that is under the City's control.

B. S.C.P.D. shall have the responsibility of assuring that all charges due the towing company by the City are satisfied prior to any release made at the vehicle impound facility.

C. No storage fees shall accrue while a vehicle is stored at a City facility.

13. TOWING AND ROAD SERVICING OF CITY VEHICLES.

A. Contractor agrees to provide tow and road service of City vehicles on a 24-hour basis. Vehicles towed or serviced by contractor shall be towed or serviced at the service charge, as set forth in Exhibit C. Contractor shall remain at the top of the rotation list.

B. In each instance where a commercial tow is requested, permission to do so must be granted by the on-duty watch commander or his/her designee.

14. MISCELLANEOUS ITEMS.

A. Tow trucks that have been dispatched by owners or operators of garages when radio messages have been monitored are in violation of laws of the Federal Communications Commission, which prohibit the solicitation of services at the scene of a collision.

B. Contractor shall be responsible for the driving and behavior of their employees. It shall be a violation of this Agreement if tow trucks arrive at a scene when they have not been called with the explanation that they happened to be driving by or were in the neighborhood or received a phone call not from the S.C.P.D., or when it becomes evident that the call was not made by the owner or representative.

C. Each tow unit shall have the capability of communicating by 2-way radio with their own dispatching service.

D. Tow vehicles will be maintained in compliance with the California Vehicle Code. Tow vehicles may be inspected by S.C.P.D.

E. City agrees to utilize Contractor as a provider of tow services in the City of Santa Clara and may, at its sole discretion, refer any and all types of tows to Contractor for performance. City may also refer any and all types of police initiated tows to Contractor outside of the City's jurisdictional boundaries if City determines it necessary to do so or for City's convenience.

AGREEMENT FOR SERVICES
BY AND BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA
AND
LIMA TOWING

EXHIBIT B

ALL CITY REQUESTED TOWS ARISING FROM
NON-POLICE INITIATED TOW SERVICE REQUESTS

In addition to the general provisions of this Agreement, Contractor agrees to the following terms and conditions which shall apply to all contractors which have agreed to be included on the City Tow Service List, as set forth in this Agreement:

1. CITY POLICY REGARDING TOW SERVICES.

Contractor's accountability for tow service and vehicle removal under this Agreement is of paramount concern to City. The terms and conditions set forth in the City Tow Service List comprises the policy of the City of Santa Clara Police Department with regard to tow companies, which by signing this agreement have requested to be placed on the City Tow Service List. This policy is established to alleviate controversy among the tow company operators and to settle complaints made by owners of vehicles involved in tow service activities. The City shall be the final authority in the settlement of any disputes arising out of tow services provided by tow companies included on the City Tow Service List.

2. CONTRACTOR'S OBLIGATIONS AND NOTIFICATIONS.

A. Contractor shall release stored vehicles from 8:00 a.m. to 5:00 p.m., Monday through Friday, except State holidays. Outside of these normal hours, the response must be within 60 minutes after notification.

B. As part of the City's "Voluntary Tow Program," Contractor shall agree, upon the request and supervision of the S.C.P.D., to remove and take possession of any vehicle abandoned, wrecked, dismantled, or inoperative, which is voluntarily relinquished by the registered owner. Contractor agrees to take and dispose of relinquished vehicles without any cost to the registered owner or the City. Contractor agrees to transport vehicles directly to a licensed dismantler without the use of any subcontractors to transport or store vehicles. Excluding weekends, vehicles must be transported at the request of the S.C.P.D. within one 24-hour business day upon notification.

3. RATES AND CHARGES.

A. All fees charged by Contractor shall not exceed City approved rates and service charges set forth in Exhibit C. These tow rates and charges shall be posted at all tow facilities in plain view.

B. Additional charges will not be made except in unusual cases when other than normal conditions exist. Any additional charge will be subject to prior written approval of City's Police Department. Contractor shall conform to all procedures required by City to maintain adequate Abandoned Vehicle Abatement service at reasonable rates.

C. Any unauthorized deviation from the rates and charges listed in Exhibit C shall be interpreted as an intentional breach of this Agreement and shall constitute grounds, at the discretion of City, for immediate termination of this Agreement with Contractor.

D. No part of any towing and/or storage expense or any other cost or expense shall be charged against City, its officers or employees. Contractor shall be responsible for the collection and/or payment of any charge or service rendered by Contractor pursuant to this Agreement.

4. MISCELLANEOUS ITEMS.

A. Towed vehicles will be maintained in compliance with the provisions of the California Vehicle Code.

B. The value of such abandoned vehicles will be estimated by City in accordance with State Requirements for vehicles valued under $500, under $4,000, and over $4,000.

C. Contractor shall maintain, under direct control, a storage area large enough to park at least five (5) tow trucks for storage purposes per week.

5. DEBRIS REMOVAL SERVICE.

A. Contractor agrees to provide roadway debris removal services on a rotational basis, upon request by S.C.P.D. The debris removal service is for situations not involving Police initiated tows. This service is to be provided from 4:00 p.m. to 8:00 a.m. weekdays and twenty-four (24) hours a day on weekends.

B. City shall be responsible for labor fees for debris removal services as set forth in Exhibit C. The labor fees will be charged as specified in Exhibit C. Separate Hazardous Materials Disposal Fee shall not be charged as specified in Exhibit C.

C. Each service request shall not exceed the capacity of one tow truck operator to remove and transport the debris.

AGREEMENT FOR SERVICES
BY AND BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA
AND
LIMA TOWING

EXHIBIT C

SCHEDULE OF FEES, TOW RATES AND CHARGES

ROTATION SCHEDULE A:

For rotation schedule A, City shall reimburse Contractor Fifteen Hundred Dollars and Zero Cents ($1500.00) for each Recreational Vehicle, Motor Home (on wheels), and Cab-Over Camper towed, Open Trailers, and Box Trucks. Contractor shall submit to City a properly completed invoice within 30 days after the end of the month in which the tow occurred. The invoice shall itemize each vehicle towed by vehicle type, and include a photograph of the vehicle. Invoices are to be remitted to:

Santa Clara Police Department,
601 El Camino Real
Santa Clara, CA 95050
Attention: Field Operations Division Commander

ROTATION SCHEDULE B:

SCHEDULE OF TOW RATES AND CHARGES FOR ROTATION SCHEDULE B:

1. Basic Tow - For any tow of a disabled vehicle from the scene of an accident; or of an unattended or abandoned vehicle from a public street when authorized by a police officer or other authorized employee of City; or of a driverless vehicle from a public street or private property, when authorized by a police officer, or other authorized employee of City, and when required on account of the disability of the driver. For any tow of a vehicle from a public street or private property when authorized by the person lawfully entitled to the possession of the vehicle (except Voluntary Tow Program); or of a vehicle parked without authorization on private property by the person lawfully entitled to the possession of the real property. For any tow of a vehicle authorized by a Santa Clara Police Officer other authorized City employee from a location on a freeway within the city limits of the City of Santa Clara.	$225.00 per tow

2. Service call - response by a Tow Truck to a request by or on behalf of the person in lawful possession of a vehicle, or by a police officer, but towing is found not to be necessary, for each period of fifteen (15) minutes, or portion thereof, required to be spent from the time of departure to return to the customary tow car location or to release to another assignment in accordance with, and subject to the limitations of, the provisions of the "No Drop or Release Charge" section of Exhibit A:	
Class "A" regular duty tow-trucks:	$56.25 per quarter hour
Class "B" medium duty tow-trucks:	$107.50 per quarter hour
Class "C" heavy duty tow-trucks:	$137.50 per quarter hour
Class "D" heavy duty tow-trucks:	$150.00 per quarter hour
3. Extraordinary Services Tows	
Where one or more of the following conditions is met:	
a. Tow services authorized in writing by the City as requiring more than the use of one Class A Tow Truck for more than one hour from the time of dispatch to the time of departing the scene	
b. Vehicles that have been driven off of embankments;	
c. Accidents where a vehicle is overturned, burned, or imbedded in a structure or another vehicle	
d. Vehicles which must be recovered over six feet from the roadway	
e. Heavy Vehicle Tows (Special Tows): Class B - for towing vehicles which are under 6,000 pounds (empty) which require Class B truck recovery, (e.g. fifth wheel trailers, small motor homes, horse trailers and heavily loaded one-ton trucks); and for towing vehicles which exceed 6,000 pounds (empty) (e.g. medium to large motor homes, commercial trucks and trailers, and trailers less than 26,000 pounds (empty)); Class C & D - for towing vehicles where weight or complex recovery requires the use of a Class C or D Tow Trucks (e.g. vehicles with a weight exceeding 26,000 pounds (empty), such as a very as a very large motor home bus or semi-truck and trailer rig).	
f. Vehicles which are in more than one piece as a result of a collision and it has been documented by requiring the written authorization of the impounding officer on the CHP Form 180 (impounds only) or Tow Services Audit Form when the CHP Form 180 is not required, then the following rates are applicable as authorized.	
Class "A" regular duty tow-trucks:	$225/hr.

	Class "B" medium duty tow-trucks:	$430/hr.
	Class "C" heavy duty tow-trucks:	$550/hr.
	Class "D" heavy duty tow-trucks:	$550/hr.
	The foregoing rates shall be charged as a one-hour minimum charge plus a pro rata charge for each quarter hour as authorized	
4.	Storage fee:	
	Passenger vehicles, motorcycles, vans and light trucks (per day).	
	Per Space, Outside	$90.00
	Per Space, Indoors	$95.00
5.	After Hours Gate Fee - for the release of a vehicle one hour after SCPD desk closes until the desk reopens.	$112.50

ADDITIONAL TOW RATE AND CHARGE REQUIREMENTS

A. "Rates and Charges for Rotation Schedule B only may be adjusted annually, on January 1, subject to approval by City. Rate increases shall not exceed the annual percentage increase in the Consumer Price Index for All Urban Consumers (Current Series) for the San Francisco-Oakland-Hayward, CA region, not seasonally adjusted. The annual percentage increase shall be calculated from the month of June of the current year, to June of the previous year.

B. Storage and gate fees (if applicable) will be in addition to the basic tow fees listed above.

C. The labor rate is to be applied in quarter (1/4) hour increments and shall be logged accurately on the receipt. Extra labor fees are subject to approval by S.C.P.D.

D. Debris Removal Service will be charged at the Service Call rates. In addition, assigned Contractor will retain spot on top of the rotation list.

E. Vehicles towed to the S.C.P.D. impound facility and subsequently towed to Contractor's storage lot may be subject to an additional fee of **one-half the tow fee** over and above the original tow rate.

F. The towing and servicing of City vehicles as described in Exhibit A will be charged at **one-half the tow and related fees for Rotation B, Rates and Charges**. Extra labor fees are subject to approval by S.C.P.D.

G. Separate Hazardous Materials Disposal Fee shall not be charged. Fees for such disposal are included in the fees established for tows under the Agreement.

H. Contractor shall strictly conform to all applicable local, state and federal laws and regulations with regard to disposal of vehicles, whether by lien sale or otherwise.

I. Contractor shall display in its place of business in clear view of all patrons and in language acceptable to the Chief of Police, the following:

i. A listing of the Tow Rates and Fees;

ii. A listing of the Gate Fee and when it can be charged;

iii. A listing of the Lien Sale Application Fee and when it can be charged;

iv. A copy of the Contractor's current Santa Clara Business License;

v. A copy of Contractor's insurance policy (with financial data redacted if applicable) or, the Contractor's insurance company's name, address, policy number, including the name, address and telephone number of Contractor's insurance agent;

vi. Forms for complaints by patrons; and,

vii. The name and telephone number of the S.C.P.D. Tow Liaison.

AGREEMENT FOR SERVICES
BY AND BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA
AND
LIMA TOWING

EXHIBIT D

INSURANCE REQUIREMENTS

Without limiting the Contractor's indemnification of the City, and prior to commencing any of the Services required under this Agreement, the Contractor shall provide and maintain in full force and effect, at its sole cost and expense, the following insurance policies with at least the indicated coverages, provisions and endorsements:

A. COMMERCIAL GENERAL LIABILITY INSURANCE

1. Commercial General Liability Insurance policy which provides coverage at least as broad as Insurance Services Office form CG 00 01. Policy limits are subject to review, but shall in no event be less than, the following:

   $1,000,000 Each Occurrence
   $2,000,000 General Aggregate
   $2,000,000 Products/Completed Operations Aggregate
   $1,000,000 Personal Injury

2. Exact structure and layering of the coverage shall be left to the discretion of Contractor; however, any excess or umbrella policies used to meet the required limits shall be at least as broad as the underlying coverage and shall otherwise follow form.

3. The following provisions shall apply to the Commercial Liability policy as well as any umbrella policy maintained by the Contractor to comply with the insurance requirements of this Agreement:

   a. Coverage shall be on a "pay on behalf" basis with defense costs payable in addition to policy limits;

   b. There shall be no cross liability exclusion which precludes coverage for claims or suits by one insured against another; and

   c. Coverage shall apply separately to each insured against whom a claim is made or a suit is brought, except with respect to the limits of liability.

4. ON HOOK/CARGO POLICY with a minimum limit of not less than fifty thousand dollars ($50,000).

5. GARAGE KEEPERS LEGAL LIABILITY POLICY with a minimum limit of not less than one hundred thousand dollars ($100,000).

B. BUSINESS AUTOMOBILE LIABILITY INSURANCE

Business automobile liability insurance policy which provides coverage at least as broad as ISO form CA 00 01 with policy limits a minimum limit of not less than one million dollars ($1,000,000) each accident using, or providing coverage at least as broad as, Insurance Services Office form CA 00 01. Liability coverage shall apply to all owned, non-owned and hired autos.

In the event that the Work being performed under this Agreement involves transporting of hazardous or regulated substances, hazardous or regulated wastes and/or hazardous or regulated materials, Contractor and/or its subcontractors involved in such activities shall provide coverage with a limit of two million dollars ($2,000,000) per accident covering transportation of such materials by the addition to the Business Auto Coverage Policy of Environmental Impairment Endorsement MCS90 or Insurance Services Office endorsement form CA 99 48, which amends the pollution exclusion in the standard Business Automobile Policy to cover pollutants that are in or upon, being transported or towed by, being loaded onto, or being unloaded from a covered auto.

C. WORKERS' COMPENSATION

1. Workers' Compensation Insurance Policy as required by statute and employer's liability with limits of at least one million dollars ($1,000,000) policy limit Bodily Injury by disease, one million dollars ($1,000,000) each accident/Bodily Injury and one million dollars ($1,000,000) each employee Bodily Injury by disease.

2. The indemnification and hold harmless obligations of Contractor included in this Agreement shall not be limited in any way by any limitation on the amount or type of damage, compensation or benefit payable by or for Contractor or any subcontractor under any Workers' Compensation Act(s), Disability Benefits Act(s) or other employee benefits act(s).

3. This policy must include a Waiver of Subrogation in favor of the City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents.

D. COMPLIANCE WITH REQUIREMENTS

All of the following clauses and/or endorsements, or similar provisions, must be part of each commercial general liability policy, and each umbrella or excess policy.

1. Additional Insureds. City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents are hereby added as additional insureds in respect to liability arising out of Contractor's work for City, using Insurance

Services Office (ISO) Endorsement CG 20 10 11 85 or the combination of CG 20 10 03 97 and CG 20 37 10 01, or its equivalent.

2. Primary and non-contributing. Each insurance policy provided by Contractor shall contain language or be endorsed to contain wording making it primary insurance as respects to, and not requiring contribution from, any other insurance which the Indemnities may possess, including any self-insurance or self-insured retention they may have. Any other insurance Indemnities may possess shall be considered excess insurance only and shall not be called upon to contribute with Contractor's insurance.

3. Cancellation.

   (a) Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided due to non-payment of premiums shall be effective until written notice has been given to City at least ten (10) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least ten (10) days prior to the effective date of non-renewal.

   (b) Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided for any cause save and except non-payment of premiums shall be effective until written notice has been given to City at least thirty (30) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least thirty (30) days prior to the effective date of non-renewal.

4. Other Endorsements. Other endorsements may be required for policies other than the commercial general liability policy if specified in the description of required insurance set forth in Sections A through D of this Exhibit C, above.

E. ADDITIONAL INSURANCE RELATED PROVISIONS

Contractor and City agree as follows:

1. Contractor agrees to ensure that subcontractors, and any other party involved with the Services who is brought onto or involved in the performance of the Services by Contractor, provide the same minimum insurance coverage required of Contractor, except as with respect to limits. Contractor agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this Agreement. Contractor agrees that upon request by City, all agreements with, and insurance compliance documents provided by, such subcontractors and others engaged in the project will be submitted to City for review.

2. Contractor agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge City or Contractor for the cost of additional insurance coverage required by this Agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.

3. The City reserves the right to withhold payments from the Contractor in the event of material noncompliance with the insurance requirements set forth in this Agreement.

F. EVIDENCE OF COVERAGE

Prior to commencement of any Services under this Agreement, Contractor, and each and every subcontractor (of every tier) shall, at its sole cost and expense, provide and maintain not less than the minimum insurance coverage with the endorsements and deductibles indicated in this Agreement. Such insurance coverage shall be maintained with insurers, and under forms of policies, satisfactory to City and as described in this Agreement. Contractor shall file with the City all certificates and endorsements for the required insurance policies for City's approval as to adequacy of the insurance protection.

G. EVIDENCE OF COMPLIANCE

Contractor or its insurance broker shall provide the required proof of insurance compliance, consisting of Insurance Services Office (ISO) endorsement forms or their equivalent and the ACORD form 25-S certificate of insurance (or its equivalent), evidencing all required coverage shall be delivered to City, or its representative as set forth below, at or prior to execution of this Agreement. Upon City's request, Contractor shall submit to City copies of the actual insurance policies or renewals or replacements. Unless otherwise required by the terms of this Agreement, all certificates, endorsements, coverage verifications and other items required to be delivered to City pursuant to this Agreement shall be submitted as follows:

Email (**preferred**): ctsantaclara@ebix.com
Mailed: EBIX Inc.
City of Santa Clara
P.O. 12010-S2
Hemet, CA 92546-8010
Fax number: 770-325-0409 Telephone number: 951-766-2280

H. QUALIFYING INSURERS

All of the insurance companies providing insurance for Contractor shall have, and provide written proof of, an A. M. Best rating of at least A minus 6 (A- VI) or shall be an insurance company of equal financial stability that is approved by the City or its insurance compliance representatives.

AGREEMENT FOR SERVICES BY AND BETWEEN THE CITY OF SANTA CLARA, CALIFORNIA, AND UNIQUE TOWING

PREAMBLE

This Agreement is entered into between Unique Towing, a California corporation, ("Contractor"), and the City of Santa Clara, California, a chartered California municipal corporation ("City"). City and Contractor may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement."

RECITALS

A. City requires the services of Contractor for the purpose of providing tow services for the removal of disabled, abandoned, and illegally parked motor vehicles, as well as a variety of police initiated vehicle tow requirements; and,

B. Chapter 10.10 of "The Code of the City of Santa Clara, California" ("Code") provides for the removal of abandoned, wrecked, dismantled or inoperative vehicles, or parts thereof; and,

C. City requires the establishment of a clear and concise tow policy to alleviate controversy among tow company operators and to minimize the complaints made to the City from members of the public at large and the owners of the specific motor vehicles involved; and,

D. Contractor represents that it, and its subcontractors, if any, have the professional qualifications, expertise, necessary licenses and desire to provide certain goods and/or required services of the quality and type which meet objectives and requirements of City; and,

E. The Parties have specified herein the terms and conditions under which such services will be provided and paid for.

The Parties agree as follows:

AGREEMENT TERMS AND CONDITIONS

1. AGREEMENT DOCUMENTS

The documents forming the entire Agreement between City and Contractor shall consist of these Terms and Conditions and the following Exhibits, which are hereby incorporated into this Agreement by this reference:

Exhibit A – Police Department Initiated Tows

Exhibit B – Non-Police Initiated Tow Services

Exhibit C – Schedule of Fees, Tow Rates and Charges

Exhibit D – Insurance Requirements

This Agreement, including the Exhibits set forth above, contains all the agreements, representations and understandings of the Parties, and supersedes and replaces any previous agreements, representations and understandings, whether oral or written. In the event of any inconsistency between the provisions of any of the Exhibits and the Terms and Conditions, the Terms and Conditions shall govern and control.

2. TERM OF AGREEMENT.

Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by a written amendment to this Agreement, the term of this Agreement shall begin on January 1, 2019 and terminate on December 31, 2023.

3. VEHICLE TOWING BY CONTRACTOR.

As material consideration to City for entering into this Agreement, Contractor shall provide:

(a) prompt tow service for vehicles involved in collisions or disabled by any other cause, or abandoned in public places or on private property, regardless of the type or condition of the vehicle;

(b) removal from the street of all debris resulting from collisions;

(c) safety and security of vehicles towed and the contents thereof;

(d) lawful conduct of lien sales or other disposal of such vehicles.

City is interested only in the results obtained by Contractor in the performance of Services hereunder. The manner and means of conducting tow service will be under the sole control of Contractor, so long as Contractor abides by the provisions of this Agreement and any applicable local, state and federal legislation.

Contractor agrees to tow any or all vehicles as requested by City, to conduct lien sales, and to dispose of said vehicles pursuant to all applicable local, state and federal laws, at Contractor's sole cost and expense. CONTRACTOR SHALL ACCEPT ANY AND ALL REQUESTS FOR SERVICE. It shall tow the vehicle assigned to it by the Public Safety Officer or Public Safety employee at the scene and is responsible for providing prompt service and/or removal of any vehicle regardless of age, size, value, or condition.

City shall have the right to require Contractor to tow vehicles from any location within the City subject to the procedures set forth in this Agreement. Contractor shall be fully responsible for conducting all categories of service set forth below. City reserves the right to make any contractual or other arrangements concerning vehicle tows as City deems necessary without incurring any liability or obligation to Contractor.

4. QUALIFICATIONS OF CONTRACTOR - STANDARD OF CARE

Contractor represents and maintains that it has, and its individual employees or agents have, the expertise in the professional calling necessary to perform the Services, and its duties and obligations, expressed and implied, contained herein, and City expressly relies upon Contractor's representations regarding its skills and knowledge. This includes all applicable licenses and certifications; Contractor and its employees shall maintain in good standing all applicable licenses and certifications during the term of this Agreement. Contractor shall perform such Services and duties in conformance to and consistent with the professional standards of a specialist in the same discipline in the State of California.

5. COMPLIANCE WITH LAWS

Contractor shall comply with all applicable laws and regulations of the federal, state and local government, including but not limited to "The Code of the City of Santa Clara, California" ("SCCC"). In particular, Contractor's attention is called to the regulations regarding Campaign Contributions (SCCC Chapter 2.130), Lobbying (SCCC Chapter 2.155), Minimum Wage (SCCC Chapter 3.20), Business Tax Certificate (SCCC section 3.40.060), and Food and Beverage Service Worker Retention (SCCC Chapter 9.60), as such Chapters or Sections may be amended from time to time or renumbered. Additionally, Contractor has read and agrees to comply with City's Ethical Standards (http://santaclaraca.gov/home/showdocument?id=58299).

6. MONITORING OF SERVICES.

City may monitor the Services performed under this Agreement to determine whether Contractor's operation conforms to City policy and to the terms of this Agreement. City may also monitor the Services to be performed to determine whether financial operations are conducted in accord with applicable City, county, state, and federal requirements. If any action of Contractor constitutes a breach, City may terminate this Agreement pursuant to the provisions described herein.

7. CATEGORIES OF TOWING SERVICES.

By entering into this Agreement, Contractor shall be placed on the City Tow Service List ("City Tow Service List") maintained by City for various types of towing services. City shall have absolute discretion in initially determining, and subsequently modifying, its Tow Service List. City shall not be required to dispatch Contractor to any minimum number of tow calls per month, or during any other period, during the term of this Agreement. As a result of being placed on City Tow Service List, Contractor shall provide the tow service activities set forth under this Agreement including police-initiated tows, abandoned vehicle tows, voluntary tows and debris removal, as follows:

A. Police-Initiated Tows

Police-initiated tow services may result from a variety of police activities, including accident investigations and cleanup, impounds, criminal investigations, and other law enforcement activities. Contractor shall be placed on two City of Santa Clara Police Department ("S.C.P.D.") rotating schedules and shall be held to strict response time standards. Rotation Schedule A is for the towing of

Recreational Vehicles (RV's), Cab-Over Campers, Motor Homes (on wheels), and open trailers. Rotation Schedule B is for all other vehicle tows. The terms and conditions of this Agreement, which apply to the contractors listed on the City Tow Service List, are set forth in Exhibit A, attached hereto and incorporated herein by reference. Any contractor that responds to police-initiated tow services requests shall also be required to provide service required for abandoned vehicle tow services and City's "Voluntary Tow Program," as defined in this Agreement.

B. Abandoned Vehicle Tows

This service category includes tow contractors that must be available to provide tow services within the jurisdictional limits of City resulting from tow service requests originating from City's Police Department on a rotating basis. Excluding weekends, tow contractors shall provide tow service to remove abandoned, wrecked, dismantled, or inoperative vehicles that are located in the jurisdictional limits of City within a 25-minute period of time. Regular hours of operations for this service would be Monday through Friday 8:00 AM to 5:00 PM. Tow contractors whose names are on the City Tow Service List shall be placed on the S.C.P.D. rotating schedules. The terms and conditions of this Agreement, which apply to the contractors that provide tow service to remove abandoned, wrecked, dismantled, or inoperative vehicles are set forth in Exhibit B, attached hereto and incorporated herein by reference.

C. Voluntary Tow Program

In an effort to assist City's citizens in the abatement of unwanted vehicles, City has established a "Voluntary Tow Program." S.C.P.D. will manage the program and notify Contractor for the removal and disposal of vehicles relinquished by parties holding title or proof of ownership accepted by S.C.P.D. Contractor agrees to provide tow services on a rotational basis for this program, as set forth in Exhibit B.

D. Debris Removal Service

This service is specifically for vehicle debris removal from scenes not related to police-initiated tows pursuant to Section 7(A). Contractor agrees to provide this service on a rotational basis at the request of the S.C.P.D., as set forth in Exhibit A.

8. PERFORMANCE OF SERVICES.

Contractor shall perform all requested services in an efficient and expeditious manner. Contractor shall be as fully responsible to City for the acts and omissions of its subcontractors, and of persons either directly or indirectly employed by them, as Contractor is for the acts and omissions of persons directly employed by it. Contractor will perform all services in a safe manner and in accordance with all federal, state and local operation and safety regulations.

9. FEES, TOW RATES AND CHARGES.

In consideration for entering into this Agreement with City, Contractor agrees to accept the payments, and to charge rates and charges no greater than the SCHEDULE OF FEES, TOW RATES AND CHARGES for any of the various tow services provided under this Agreement, as set forth in Exhibit C attached hereto and incorporated herein by reference. The maximum compensation paid to Contractor under this Agreement shall not exceed fifty thousand ($50,000.00) dollars, subject to budget appropriations, which includes all payments that may be authorized for Services and for expenses, supplies, materials and equipment required to perform the Services. All work performed or materials provided in excess of the maximum compensation shall be at Contractor's expense. Contractor shall not be entitled to any payment above the maximum compensation under any circumstance without a fully executed Amendment, as described in this Agreement.

Any charges that are billed to the City must be submitted no later than thirty days (30) days from the day the vehicle is towed by the tow company. The City will not be responsible for any billings which occur after this time frame.

Contractor shall be responsible for the collection of payment from a customer of any charge for services rendered. Requests for payments shall be made to the registered owner of the vehicle or legal representative, and no cost or expense, or any part thereof, shall be charged against the City, unless otherwise explicitly set forth in this Agreement.

10. ACCEPTANCE OF ADDITIONAL TOW COMPANIES.

A. In its sole discretion, the City may add tow operators to the City Tow Service List at any time during the term of this Agreement, subject to the same terms and conditions.

11. WAIVER OF CLAIMS.

A. Contractor, as a material part of the consideration to be rendered to City under this Agreement, hereby waives all claims or causes of action against City, its officers, agents, or employees which it may now or hereafter have for any loss or damage to the property of, or injury or damage to Contractor, its officers, employees, agents, contractors or any other person, from any cause or causes arising at any time because of any activity carried on pursuant to this Agreement, except as may arise from the sole active negligence or sole willful act of City, its officers, agents, or employees.

B. Contractor also agrees to waive any claim or cause of action against other tow operators who, at City's request or direction, conduct any type of police-initiated tow.

12. STANDARDS OF SERVICE.

A. All of Contractor's officers, agents, or employees who engage in performance of this Agreement with City on behalf of Contractor shall conduct themselves in a courteous and professional manner to City personnel and to members of the public.

B. Contractor shall require that all of Contractor's employees who serve the public wear an identifiable uniform and/or company shirt or jacket that includes, but is not limited to, Contractor's name, logo, and employee's name. Contractor shall also require that drivers maintain acceptable personal hygiene and regular maintenance of their uniform. Nothing in this Agreement shall preclude Contractor from establishing a dress code or similar rules to regulate the appearance of their employees.

C. Contractor agrees to accept, from any party whose vehicle has been towed pursuant to this Agreement, any of the following means of payment for the tow service charges: United States currency or credit cards. Appropriate credit card equipment must be located on the premises and available for immediate processing from each tow truck. In addition, a person operating or in charge of the storage facility shall have sufficient funds on the premises to accommodate and make change for a reasonable monetary transaction.

13. RECORDS/REPORT TO CITY.

Contractor shall at all times make all reasonable efforts to maintain accurate and complete records of each City-initiated tow received. These records shall contain all of the following information:

A. Name, address, and phone number of person whose vehicle was towed;

B. Vehicle identification number, license plate number, make, year, model, and color of each vehicle towed;

C. Date and time tow request was received and date and time of response;

D. Location from which vehicle was towed, and name or number of driver assigned to each tow;

E. Reason for tow, whether accident, impound, or other reason;

F. Date and time of release for each vehicle;

G. Name, address, and identification (i.e., driver's license) of party to whom vehicle was released;

H. All fees or charges connected with each tow, showing specifically tow, storage, use of dolly or drive-line labor, and lien sale in addition to the total of such charges or fees;

I. Date that charges were paid; and

J. Date and time vehicle was placed in tow storage facility.

Contractor shall, at a minimum, maintain the following information for each Employee: (a) Full legal name; (b) Date of birth; California driver's license number; (c) Copy of valid medical certificate (if required); (d) Job title/description; (e) Current home address; (f) Current home phone number; (g) Type(s) of truck(s) the driver(s) has/have been trained to operate; (h) Current Pull Notice as required by California Vehicle Code section 1808.1.

14. RIGHT OF CITY TO INSPECT RECORDS OF CONTRACTOR.

City, through its authorized employees, representatives or agents, shall have the right, during the term of this Agreement and for four (4) years from the date of final payment for goods or services provided under this Agreement, to audit the books and records of Contractor for the purpose of verifying any and all charges made by Contractor and all revenue and income arising out of Contractor's operation under this Agreement, including termination of Contractor. Contractor agrees to maintain sufficient books and records in accordance with generally accepted accounting principles to establish the correctness of all charges submitted to City. Any expenses not so recorded shall be disallowed by City. Contractor shall bear the cost of the audit if the audit determines that there has been a substantial billing deviation in excess of five (5) percent adverse to the City.

Contractor shall submit to City any and all reports concerning its performance under this Agreement that may be requested by City in writing. Contractor agrees to assist City in meeting City's reporting requirements to the State and other agencies with respect to Contractor's services hereunder.

15. TERMINATION / SUSPENSION OF CONTRACTOR.

A. In addition to all other remedies provided by law, and except as set forth in paragraph C below, if Contractor fails to perform any of its obligations under this Agreement City shall have the right to suspend or terminate this Agreement as follows:

1st violation: Written warning.

2nd violation: One-week suspension from all rotation lists.

3rd violation in a twelve-month period following the first violation: Two-week suspension from all rotation lists.

4th violation: in a twelve-month period following the first violation: Four-week suspension from all rotation lists.

5th violation in a twelve-month period following the first violation: Termination of agreement

B. The Chief of Police may suspend Contractor for any period of time, or terminate the Agreement entirely, effective immediately, if the Chief determines that there is a threat to public safety.

C. During the time period of temporary suspension from the rotation schedules, City shall not make any tow requests to Contractor. Upon expiration of the time period of suspension or upon satisfaction of the conditions set for the termination of the suspension, Contractor shall again be placed on the City Tow Service List rotation schedule and all the terms and conditions of this Agreement shall remain in effect and unchanged.

D. A written notice of suspension or termination shall be personally served upon Contractor, or on any person employed in the place where the business in question, or activity, is maintained. If personal service cannot be accomplished as provided herein, a copy of such notice may be served by certified mail. Service shall be deemed complete when personal service is made or when the U.S. Postal Service delivers the certified letter.

16. REQUIRED LICENSE AND EQUIPMENT.

A. At all times during this Agreement, Contractor shall maintain a current City business license to operate in the City of Santa Clara, and at least five (5) tow trucks equipped with operable two-way radios with the capability of communicating with their own dispatching service. The tow trucks must be registered in the name of the tow company owner. Each tow truck must be equipped as required by the California Vehicle Code. City reserves the right to inspect all tow vehicles for required equipment without notice.

B. The tow trucks shall display, in lettering directly affixed to each door by painting, decal, or other permanent lettering, Contractor's business name and address, and the phone number of the primary office facility and storage lot referred to in Section 16, below. Contractor shall not, while conducting any police-initiated tow, display any other magnetic sign or other temporary sign at any place on a tow truck utilized in the conducting of police-initiated tows with the intent to deceive any party whose vehicle is being towed.

17. VEHICLE REMOVAL WITHOUT AUTHORITY.

If, upon an investigation as to the validity of S.C.P.D.'s removal of a vehicle, it is determined that a vehicle was towed in error or without cause, City will be responsible for the full tow charges.

18. STORAGE FACILITIES

A. At all times during the performance of this Agreement, Contractor shall maintain, construct, and utilize vehicle storage facilities in compliance with all applicable

City zoning and land use ordinances, codes, and regulations, and with all conditions set forth in all permits as may be required by City.

B. Contractor shall maintain its primary storage lot within the jurisdictional limits of the City of Santa Clara. During the term of this Agreement, Contractor may request re-location of its primary lot outside the jurisdictional limits of the City of Santa Clara. Such requests shall be made in writing, and in accordance with Vehicle Code 22658, and consent shall be granted at the sole discretion of the Chief of Police. Primary storage facilities shall be maintained to the satisfaction of the Chief of Police, or his/her designee, who may cause them to be inspected from time to time to ensure that they meet the following requirements:

i. Contractor's primary lot must be sufficiently large to store at least twenty-five (25) automobiles. The primary lot must be enclosed by fencing that complies with all applicable City ordinances and regulations. The primary lot must be available twenty-four (24) hours a day, seven (7) days a week for storage of vehicles towed pursuant to this Agreement. Vehicles requiring special handling or held for investigation shall be stored in an enclosed area if requested by the investigating officer and will not be removed until authorized by the concerned investigator. The primary lot shall include an enclosed building large enough to store at least four (4) vehicles. Contractor shall provide security at the primary lot to the reasonable satisfaction of the Chief of Police. Reasonable security shall include a minimum of (a) adequate lighting during hours of darkness; (b) full security camera coverage of the yard; and (c) security camera coverage of the interior of the office. Resultant security videos shall be maintained by Contractor for a time period of up to sixty (60) days and, upon request, access made available for the Chief of Police or designee.

ii. Contractor must maintain a primary office facility at the primary storage lot. Contractor shall have an employee at the primary office facility twenty-four (24) hours a day, seven (7) days a week, or have an employee available who can arrive at the primary office facility within sixty (60) minutes of a police or citizen request, in order to assure that a citizen may claim his or her vehicle at any time and to properly protect police impounded vehicles.

iii. Contractor shall provide the company's policy and procedure regarding the removal, inventory, storage, and notification to owner of personal property to the Chief of Police for his or her approval.

C. All police-impounded vehicles, stored vehicles, vehicles held for investigation, and recovered vehicles shall be stored in the primary lot and shall not be moved until authorized by the Chief of Police, or designee. City shall pay storage fees as set forth in Exhibit C. After fifteen (15) days, Contractor shall notify the City that the vehicle is still in impound/storage. Vehicles with holds placed on them by S.C.P.D. shall not be lien sold; however, Contractor may file for a lien but not complete the lien until the hold is removed.

D. Contractor may maintain secondary lots outside the jurisdictional limits of the City of Santa Clara. The secondary lots shall be maintained to the satisfaction of the Chief of Police or designee, who may cause them to be inspected from time to time. Contractor may tow and store abandoned vehicles at such a secondary lot . Said storage facilities shall be subject to compliance with the applicable City codes and regulations of the City in which said facilities are located. The towing and storage of vehicles under this Agreement at any such storage facilities outside the jurisdictional boundaries of the City must comply with all applicable laws and regulations.

19. NO ASSIGNMENT OR SUBCONTRACTING OF AGREEMENT.

City and Contractor bind themselves, their successors and assigns to all covenants of this Agreement. This Agreement shall not be assigned or transferred without the prior written approval of City. Contractor shall not hire subcontractors without express written permission from City. Contractor shall be as fully responsible to City for the acts and omissions of its subcontractors, and of persons either directly or indirectly employed by them, as Contractor is for the acts and omissions of persons directly employed by it.

20. NO THIRD PARTY BENEFICIARY.

This Agreement shall not be construed to be an agreement for the benefit of any third party or parties and no third party or parties shall have any claim or right of action under this Agreement for any cause whatsoever.

21. INDEPENDENT CONTRACTOR.

Contractor and all person(s) employed by or contracted with Contractor to furnish labor and/or materials under this Agreement are independent contractors and do not act as agent(s) or employee(s) of City. Contractor has full rights to manage its employees in their performance of Services under this Agreement.

22. NO PLEDGING OF CITY'S CREDIT.

Under no circumstances shall Contractor have the authority or power to pledge the credit of City or incur any obligation in the name of City. Contractor shall save and hold harmless the City, its City Council, its officers, employees, boards and commissions for expenses arising out of any unauthorized pledges of City's credit by Contractor under this Agreement.

23. USE OF CITY NAME OR EMBLEM.

Contractor shall not use City's name, insignia, or emblem, or distribute any information related to services under this Agreement in any magazine, trade paper, newspaper or other medium without express written consent of City.

24. FAIR EMPLOYMENT.

Contractor shall not discriminate against any employee or applicant for employment because of race, sex, color, religion, religious creed, national origin, ancestry, age, gender, marital status, physical disability, mental disability, medical condition, genetic information, sexual orientation, gender expression, gender identity, military and veteran status, or ethnic background, in violation of federal, state or local law.

25. HOLD HARMLESS/INDEMNIFICATION.

A. To the extent permitted by law, Contractor agrees to protect, defend, hold harmless and indemnify City, its City Council, commissions, officers, employees, volunteers and agents from and against any claim, injury, liability, loss, cost, and/or expense or damage, including all costs and attorney's fees in providing a defense to any such claim or other action, and whether sounding in law, contract, tort, or equity, in any manner arising from, or alleged to arise in whole or in part from, or in any way connected with the Services performed by Contractor pursuant to this Agreement – including claims of any kind by Contractor's employees or persons contracting with Contractor to perform any portion of the Scope of Services – and shall expressly include passive or active negligence by City connected with the Services. However, the obligation to indemnify shall not apply if such liability is ultimately adjudicated to have arisen through the sole active negligence or sole willful misconduct of City; the obligation to defend is not similarly limited.

B. Contractor's obligation to protect, defend, indemnify, and hold harmless in full City and City's employees, shall specifically extend to any and all employment-related claims of any type brought by employees, contractors, subcontractors or other agents of Contractor, against City (either alone, or jointly with Contractor), regardless of venue/jurisdiction in which the claim is brought and the manner of relief sought.

C. To the extent Contractor is obligated to provide health insurance coverage to its employees pursuant to the Affordable Care Act ("Act") and/or any other similar federal or state law, Contractor warrants that it is meeting its obligations under the Act and will fully indemnify and hold harmless City for any penalties, fines, adverse rulings, or tax payments associated with Contractor's responsibilities under the Act.

D. Contractor shall be obligated to defend any action relating to any claims covered by this Indemnification Agreement through counsel approved by the City in writing. If, within fifteen (15) days prior to such time as may be required for a response to a claim, tow operator does not deliver written notice to the City of Contractor's intent to defend an action relating to such claim and identifying selected defense counsel, the City shall have the right to defend such action through counsel of the City's choice at Contractor's expense, and the City may settle such action without Contractor's consent at Contractor's sole expense. However, Contractor may not settle any claim without the consent of the City.

This section shall survive termination or expiration of this Agreement.

26. INSURANCE REQUIREMENTS.

During the term of this Agreement, and for any time period set forth in Exhibit D, Contractor shall provide and maintain in full force and effect, at no cost to City, insurance policies as set forth in Exhibit D.

27. AMENDMENTS.

This Agreement may only be modified by a written amendment duly authorized and executed by the Parties to this Agreement.

28. SEVERABILITY CLAUSE.

In case any one or more of the provisions in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, it shall not affect the validity of the other provisions, which shall remain in full force and effect.

29. WAIVER.

Contractor agrees that waiver by City of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement. Neither City's review, acceptance nor payments for any of the Services required under this Agreement shall be constructed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

30. NOTICES.

All notices to the Parties shall, unless otherwise requested in writing, be sent or served to City addressed as follows:

City of Santa Clara
Attention: Field Operations Division Commander
601 El Camino Real
Santa Clara, California 95050
or by facsimile at (408) 296-1346

And to Contractor addressed as follows:
Contractor's notice address:
Name: Dave Thompson
Address: 416 Aldo Ave., Santa Clara, CA 95054
or by email at: dave@uniquetowing.com

If notice is sent via email, a signed, hard copy of the material shall also be mailed. An email transmitted after 1:00 p.m. on a Friday shall be deemed to have been transmitted on the following Monday.

31. CAPTIONS.

The captions of the various sections, paragraphs and subparagraphs of this Agreement are for convenience only and shall not be considered or referred to in resolving questions of interpretation.

32. LAW GOVERNING CONTRACT AND VENUE.

This Agreement shall be governed and construed in accordance with the statutes and laws of the State of California. The venue of any suit filed by either Party shall be vested in the state courts of the County of Santa Clara, or if appropriate, in the United States District Court, Northern District of California, San Jose, California.

33. CONFLICTS OF INTEREST.

To prevent a conflict of interest, Contractor certifies that to the best of its knowledge, no City officer, employee or authorized representative has any financial interest in the business of Contractor and that no person associated with Contractor has any interest, direct or indirect, which could conflict with the faithful performance of this Agreement. Contractor is familiar with the provisions of California Government Code section 87100 and following, and certifies that it does not know of any facts which would violate these code provisions. Contractor will advise City if a conflict arises.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute one and the same instrument.

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The Parties acknowledge and accept the terms and conditions of this Agreement as evidenced by the following signatures of their duly authorized representatives.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

APPROVED AS TO FORM:

Dated: _____

BRIAN DOYLE
City Attorney

DEANNA J. SANTANA
City Manager
1500 Warburton
Santa Clara, CA 95050
Telephone: (408) 615-4894
Fax: (408) 261-9165

"CITY"

UNIQUE TOWING
[A CALIFORNIA CORPORATION]

Dated: 11-7-18
By: _____
(Signature of Person executing the Agreement on behalf of Contractor)
Name: Dave Thompson
Title: President
Local Address: 416 Aldo Ave
Santa Clara, Ca. 95054
Email Address: dave@uniquetowing.com
Telephone: (408) 249-5253
Fax: (408) 567-9577

"CONTRACTOR"

AGREEMENT FOR SERVICES
BY AND BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA
AND
UNIQUE TOWING

EXHIBIT A

ALL CITY TOWS ARISING FROM
POLICE DEPARTMENT INITIATED TOWS

In addition to the general provisions of this Agreement, Contractor agrees to the following terms and conditions.

1. CITY POLICY REGARDING TOW SERVICES

Contractor's accountability for tow service and vehicle removals under this Agreement is of paramount concern to City. The terms and conditions of this Agreement comprise the policy of the S.C.P.D. with regard to tow companies, which by signing this Agreement, have requested to be placed on the City Tow Service List. This policy is established to alleviate controversy among the tow company operators and to settle complaints made by owners of vehicles involved in tow service activities. The City shall be the final authority in the settlement of any disputes arising out of tow services provided by tow companies included on the City Tow Service List. City shall provide Contractor with the name of the City liaison between the Contractor and the S.C.P.D.

2. CONTRACTOR'S OBLIGATIONS AND NOTIFICATIONS.

Contractor shall provide tow service to City on a 24-hour basis, 7 days a week. Contractor shall also comply with the following requirements.

A. Contractor shall release stored or impounded vehicles on a 24-hour basis, 7 days week. During normal business hours, Monday through Friday 8am to 5pm (excluding Holidays), an employee of Contractor must be available on the premises to release stored vehicles or papers necessary to obtain a release. Outside of normal business hours and on Holidays, the response time for such a release shall be within 60 minutes from initial contact.

B. Between the hours of 5:00 p.m. and 8:00 a.m., Monday through Friday, and on weekends and State holidays, a gate fee may be charged, to the extent allowed by State law, by Contractor for access to the vehicle and/or to claim or to release said vehicle subject to the requirements set forth in Exhibit C. However, Contractor shall not charge a gate fee if an employee of Contractor is onsite when release and/or access to the vehicle is requested. S.C.P.D. shall be exempt from such gate fee. Notice of gate fee hours and charges shall be given.

C. Contractor's accountability for removals is of paramount concern to City. Excluding weekends, Contractor shall respond to the scene within 30 minutes for

all abandoned, wrecked, dismantled or inoperative vehicles or parts thereof as "public nuisances" upon authorization of City from private and/or public property. Upon the arrival of the vehicle at the storage facility, the Contractor shall immediately contact the S.C.P.D. by telephone to advise the S.C.P.D. of the vehicle removal information relating to the towing of that vehicle. As soon as the Abandoned Vehicle Section is open for business, Contractor is to call that section and relay the information given previously to the S.C.P.D., along with the time the information was given, and the badge number of the person at the S.C.P.D. to whom Contractor gave the removal information.

3. RATES AND CHARGES

A. All fees charged by Contractor shall not exceed the rates and service charges approved by City as set forth in Exhibit C. The tow rates and charges shall be posted at all tow facilities in plain view. A copy of the schedule of rates charged by the Contractor shall be available in each of the tow trucks, and shall be presented upon demand to the person(s), or his/her agent, for whom the tow services were provided, or to any City employee at the scene.

B. Additional charges will not be made except in unusual cases when other than normal conditions exist. Additional charges will not exceed rates as set forth in Exhibit C for such extra service and will be subject to the approval of S.C.P.D. Contractor will conform to all procedures required by City to maintain adequate tow service at reasonable rates.

C. No part of any tow service cost or expense or any other cost or expense shall be charged against City, and its officers or employees will not be responsible for the collection or payment of any charges or service rendered by reason of its having dispatched the tow service. All such charges for services rendered shall be made to the owner of the vehicle or other lawful claimant of possession.

D. Contractor shall release personal property from an impounded vehicle at the request of the vehicle owner or his/her agent. There shall be no charge for the release of personal property during normal business hours. Contractor may charge an "after hours" release fee for property released after normal business hours as set forth in Exhibit C. The fees charged shall be consistent with the "after hours" vehicle release provisions, and shall not charge more than one-half the hourly rate, as provided in California Vehicle Code section 22851(B). Contractor shall not charge City for any "after hours" access to any vehicle impounded or stored. Personal property is considered to be items located within the stored vehicle that are not affixed to the vehicle, including but not limited to, papers, transportable cellular telephones, , portable radios, clothes, luggage, tools, etc. Anything that is attached to the vehicle (i.e. wheels, tires, stereo (including hardwired GPS systems), added gauges, or car battery) is not considered personal property. Contractor shall provide a receipt, with a copy placed in the stored vehicle and a

copy to City, whenever any item is removed from a stored vehicle and taken to another place of storage.

4. RESPONSE TIME

A. Contractor agrees to respond to a tow scene within twenty-five (25) minutes after receiving a call requesting tow services from the S.C.P.D. If Contractor has an extended estimated time of arrival or feels it cannot reach the scene in time, Contractor agrees to notify the S.C.P.D. as soon as possible. Failure to notify the S.C.P.D. within that time period may result in Contractor being placed at the bottom of the list and missing one additional tow service call.

In the event a Contractor is unable to respond or will be delayed in responding, the requesting City communications operator shall be notified immediately. When a Contractor will be temporarily unavailable to provide services due to a preplanned or scheduled activity, the Contractor shall notify the liaison, in writing, at least 24 hours prior to the date that services will be unavailable noting the times and dates of unavailability.

Note: Telephone answering services are deemed agents of the tow service operator and are required to comply with all provisions contained in this policy. Contractor or its answering service is responsible for informing the Public Safety Dispatcher of the unavailability of equipment or driver to render an immediate response. Contractor shall not accept a referral and, in turn, assign the referral to another tow company.

B. Failure to reach the scene within twenty-five (25) minutes without the notification described in Section A above may, in addition to the suspension/termination provisions of the Agreement, result in a call to the next Tow Company on the rotation list. The tow company called first will then be entered at the bottom of the list. When dispatched by S.C.P.D. to abandoned vehicle tows, tow provider will respond within 25 minutes of notification for vehicle removal.

5. ACCESS TO VEHICLE

It shall be the responsibility of tow company personnel to unlock and/or gain entry when necessary for the purposes of towing a vehicle that has been ordered removed by S.C.P.D. Any claims for damage or loss arising from such entry shall be the responsibility of the tow company removing the vehicle. No parts or personal effects shall be removed by anyone from an impounded vehicle without authorization in writing from S.C.P.D. The removal of parts shall be limited to those parts that can be removed safely in accordance with safety standards common to similar business operations subject to S.C.P.D. approval.

6. REQUIREMENTS FOR TOW TRUCK OPERATORS

A. Contractor shall not operate or permit anyone to operate a tow truck for the purposes of removing a vehicle at the request of City until the following requirements are fulfilled:

Every tow truck operator shall:

i. Obtain his/her City of Santa Clara tow truck permit before taking any police related tows. All operators must complete an application for tow driver as provided by S.C.P.D. Such application will include a police background check and fingerprinting. The cost of the application is to be borne by either the applicant or tow company;

ii. Have a valid California Driver's License in accordance with section 12500 of the California Vehicle Code, and comply with all other requirements of state, federal and local laws;

iii. Possess a tow truck operator identification card issued by the S.C.P.D.;

iv. Provide a certificate of proof of controlled substance and alcohol testing (CSAT) that conforms to the requirements of Part 40 of Title 49 of the Code of Federal Regulations with the application for driver's permit.

B. The Contractor shall provide on an annual basis a current list of all drivers and proof of enrollment in a CSAT and/or program consistent with the requirements as outlined in Item 6A.v (above).

C. Tow truck operators who are found to have been convicted in a court of competent jurisdiction of any of the following offenses will not be assigned by Contractor to drive a tow truck to any police initiated calls:

v. Any offenses included in Division 4, Chapter 3 (commencing with California Vehicle Code section 10750 and which pertains to alteration or removal of vehicle's numbers) and Chapter 4 (commencing with California Vehicle Code section 10850 and which pertains to theft and injury to vehicles) of the California Vehicle Code; or,

vi. Any offenses as outlined in California Penal Code, including but not limited to, violations of any of the following California Penal Code sections:

459 P.C. (burglary);

466 P.C. (possession of burglary tools);

466.5 P.C. (unlawful possession of master key);

466.7 P.C. (unlawful possession of unauthorized key);

484 P.C. (petty theft);

487 P.C. (grand theft); or,

211 P.C. (robbery).

vii. Any violations of the requirements set forth in this paragraph, misconduct, failure to respond to accidents or other tow assignments, or any other act or omission adversely affecting City, its Police Department operation, or relationship with the public may be considered grounds for disciplinary action against Contractor and/or removal of Contractor from the towing list(s);

viii. Any of the above referenced crimes, or convicted of any such crimes after the issuance of the tow operate permit, City, at its sole discretion, may revoke said permit. Falsification of any information included in a tow driver's application shall be grounds for refusal to issue, or revocation of the tow driver permit.

ix. Any conviction of reckless driving or driving under the influence of any drug or intoxicating liquor regardless of whether the incident resulted in bodily injury or death within five (5) years prior to the date of application.

x. Any registered sex offenders under Penal Code section 290, or registered drug offenders under Health and Safety Code section 11590.

xi. For purposes of this Agreement a plea of "nolo contendere" may also serve as the basis for revocation, suspension or termination of this Agreement because the listed underlying offenses bear a substantial relationship to the qualifications, functions or duties of the tow truck driver.

7. NO DROP OR RELEASE CHARGE.

A. Prior to transit or prior to any movement of the vehicle after hook-up, any vehicle being towed upon S.C.P.D. orders shall, upon the appearance of the car's owner, or at the request of any S.C.P.D. officer, be released and no "drop" or "release" fee shall be charged. Under such circumstances, Contractor shall be replaced to the top position on the City Tow List from which they were called.

B. After transit or after any movement of the vehicle after hook-up, any vehicle being towed upon S.C.P.D. orders shall, upon the appearance of the car's owner or at the request of any S.C.P.D. officer, be released and a "drop" or "release" fee of the tow rate shall be charged.

8. ROTATION SCHEDULE.

City shall maintain two rotational tow lists as follows:

- Rotation schedule "A" shall be for towing Recreational Vehicles, Motor Homes (with wheels), Cab-Over campers, box trucks, and open trailers.

- Rotation schedule "B" shall be maintained for all other towing assignments as described in this agreement.

City agrees to place Contractor on its rotational tow schedules with other tow operators to provide vehicle towing and storage services upon the request of the City. City shall have absolute discretion in initially determining, and subsequently modifying, its rotation dispatch system. City shall not be required to dispatch Contractor any minimum number of tow calls per month, or during any other period, during the term of this Agreement. The position of names of the tow companies on the City Tow Service Lists will change following every tow in the City of Santa Clara. Contractor agrees to assume the responsibility of towing all vehicles in any one accident.

9. SPECIAL REQUESTS BY VEHICLE OWNER.

The tow list rotation schedules will be used at all times. If the vehicle is not a hazard to traffic and the owner requests a tow service other than one the City has a tow service agreement with, it shall be the responsibility of that owner to arrange their own tow service.

10. TOW TRUCK CLASSIFICATIONS

A. An operator shall equip and maintain tow trucks covered under this agreement in accordance with the provisions set forth in the CVC, Title 13 of the CCR, the specification contained in this agreement, and in a manner consistent with the industry standards and practices.

B. Contractor agrees to provide Class A and B tow trucks, as applicable, upon request by the City, pursuant to the terms set forth in the Agreement and Exhibits. If Contractor does not own and operate a Class C truck, then Contractor shall contact one of the other towing operators under contract with the City to provide such a truck. However, this contact should be made immediately and should not extend the response time to the scene. Class D is desirable, but not required as a condition of this agreement.

C. There are four (4) classes of tow trucks covered under this agreement:

1. Class A- Light Duty/ Per the CHP definition, a tow truck with a manufacturer's GVWR of at least 14,000 pounds.

2. Class B-Medium Duty/ Per the CHP definition, a tow truck with a GVWR of at least 33,000 pounds and equipped with air brakes and a tractor protection valve or

device and capable of providing and maintaining continuous air to the towed vehicle.

3. Class C-Heavy Duty/ Per the CHP definition, a three-axle tow truck with a GVWR of at least 52,000 pounds. The truck shall be equipped with air brakes and must be capable of providing and maintaining continuous air to the towed vehicle.

4. Class D-Super Heavy Duty/ Per the CHP definition, a three-axle tow truck with a GVWR of at least 54,000 pounds. The truck shall be equipped with air brakes and must be capable of providing and maintaining continuous air to the towed vehicle.

11. CLEANUP REQUIREMENTS.

In requesting that Contractor be placed on the City Tow Service List, Contractor agrees to provide prompt service, taking any vehicle regardless of age and condition, and clearing the location of debris, fluids, and glass before leaving the location of the vehicle to be towed.

12. TOWING OF VEHICLES TO S.C.P.D. IMPOUND FACILITY.

A. Any vehicle ordered to be towed by S.C.P.D. and taken to the City Corporation Yard, or the S.C.P.D. evidence garage shall be removed after impound by the tow company that originally towed the vehicle, to the extent that is under the City's control.

B. S.C.P.D. shall have the responsibility of assuring that all charges due the towing company by the City are satisfied prior to any release made at the vehicle impound facility.

C. No storage fees shall accrue while a vehicle is stored at a City facility.

13. TOWING AND ROAD SERVICING OF CITY VEHICLES.

A. Contractor agrees to provide tow and road service of City vehicles on a 24-hour basis. Vehicles towed or serviced by contractor shall be towed or serviced at the service charge, as set forth in Exhibit C. Contractor shall remain at the top of the rotation list.

B. In each instance where a commercial tow is requested, permission to do so must be granted by the on-duty watch commander or his/her designee.

14. MISCELLANEOUS ITEMS.

A. Tow trucks that have been dispatched by owners or operators of garages when radio messages have been monitored are in violation of laws of the Federal Communications Commission, which prohibit the solicitation of services at the scene of a collision.

B. Contractor shall be responsible for the driving and behavior of their employees. It shall be a violation of this Agreement if tow trucks arrive at a scene when they have not been called with the explanation that they happened to be driving by or were in the neighborhood or received a phone call not from the S.C.P.D., or when it becomes evident that the call was not made by the owner or representative.

C. Each tow unit shall have the capability of communicating by 2-way radio with their own dispatching service.

D. Tow vehicles will be maintained in compliance with the California Vehicle Code. Tow vehicles may be inspected by S.C.P.D.

E. City agrees to utilize Contractor as a provider of tow services in the City of Santa Clara and may, at its sole discretion, refer any and all types of tows to Contractor for performance. City may also refer any and all types of police initiated tows to Contractor outside of the City's jurisdictional boundaries if City determines it necessary to do so or for City's convenience.

AGREEMENT FOR SERVICES
BY AND BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA
AND
UNIQUE TOWING

EXHIBIT B

ALL CITY REQUESTED TOWS ARISING FROM
NON-POLICE INITIATED TOW SERVICE REQUESTS

In addition to the general provisions of this Agreement, Contractor agrees to the following terms and conditions which shall apply to all contractors which have agreed to be included on the City Tow Service List, as set forth in this Agreement:

1. CITY POLICY REGARDING TOW SERVICES.

Contractor's accountability for tow service and vehicle removal under this Agreement is of paramount concern to City. The terms and conditions set forth in the City Tow Service List comprises the policy of the City of Santa Clara Police Department with regard to tow companies, which by signing this agreement have requested to be placed on the City Tow Service List. This policy is established to alleviate controversy among the tow company operators and to settle complaints made by owners of vehicles involved in tow service activities. The City shall be the final authority in the settlement of any disputes arising out of tow services provided by tow companies included on the City Tow Service List.

2. CONTRACTOR'S OBLIGATIONS AND NOTIFICATIONS.

A. Contractor shall release stored vehicles from 8:00 a.m. to 5:00 p.m., Monday through Friday, except State holidays. Outside of these normal hours, the response must be within 60 minutes after notification.

B. As part of the City's "Voluntary Tow Program," Contractor shall agree, upon the request and supervision of the S.C.P.D., to remove and take possession of any vehicle abandoned, wrecked, dismantled, or inoperative, which is voluntarily relinquished by the registered owner. Contractor agrees to take and dispose of relinquished vehicles without any cost to the registered owner or the City. Contractor agrees to transport vehicles directly to a licensed dismantler without the use of any subcontractors to transport or store vehicles. Excluding weekends, vehicles must be transported at the request of the S.C.P.D. within one 24-hour business day upon notification.

3. RATES AND CHARGES.

A. All fees charged by Contractor shall not exceed City approved rates and service charges set forth in Exhibit C. These tow rates and charges shall be posted at all tow facilities in plain view.

B. Additional charges will not be made except in unusual cases when other than normal conditions exist. Any additional charge will be subject to prior written approval of City's Police Department. Contractor shall conform to all procedures required by City to maintain adequate Abandoned Vehicle Abatement service at reasonable rates.

C. Any unauthorized deviation from the rates and charges listed in Exhibit C shall be interpreted as an intentional breach of this Agreement and shall constitute grounds, at the discretion of City, for immediate termination of this Agreement with Contractor.

D. No part of any towing and/or storage expense or any other cost or expense shall be charged against City, its officers or employees. Contractor shall be responsible for the collection and/or payment of any charge or service rendered by Contractor pursuant to this Agreement.

4. MISCELLANEOUS ITEMS.

A. Towed vehicles will be maintained in compliance with the provisions of the California Vehicle Code.

B. The value of such abandoned vehicles will be estimated by City in accordance with State Requirements for vehicles valued under $500, under $4,000, and over $4,000.

C. Contractor shall maintain, under direct control, a storage area large enough to park at least five (5) tow trucks for storage purposes per week.

5. DEBRIS REMOVAL SERVICE.

A. Contractor agrees to provide roadway debris removal services on a rotational basis, upon request by S.C.P.D. The debris removal service is for situations not involving Police initiated tows. This service is to be provided from 4:00 p.m. to 8:00 a.m. weekdays and twenty-four (24) hours a day on weekends.

B. City shall be responsible for labor fees for debris removal services as set forth in Exhibit C. The labor fees will be charged as specified in Exhibit C. Separate Hazardous Materials Disposal Fee shall not be charged as specified in Exhibit C.

C. Each service request shall not exceed the capacity of one tow truck operator to remove and transport the debris.

AGREEMENT FOR SERVICES
BY AND BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA
AND
UNIQUE TOWING

EXHIBIT C

SCHEDULE OF FEES, TOW RATES AND CHARGES

ROTATION SCHEDULE A:

For rotation schedule A, City shall reimburse Contractor Fifteen Hundred Dollars and Zero Cents ($1500.00) for each Recreational Vehicle, Motor Home (on wheels), and Cab-Over Camper towed, Open Trailers, and Box Trucks. Contractor shall submit to City a properly completed invoice within 30 days after the end of the month in which the tow occurred. The invoice shall itemize each vehicle towed by vehicle type, and include a photograph of the vehicle. Invoices are to be remitted to:

Santa Clara Police Department,
601 El Camino Real
Santa Clara, CA 95050
Attention: Field Operations Division Commander

ROTATION SCHEDULE B:

SCHEDULE OF TOW RATES AND CHARGES FOR ROTATION SCHEDULE B:

1. Basic Tow - For any tow of a disabled vehicle from the scene of an accident; or of an unattended or abandoned vehicle from a public street when authorized by a police officer or other authorized employee of City; or of a driverless vehicle from a public street or private property, when authorized by a police officer, or other authorized employee of City, and when required on account of the disability of the driver. For any tow of a vehicle from a public street or private property when authorized by the person lawfully entitled to the possession of the vehicle (except Voluntary Tow Program); or of a vehicle parked without authorization on private property by the person lawfully entitled to the possession of the real property. For any tow of a vehicle authorized by a Santa Clara Police Officer other authorized City employee from a location on a freeway within the city limits of the City of Santa Clara.	$225.00 per tow

2. Service call - response by a Tow Truck to a request by or on behalf of the person in lawful possession of a vehicle, or by a police officer, but towing is found not to be necessary, for each period of fifteen (15) minutes, or portion thereof, required to be spent from the time of departure to return to the customary tow car location or to release to another assignment in accordance with, and subject to the limitations of, the provisions of the "No Drop or Release Charge" section of Exhibit A:	
Class "A" regular duty tow-trucks:	$56.25 per quarter hour
Class "B" medium duty tow-trucks:	$107.50 per quarter hour
Class "C" heavy duty tow-trucks:	$137.50 per quarter hour
Class "D" heavy duty tow-trucks:	$150.00 per quarter hour
3. Extraordinary Services Tows	
Where one or more of the following conditions is met:	
a. Tow services authorized in writing by the City as requiring more than the use of one Class A Tow Truck for more than one hour from the time of dispatch to the time of departing the scene	
b. Vehicles that have been driven off of embankments;	
c. Accidents where a vehicle is overturned, burned, or imbedded in a structure or another vehicle	
d. Vehicles which must be recovered over six feet from the roadway	
e. Heavy Vehicle Tows (Special Tows): Class B - for towing vehicles which are under 6,000 pounds (empty) which require Class B truck recovery, (e.g. fifth wheel trailers, small motor homes, horse trailers and heavily loaded one-ton trucks); and for towing vehicles which exceed 6,000 pounds (empty) (e.g. medium to large motor homes, commercial trucks and trailers, and trailers less than 26,000 pounds (empty)); Class C & D - for towing vehicles where weight or complex recovery requires the use of a Class C or D Tow Trucks (e.g. vehicles with a weight exceeding 26,000 pounds (empty), such as a very as a very large motor home bus or semi-truck and trailer rig).	
f. Vehicles which are in more than one piece as a result of a collision and it has been documented by requiring the written authorization of the impounding officer on the CHP Form 180 (impounds only) or Tow Services Audit Form when the CHP Form 180 is not required, then the following rates are applicable as authorized.	
Class "A" regular duty tow-trucks:	$225/hr.

	Class "B" medium duty tow-trucks:	$430/hr.
	Class "C" heavy duty tow-trucks:	$550/hr.
	Class "D" heavy duty tow-trucks:	$550/hr.
	The foregoing rates shall be charged as a one-hour minimum charge plus a pro rata charge for each quarter hour as authorized	
4.	Storage fee:	
	Passenger vehicles, motorcycles, vans and light trucks (per day).	
	Per Space, Outside	$90.00
	Per Space, Indoors	$95.00
5.	After Hours Gate Fee - for the release of a vehicle one hour after SCPD desk closes until the desk reopens.	$112.50

ADDITIONAL TOW RATE AND CHARGE REQUIREMENTS

A. "Rates and Charges for Rotation Schedule B only may be adjusted annually, on January 1, subject to approval by City. Rate increases shall not exceed the annual percentage increase in the Consumer Price Index for All Urban Consumers (Current Series) for the San Francisco-Oakland-Hayward, CA region, not seasonally adjusted. The annual percentage increase shall be calculated from the month of June of the current year, to June of the previous year.

B. Storage and gate fees (if applicable) will be in addition to the basic tow fees listed above.

C. The labor rate is to be applied in quarter (1/4) hour increments and shall be logged accurately on the receipt. Extra labor fees are subject to approval by S.C.P.D.

D. Debris Removal Service will be charged at the Service Call rates. In addition, assigned Contractor will retain spot on top of the rotation list.

E. Vehicles towed to the S.C.P.D. impound facility and subsequently towed to Contractor's storage lot may be subject to an additional fee of **one-half the tow fee** over and above the original tow rate.

F. The towing and servicing of City vehicles as described in Exhibit A will be charged at **one-half the tow and related fees for Rotation B, Rates and Charges**. Extra labor fees are subject to approval by S.C.P.D.

G. Separate Hazardous Materials Disposal Fee shall not be charged. Fees for such disposal are included in the fees established for tows under the Agreement.

H. Contractor shall strictly conform to all applicable local, state and federal laws and regulations with regard to disposal of vehicles, whether by lien sale or otherwise.

I. Contractor shall display in its place of business in clear view of all patrons and in language acceptable to the Chief of Police, the following:

i. A listing of the Tow Rates and Fees;

ii. A listing of the Gate Fee and when it can be charged;

iii. A listing of the Lien Sale Application Fee and when it can be charged;

iv. A copy of the Contractor's current Santa Clara Business License;

v. A copy of Contractor's insurance policy (with financial data redacted if applicable) or, the Contractor's insurance company's name, address, policy number, including the name, address and telephone number of Contractor's insurance agent;

vi. Forms for complaints by patrons; and,

vii. The name and telephone number of the S.C.P.D. Tow Liaison.

AGREEMENT FOR SERVICES
BY AND BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA
AND
UNIQUE TOWING

EXHIBIT D

INSURANCE REQUIREMENTS

Without limiting the Contractor's indemnification of the City, and prior to commencing any of the Services required under this Agreement, the Contractor shall provide and maintain in full force and effect, at its sole cost and expense, the following insurance policies with at least the indicated coverages, provisions and endorsements:

A. COMMERCIAL GENERAL LIABILITY INSURANCE

1. Commercial General Liability Insurance policy which provides coverage at least as broad as Insurance Services Office form CG 00 01. Policy limits are subject to review, but shall in no event be less than, the following:

   $1,000,000 Each Occurrence
   $2,000,000 General Aggregate
   $2,000,000 Products/Completed Operations Aggregate
   $1,000,000 Personal Injury

2. Exact structure and layering of the coverage shall be left to the discretion of Contractor; however, any excess or umbrella policies used to meet the required limits shall be at least as broad as the underlying coverage and shall otherwise follow form.

3. The following provisions shall apply to the Commercial Liability policy as well as any umbrella policy maintained by the Contractor to comply with the insurance requirements of this Agreement:

   a. Coverage shall be on a "pay on behalf" basis with defense costs payable in addition to policy limits;

   b. There shall be no cross liability exclusion which precludes coverage for claims or suits by one insured against another; and

   c. Coverage shall apply separately to each insured against whom a claim is made or a suit is brought, except with respect to the limits of liability.

4. ON HOOK/CARGO POLICY with a minimum limit of not less than fifty thousand dollars ($50,000).

5. GARAGE KEEPERS LEGAL LIABILITY POLICY with a minimum limit of not less than one hundred thousand dollars ($100,000).

B. BUSINESS AUTOMOBILE LIABILITY INSURANCE

Business automobile liability insurance policy which provides coverage at least as broad as ISO form CA 00 01 with policy limits a minimum limit of not less than one million dollars ($1,000,000) each accident using, or providing coverage at least as broad as, Insurance Services Office form CA 00 01. Liability coverage shall apply to all owned, non-owned and hired autos.

In the event that the Work being performed under this Agreement involves transporting of hazardous or regulated substances, hazardous or regulated wastes and/or hazardous or regulated materials, Contractor and/or its subcontractors involved in such activities shall provide coverage with a limit of two million dollars ($2,000,000) per accident covering transportation of such materials by the addition to the Business Auto Coverage Policy of Environmental Impairment Endorsement MCS90 or Insurance Services Office endorsement form CA 99 48, which amends the pollution exclusion in the standard Business Automobile Policy to cover pollutants that are in or upon, being transported or towed by, being loaded onto, or being unloaded from a covered auto.

C. WORKERS' COMPENSATION

1. Workers' Compensation Insurance Policy as required by statute and employer's liability with limits of at least one million dollars ($1,000,000) policy limit Bodily Injury by disease, one million dollars ($1,000,000) each accident/Bodily Injury and one million dollars ($1,000,000) each employee Bodily Injury by disease.

2. The indemnification and hold harmless obligations of Contractor included in this Agreement shall not be limited in any way by any limitation on the amount or type of damage, compensation or benefit payable by or for Contractor or any subcontractor under any Workers' Compensation Act(s), Disability Benefits Act(s) or other employee benefits act(s).

3. This policy must include a Waiver of Subrogation in favor of the City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents.

D. COMPLIANCE WITH REQUIREMENTS

All of the following clauses and/or endorsements, or similar provisions, must be part of each commercial general liability policy, and each umbrella or excess policy.

1. Additional Insureds. City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents are hereby added as additional insureds in respect to liability arising out of Contractor's work for City, using Insurance

Services Office (ISO) Endorsement CG 20 10 11 85 or the combination of CG 20 10 03 97 and CG 20 37 10 01, or its equivalent.

2. Primary and non-contributing. Each insurance policy provided by Contractor shall contain language or be endorsed to contain wording making it primary insurance as respects to, and not requiring contribution from, any other insurance which the Indemnities may possess, including any self-insurance or self-insured retention they may have. Any other insurance Indemnities may possess shall be considered excess insurance only and shall not be called upon to contribute with Contractor's insurance.

3. Cancellation.

   (a) Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided due to non-payment of premiums shall be effective until written notice has been given to City at least ten (10) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least ten (10) days prior to the effective date of non-renewal.

   (b) Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided for any cause save and except non-payment of premiums shall be effective until written notice has been given to City at least thirty (30) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least thirty (30) days prior to the effective date of non-renewal.

4. Other Endorsements. Other endorsements may be required for policies other than the commercial general liability policy if specified in the description of required insurance set forth in Sections A through D of this Exhibit C, above.

E. ADDITIONAL INSURANCE RELATED PROVISIONS

Contractor and City agree as follows:

1. Contractor agrees to ensure that subcontractors, and any other party involved with the Services who is brought onto or involved in the performance of the Services by Contractor, provide the same minimum insurance coverage required of Contractor, except as with respect to limits. Contractor agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this Agreement. Contractor agrees that upon request by City, all agreements with, and insurance compliance documents provided by, such subcontractors and others engaged in the project will be submitted to City for review.

2. Contractor agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge City or Contractor for the cost of additional insurance coverage required by this Agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.

3. The City reserves the right to withhold payments from the Contractor in the event of material noncompliance with the insurance requirements set forth in this Agreement.

F. EVIDENCE OF COVERAGE

Prior to commencement of any Services under this Agreement, Contractor, and each and every subcontractor (of every tier) shall, at its sole cost and expense, provide and maintain not less than the minimum insurance coverage with the endorsements and deductibles indicated in this Agreement. Such insurance coverage shall be maintained with insurers, and under forms of policies, satisfactory to City and as described in this Agreement. Contractor shall file with the City all certificates and endorsements for the required insurance policies for City's approval as to adequacy of the insurance protection.

G. EVIDENCE OF COMPLIANCE

Contractor or its insurance broker shall provide the required proof of insurance compliance, consisting of Insurance Services Office (ISO) endorsement forms or their equivalent and the ACORD form 25-S certificate of insurance (or its equivalent), evidencing all required coverage shall be delivered to City, or its representative as set forth below, at or prior to execution of this Agreement. Upon City's request, Contractor shall submit to City copies of the actual insurance policies or renewals or replacements. Unless otherwise required by the terms of this Agreement, all certificates, endorsements, coverage verifications and other items required to be delivered to City pursuant to this Agreement shall be submitted as follows:

Email (**preferred**): ctsantaclara@ebix.com
Mailed: EBIX Inc.
City of Santa Clara
P.O. 12010-S2
Hemet, CA 92546-8010
Fax number: 770-325-0409 Telephone number: 951-766-2280

H. QUALIFYING INSURERS

All of the insurance companies providing insurance for Contractor shall have, and provide written proof of, an A. M. Best rating of at least A minus 6 (A- VI) or shall be an insurance company of equal financial stability that is approved by the City or its insurance compliance representatives.

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA AMENDING THE "CITY OF SANTA CLARA 2018-19 MUNICIPAL FEE SCHEDULE" TO ELIMINATE THE ANNUAL FEE FOR TOW DRIVER RENEWAL, AND ADOPTING NEW TOW FEES AND CHARGES AND AN ANNUAL CPI ESCALTOR.

BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS, under the provisions of the City of Santa Clara Municipal Code and Government Code, fees and charges assessed by the City of Santa Clara may be amended or modified upon the adoption of a Resolution by the City Council; and

WHEREAS, the City Council has determined that the revenue received from tow driver permit renewal fees is minimal; and

WHEREAS, the City Council has determined that it is necessary for the City to enter into agreements, effective January 1, 2019, with tow operators in the City of Santa Clara to provide on-demand towing services to the City in situations such as auto accidents and abatement of abandoned vehicles; and

WHEREAS, the rates and charges for various on-demand services provided by the tow operators, as set forth in the agreements, are appropriate for the industry and location, and will be charged to the owners of the vehicles towed; and

WHEREAS, the City Council deems it to be in the best interests of the City to eliminate the $47 Tow Driver Pemit Renewal Fee and to adopt new towing fees and charges in its 2019 contracts with towing service operators, which include an annual CPI escalator.

NOW THEREFORE, BE IT FURTHER RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. That the 2018-19 Municipal Fee Schedule last adopted May 8, 2018, is hereby amended to eliminate the $47 annual Tow Driver Renewal Fee.
2. That the rates and charges for services performed pursuant to the January 1, 2019, Agreement for Towing Services between the City and each tow operator shall be as

set forth in Exhibit A.

3. That rates and charges for Rotation Schedule B may be adjusted annually, on January 1, subject to approval by City. Rate increases shall not exceed the annual percentage increase in the Consumer Price Index for All Urban Consumers (Current Series) for the San Francisco-Oakland-Hayward, CA region, not seasonally adjusted.
4. Effective date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE 27th DAY OF NOVEMBER, 2018, BY THE FOLLOWING VOTE:

AYES: COUNCILORS:

NOES: COUNCILORS:

ABSENT: COUNCILORS:

ABSTAINED: COUNCILORS:

ATTEST: _____
NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference: None

EXHIBIT A

SCHEDULE OF FEES, TOW RATES AND CHARGES

ROTATION SCHEDULE A:

For rotation schedule A, City shall reimburse Contractor Fifteen Hundred Dollars and Zero Cents ($1,500.00) for each Recreational Vehicle, Motor Home (on wheels), and Cab-Over Camper towed. Contractor shall submit to City a properly completed invoice within 30 days after the end of the month in which the tow occurred. The invoice shall itemize each vehicle towed by vehicle type, and include a photograph of the vehicle. Invoices are to be remitted to:

Santa Clara Police Department,
601 El Camino Real

Santa Clara, CA 95050
Attention: Field Operations Commander

ROTATION SCHEDULE B:

1. Basic Tow - For any tow of a disabled vehicle from the scene of an accident; or of an unattended or abandoned vehicle from a public street when authorized by a police officer or other authorized employee of City; or of a driverless vehicle from a public street or private property, when authorized by a police officer, or other authorized employee of City, and when required on account of the disability of the driver. For any tow of a vehicle from a public street or private property when authorized by the person lawfully entitled to the possession of the vehicle; or of a vehicle parked without authorization on private property by the person lawfully entitled to the possession of the real property. For any tow of a vehicle authorized by a Santa Clara Police Officer other authorized City employee from a location on a freeway within the city limits of the City of Santa Clara.	$225.00 per tow
2. Service call - response by a Tow Truck to a request by or on behalf of the person in lawful possession of a vehicle, or by a police officer, but towing is found not to be necessary, for each period of fifteen (15) minutes, or portion thereof, required to be spent from the time of departure to return to the customary tow car location or to release to another assignment in accordance with, and subject to the limitations of, the provisions of the "No Drop or Release Charge" section of Exhibit A:	
Class "A" regular duty tow-trucks:	$56.25 per quarter hour
Class "B" medium duty tow-trucks:	$107.50 per quarter hour
Class "C" heavy duty tow-trucks:	$137.50 per quarter hour
Class "D" heavy duty tow-trucks:	$150.00 per quarter hour

3. Extraordinary Services Tows	
Where one or more of the following conditions is met:	
a. Tow services authorized in writing by the City as requiring more than the use of one Class A Tow Truck for more than one hour from the time of dispatch to the time of departing the scene	
b. Vehicles that have been driven off of embankments;	
c. Accidents where a vehicle is overturned, burned, or imbedded in a structure or another vehicle	
d. Vehicles which must be recovered over six feet from the roadway	
e. Heavy Vehicle Tows (Special Tows): Class B - for towing vehicles which are under 6,000 pounds (empty) which require Class B truck recovery, (e.g. fifth wheel trailers, small motor homes, horse trailers and heavily loaded one-ton trucks); and for towing vehicles which exceed 6,000 pounds (empty) (e.g. medium to large motor homes, commercial trucks and trailers, and trailers less than 26,000 pounds (empty)); Class C & D - for towing vehicles where weight or complex recovery requires the use of a Class C or D Tow Trucks (e.g. vehicles with a weight exceeding 26,000 pounds (empty), such as a very as a very large motor home bus or semi-truck and trailer rig).	
f. Vehicles which are in more than one piece as a result of a collision and it has been documented by requiring the written authorization of the impounding officer on the CHP Form 180 (impounds only) or Tow Services Audit Form when the CHP Form 180 is not required, then the following rates are applicable as authorized.	
Class "A" regular duty tow-trucks:	$225/hr.
Class "B" medium duty tow-trucks:	$430/hr.
Class "C" heavy duty tow-trucks:	$550/hr.
Class "D" heavy duty tow-trucks:	$550/hr.
The foregoing rates shall be charged as a one-hour minimum charge plus a pro rata charge for each quarter hour as authorized	
4. Storage fee:	
Passenger vehicles, motorcycles, vans and light trucks (per day).	
Per Space, Outside	$90.00
Per Space, Indoors	$95.00
5. After Hours Gate Fee - for the release of a vehicle one hour after SCPD desk closes until the desk reopens.	$85.00

ADDITIONAL TOW RATE AND CHARGE REQUIREMENTS:

A. "Rates and Charges for Rotation Schedule B only may be adjusted annually, on January 1, subject to approval by City. Rate increases shall not exceed the annual percentage increase in the Consumer Price Index for All Urban

Consumers (Current Series) for the San Francisco-Oakland-Hayward, CA region, not seasonally adjusted. The annual percentage increase shall be calculated from the month of June of the current year, to June of the previous year.

B. Storage and gate fees (if applicable) will be in addition to the basic tow fees listed above.

C. The labor rate is to be applied in quarter (1/4) hour increments and shall be logged accurately on the receipt. Extra labor fees are subject to approval by S.C.P.D.

D. Debris Removal Service will be charged at a flat fee of **one-half the tow fee** per call. In addition, assigned contractor will be placed on top of the rotation list for each request for this service.

E. Vehicles towed to the S.C.P.D. impound facility and subsequently towed to Contractor's storage lot may be subject to an additional fee of **one-half the tow fee** over and above the original tow rate.

F. The towing and servicing of City vehicles as described in Exhibit A will be charged at **one-half the tow and related fees for Rotation B, Rates and Charges**. Extra labor fees are subject to approval by S.C.P.D.

G. Separate Hazardous Materials Disposal Fee shall not be charged. Fees for such disposal are included in the fees established for tows under the Agreement.

18-1561 **Agenda Date: 11/27/2018**

REPORT TO COUNCIL

SUBJECT

Action on Adoption of Ordinance No. 1990 Extending the Temporary Ban of All Commercial Cannabis Activity until June 30, 2019

BACKGROUND

Proposed Ordinance No. 1990 was passed for the purpose of publication on November 13, 2018. Pursuant to City Charter Sections 808 and 812, proposed Ordinance No. 1990 was published on November 21, 2018, and copies were posted in at least three public places.

The passage of Proposition 64, the Adult Use of Marijuana Act (AUMA), on November 8, 2016, legalized personal recreational use by persons 21 and over, and regulated commercial activities related to cannabis. Subsequently, the State legislature passed Senate Bill 94, the Medicinal and Adult-Use Cannabis Regulation and Safety Act (MAUCRSA), unifying regulations on medical and non-medical commercial cannabis activities and the personal use of cannabis.

As of January 2018, California State ("State") licensing of commercial activity, depending on license type, is overseen by the Bureau of Cannabis Control, the Department of Public Health, and the Department of Food and Agriculture. State regulations allow for six general license types for commercial cannabis businesses: retail (including delivery); cultivation; manufacturing; transportation; distribution; and testing. Prior to the issuance of a State license, the State requires, among other items, a local license if local regulations have been enacted.

On November 21, 2017, Council adopted Ordinance No. 1973, which amended Chapter 18.06 ("Definitions") and Chapter 18.102 ("Medical Marijuana Dispensaries") of Title 18 ("Zoning") of "The Code of the City of Santa Clara, California" to temporarily prohibit all commercial cannabis activity until January 1, 2019 and to impose reasonable restrictions on marijuana growth for personal use. On December 19, 2017, Council approved a contract with SCI Consulting Group ("SCI") to assist the City with the development of commercial cannabis regulations.

As a potential revenue enhancement vehicle, the City Council directed staff to prepare a ballot measure for November 2018 that would allow the City to collect taxes on commercial cannabis activity. On July 16, 2018, Council adopted Resolutions No. 18-8569 and 18-8570 to call a Special Election to submit a Cannabis Business Tax ballot measure ("Measure M") to the voters of Santa Clara. The voters approved Measure M, amending Title 3 ("Revenue and Finance") of the Municipal Code to add a Chapter 3.60 entitled "Cannabis Business Tax," and among other items, set the maximum tax rates for commercial cannabis activity.

DISCUSSION

Proposed Ordinance No. 1990 will amend Section 18.102.010 ("Commercial Marijuana Activity

Prohibited") of Chapter 18.102 ("Regulation of Marijuana") of Title 18 ("Zoning") of "The Code of the City of Santa Clara, California" to extend the temporary ban of all commercial cannabis activity to June 30, 2019. This extension of the temporary ban will afford the City time to develop and bring forward the remaining ordinances and resolutions regulating commercial cannabis businesses in Santa Clara or bring forward a permanent ban on commercial cannabis activity.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT

There are no costs other than administrative staff time and expenses. Since Measure M passed, there may be a loss of potential tax revenue from January 1, 2019 through the time a regulatory framework is brought forward to Council for consideration, becomes effective, and commercial activity is operational.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Adopt Ordinance No. 1990 Extending the Temporary Ban of All Commercial Cannabis Activity until June 30, 2019.

Reviewed by: Brian Doyle, City Attorney
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Ordinance No. 1990

ORDINANCE NO. 1990

AN ORDINANCE OF THE CITY OF SANTA CLARA, CALIFORNIA, AMENDING SECTION 18.102.010 ("COMMERICAL MARIJUANA ACTIVITY PROHIBITED") OF "THE CODE OF THE CITY OF SANTA CLARA, CALIFORNIA" TO EXTEND THE INOPERATIVE DATE

BE IT ORDAINED BY THE CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS, on November 21, 2017, the City Council adopted Ordinance No. 1973 amending Chapter 18.102 ("Regulation of Marijuana") to temporarily ban all commercial cannabis activity in the City until January 1, 2019;

WHEREAS, the temporary ban was intended to provide the City with adequate time to develop a robust framework of local regulations compliant with the various updated State regulations and tailored to address the unique needs of the City;

WHEREAS, despite diligent efforts, such a set of local regulations will not be adopted prior to January 1, 2019; and,

WHEREAS, under its police powers to preserve the health, safety and welfare of its residents through zoning and planning regulations, the City Council hereby determines that the code amendment set forth below is necessary and in the best interests of the City.

NOW THEREFORE, BE IT FURTHER ORDAINED BY THE CITY OF SANTA CLARA, AS FOLLOWS:

SECTION 1: That Section 18.102.010 ("Commercial Marijuana Activity Prohibited") of Chapter 18.102 (entitled "Regulation of Marijuana") of Title 18 (entitled "Zoning") of "The Code of the City of Santa Clara, California" ("SCCC") is amended to read as follows:

"18.102.010 Commercial marijuana activity prohibited.

In accordance with Business and Professions Code Section 26200, all commercial

marijuana activity as defined in SCCC 18.06.010(m)(2)(B) is prohibited, whether temporary or permanent in nature, and whether for medical or nonmedical purposes. This chapter shall become inoperative on June 30, 2019, and shall be considered repealed on that date, unless this section is amended, or a later enacted ordinance becomes effective, on or before June 30, 2019, to delete or extend this date."

SECTION 2: **Ordinances repealed**. That portion of Ordinance No. 1973 establishing SCCC 18.102.010 and all ordinances amendatory thereto, and, with exception of the provisions protected by the savings clause, all ordinances (or parts of ordinances) in conflict with or inconsistent with this ordinance are hereby repealed.

SECTION 3: **Savings clause**. The changes provided for in this ordinance shall not affect any offense or act committed or done or any penalty or forfeiture incurred or any right established or accruing before the effective date of this ordinance; nor shall it affect any prosecution, suit or proceeding pending or any judgment rendered prior to the effective date of this ordinance. All fee schedules shall remain in force until superseded by the fee schedules adopted by the City Council.

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SECTION 4: **Effective date**. This ordinance shall take effect thirty (30) days after its final adoption; however, prior to its final adoption it shall be published in accordance with the requirements of Section 808 and 812 of "The Charter of the City of Santa Clara, California."

PASSED FOR THE PURPOSE OF PUBLICATION this 13th day of NOVEMBER, 2018, by the following vote:

AYES:	COUNCILORS:	Davis, Kolstad, Mahan, O'Neill, and Watanabe and Mayor Gillmor
NOES:	COUNCILORS:	None
ABSENT:	COUNCILORS:	None
ABSTAINED:	COUNCILORS:	None

ATTEST:

NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

18-1562 **Agenda Date: 11/27/2018**

REPORT TO COUNCIL

SUBJECT
Action on Adoption of Ordinance No. 1991 Prohibiting Certain Activities within a Protected Area (Clean Zone)

BACKGROUND
Proposed Ordinance No. 1991 was passed for the purpose of publication on November 13, 2018. Pursuant to City Charter Sections 808 and 812, proposed Ordinance No. 1991 was published on November 21, 2018, and copies were posted in at least three public places.

DISCUSSION
This ordinance restricts or prohibits certain activities during the period of December 31, 2018 through January 8, 2019 in an approximately one mile radius area surrounding Levi's® Stadium (the Protected Area or “Clean Zone”). This ordinance is specific to the 2019 CFP National Championship Game taking place at Levi's® Stadium on January 7, 2019, and will not be codified. The Ordinance prohibits the outdoor sale of food, beverages, alcoholic beverages and merchandise, except if sold or distributed in the ordinary course of business at a location for which the City has issued a Certificate of Occupancy or Conditional Use Permit. The ordinance prohibits vending from any "mobile unit". The ordinance prohibits the sale or distribution of merchandise that violates state or federal law, as well as the distribution or provision of free products, commercial services or coupons (otherwise referred to as sampling) and other promotional giveaways on public streets, sidewalks or rights of way or outside an enclosed building. The ordinance states that no temporary structure shall be constructed, placed, occupied or used unless previously approved with a permit issued by the City. The ordinance also establishes an area or areas within or around the Protected Area that allow for the reasonable expression of non-commercial speech and expressive conduct by the public in a manner that shall not be disruptive to the surrounding businesses, activities and events ("Public Participation Zone(s)").

ENVIRONMENTAL REVIEW
The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to the CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT
There is no fiscal impact related to this report except for staff time related to transmitting the information.

PUBLIC CONTACT
Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website

and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Adopt Ordinance No. 1991 Prohibiting Certain Activities within a Protected Area (Clean Zone).

Reviewed by: Brian Doyle, City Attorney
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Ordinance No. 1991

ORDINANCE NO. 1991

AN ORDINANCE OF THE CITY OF SANTA CLARA, CALIFORNIA, PROHIBITING CERTAIN ACTIVITIES WITHIN A PROTECTED AREA IN CONNECTION WITH THE 2019 COLLEGE FOOTBALL PLAYOFF NATIONAL CHAMPIONSHIP GAME AND ITS RELATED ACTIVITIES IN THE CITY OF SANTA CLARA

BE IT ORDAINED BY THE CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS, effective as of October 23, 2015, Forty Niners Stadium Management Company, LLC entered into the College Football Playoff (CFP) National Championship Game Agreement with the American Athletic Conference; Atlantic Coast Conference; The Big Ten Conference, Inc; The Big 12 Conference, Inc.; Conference USA; Mid-American Conference; Mountain West Conference; Pac-12 Conference; Southeastern Conference; Sun Belt Conference; University of Notre Dame du Lac; and CFP Administration, LLC to host the 2019 CFP National Championship Game (as defined in the CFP National Championship Game Agreement)at Levi's® Stadium;

WHEREAS, effective as of July 17, 2018, the Bay Area Host Committee, and Forty Niners Stadium Management Company, LLC, entered into an Assignment and Assumption Agreement, subject to the approval of the Santa Clara Stadium Authority, to grant, transfer, convey and assign to the Bay Area Host Committee all of Forty Niners Stadium Management Company, LLC's right, title and interest in and to the CFP National Championship Game Agreement;

WHEREAS, the CFP National Championship Game is being held on January 7, 2019 at Levi's® Stadium, within the jurisdiction of the City of Santa Clara;

WHEREAS, in addition to Levi's® Stadium, the City also has within its jurisdiction various other facilities and their premises, access roads, thoroughfares and other areas

which may be used for the purposes of organizing, financing, promoting, accommodating, staging and conducting the CFP National Championship Game and related activities;

WHEREAS, the City desires to promote and protect the celebratory image and public safety in and around Levi's® Stadium during a temporary period before and after the CFP National Championship Game in the City of Santa Clara;

WHEREAS, the City desires to promote and protect the public investment in Levi's® Stadium, and to exercise responsible public stewardship in furtherance of the unique economic opportunities for the City, region and state as site of the CFP National Championship game;

WHEREAS, the City Council desires to promote and protect good order and aesthetic quality and to protect the safety and convenience of drivers and pedestrians in and around Levi's® Stadium relating to the CFP National Championship Game; and,

WHEREAS, the City of Santa Clara desires to prevent congestion and pedestrian and vehicular traffic issues in the vicinity of CFP National Championship Game that would hinder security operations and interfere with emergency vehicle access.

NOW THEREFORE, BE IT FURTHER ORDAINED BY THE CITY OF SANTA CLARA, AS FOLLOWS:

SECTION 1: That the findings contained in the preamble of this Ordinance are determined to be true and correct and are hereby adopted as a part of this Ordinance.

SECTION 2: Within the area surrounding Levi's® Stadium more particularly shown on the map and description attached hereto as Exhibit "A" (the "Protected Area"), during the period beginning at 6:00 a.m. December 31, 2018, through and until 6:00 p.m.

January 8, 2019, the activities described below conducted by any person or entity, except those approved in advance by the City pursuant to this Ordinance, shall be regulated as follows:

a. The outdoor sale of any food or beverages to the public visible from any public street, sidewalk or public rights of way shall be prohibited, including alcoholic beverages, except food or beverages sold or distributed in the ordinary course of business at a location for which the City has issued a Certificate of Occupancy or Conditional Use Permit.

b. The outdoor sale or distribution of merchandise (used in its broadest sense and including commercial property or transaction(s) of every kind) to the public visible from any public street, sidewalk or public right of way shall be prohibited, except merchandise sold or distributed in the ordinary course of business at a location for which the City has issued a Certificate of Occupancy or Conditional Use Permit.

c. Commercial vending from any "mobile unit," which includes any vehicle, truck, trailer, push cart, wagon, bicycle, dray, conveyance or structure on wheels, not firmly fixed to a permanent foundation, whether or not required to have a license to operate issued by the California Department of Motor Vehicles, is prohibited.

d. The sale or distribution of merchandise that violates state or federal law, including without limitation counterfeit merchandise, regardless of whether the person selling or distributing is operating pursuant to a special permit, exception or exemption provided for in this Ordinance or elsewhere in the Santa Clara City Code, is prohibited.

e. No temporary structure shall be constructed, placed, occupied or used (including, but not limited to, temporary location of tents, canopies, umbrellas and air-

supported, air-inflated and tensioned membranes) unless previously approved with a permit issued by the City.

f. The distribution or provision of free products, commercial services or coupons (otherwise referred to as sampling) and other promotional giveaways on public streets, sidewalks or rights of way or outside an enclosed building is prohibited.

SECTION 3: The City shall establish an area or areas within or around the Protected Area that allow for the reasonable expression of non-commercial speech and expressive conduct by the public in a manner that shall not be disruptive to the surrounding businesses, activities and events ("Public Participation Zone(s)"). The City shall provide for Public Participation Zone(s) during such times, and in such reasonable locations or proximity in and/or around the Protected Area, as to allow for meaningful and effective expression by the public.

SECTION 4: Violations of any provision of this Ordinance by any person, firm, corporation, agent or employee thereof shall be deemed a misdemeanor and is punishable as set forth in Santa Clara City Code section 1.05.070(e)(2) for each offense. Each day that a violation is permitted to exist shall constitute a separate offense. In the event a violation of this Ordinance also constitutes a violation of any other provision of the Santa Clara City Code, the offender shall be prosecuted pursuant to this Ordinance exclusively, and the fine and penalty shall be as set forth in this Section 4. In addition to any other remedies herein, this Ordinance may be enforced by an injunction issued by the Superior Court upon any suit by the City. If any activity that constitutes a violation of this Ordinance also constitutes a violation of any state, federal,

or common law, this Ordinance shall not be the exclusive remedy and shall not be deemed to abrogate any other rights and remedies that may exist under law.

SECTION 5: **Savings clause.** The changes provided for in this Ordinance shall not affect any offense or act committed or done or any penalty or forfeiture incurred or any right established or accruing before the effective date of this Ordinance; nor shall it affect any prosecution, suit or proceeding pending or any judgment rendered prior to the effective date of this Ordinance. All fee schedules shall remain in force until superseded by the fee schedules adopted by the City Council.

SECTION 7: This Ordinance shall not be codified in the Santa Clara City Code.

SECTION 8: **Effective date**. This Ordinance shall take effect thirty (30) days after its final adoption; however, prior to its final adoption it shall be published in accordance with the requirements of Section 808 and 812 of "The Charter of the City of Santa Clara, California."

PASSED FOR THE PURPOSE OF PUBLICATION this 13th day of NOVEMBER, 2018, by the following vote:

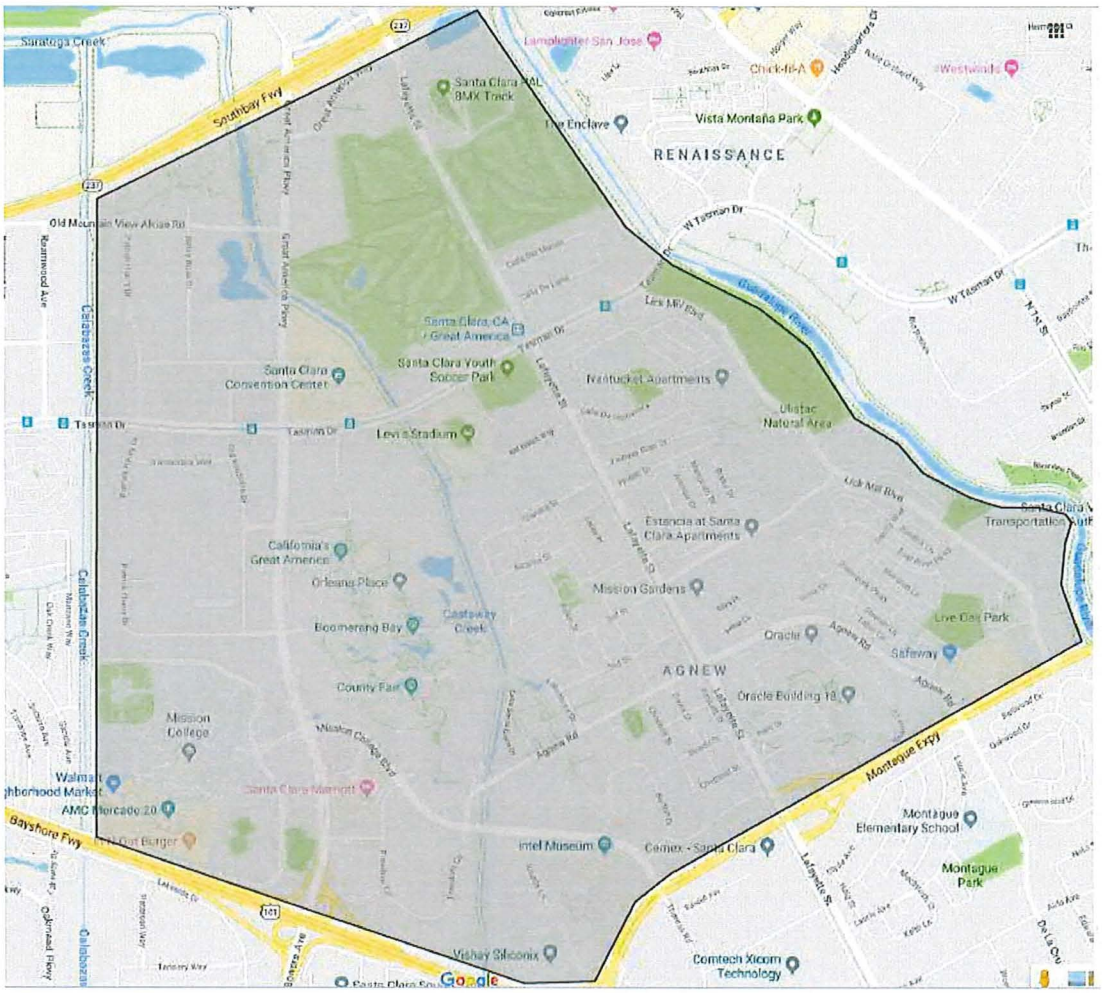
AYES:	COUNCILORS:	Davis, Kolstad, Mahan, O'Neill, and Watanabe, and Mayor Gillmor
NOES:	COUNCILORS:	None
ABSENT:	COUNCILORS:	None
ABSTAINED:	COUNCILORS:	None

ATTEST: _____
NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference:

1. Exhibit "A" (the "Protected Area") **Exhibit "A" (the "Protected Area")**

Exhibit "A" (the "Protected Area")



18-1563 **Agenda Date: 11/27/2018**

REPORT TO COUNCIL

SUBJECT

Action on Adoption of Ordinance No. 1992 Amending the Zoning Code to create the Transit Neighborhood Zoning District including a minimum density of 100 DU/AC and maximum density of 350 DU/AC, creating standards for uniformly sized parking spaces (unistalls), rezoning the Project Site to the new district, and establishing affordable housing requirements and an additional affordability incentive based on density

BACKGROUND

Proposed Ordinance No. 1992 was passed for the purpose of publication on November 13, 2018. Pursuant to City Charter Sections 808 and 812, proposed Ordinance No. 1992 was published on November 21, 2018, and copies were posted in three public places.

DISCUSSION

The Tasman East Focus Area is bounded by Tasman Drive to the south, Lafayette Street to the west, the municipal golf course to the north, and the Guadalupe River to the east. On November 13, 2018, the City Council adopted the Tasman East Specific Plan for this Focus Area. The Specific Plan contemplates the development of up to 4,500 residential units, in close proximity to jobs, retail, services and entertainment, and to support alternative travel modes based on its proximity to the Lick Mill and Tasman VTA Light Rail Stations and the ACE Great America station.

The proposed ordinance establishes a zoning district for the Tasman East Focus Area. The proposed zoning district is flexible and allows for the variety of housing types the Specific Plan anticipates. Uses allowed in the Tasman East zoning district include residential uses, commercial uses, and live/work units. The district will be applied to all of the parcels in the Tasman East area, and will be effective thirty days after Council adoption of the proposed ordinance.

As with any zoning district, the ordinance establishes certain development standards, such as height, density, and parking. However, because Tasman East includes a variety of innovative housing types, including high-density mixed use, towers, and podium development, no setbacks have been included in the ordinance. The City intends to rely on the design direction in the Specific plan for private development and for the public realm. Outdoor seating and walk-up commercial uses are allowed by right. In general, consistent with the General Plan policies, development will have minimal setbacks with spaces between buildings and the public right-of-way designed to support active uses. This combination of zoning flexibility and strong design direction will steer the creation of a positive urban environment.

Because the Specific Plan is expected to be implemented over a 20-year timeline, the Tasman East zoning district also includes provisions for the continuation and possible expansion of existing industrial uses within the area. Once industrial parcels convert to residential uses, industrial uses on

those parcels will no longer be allowed and any proposed development shall conform to the Specific Plan.

The ordinance requires that a minimum of 10% of units within the first phase of development (for applications received through August 1, 2019) be provided to households that do not exceed 100% of area median income (AMI). For the second phase of development, the affordability requirement goes up to 15%. The ordinance also provides an incentive to construct higher-density housing. Developments that exceed 120 dwelling units per acre (du/ac) and 140 du/ac in density are subject to a lower minimum percentage of affordable units, for the increment of units that exceeds those density levels:

Project Density	Incremental Affordable Housing Requirement (Phase I - project applications filed through August 1, 2019)	Incremental Affordable Housing Requirement (Phase II - project applications filed after August 1, 2019)
Density ≤ 120 DU/AC	10%	15%
120 DU/AC < Density ≤ 140 DU/AC	8%	12%
Density > 140 DU/AC	5%	10%

ENVIRONMENTAL REVIEW

An Environmental Impact Report (EIR) was prepared for the Tasman East Specific Plan and related approvals (the "project") in accordance with the California Environmental Quality Act (CEQA). The EIR analyzes program-level impacts of the Tasman East Specific Plan. The EIR and Notice of Availability were circulated for a 45-day period from July 30, 2018 to September 13, 2018 in accordance with CEQA requirements. The EIR provides a comprehensive analysis of the potential environmental impacts for the project, and addresses topics identified within the General Plan policies for Tasman East, including land use compatibility and consistency with floodplain requirements (Policy 5.4.6 P8, 5.4.6 P9, 5.4.6 P10, and 5.4.6 P18).

The EIR found that there would be significant and unavoidable environmental impacts to:

- Air Quality emissions (criteria pollutant emissions)
- Biological Resources (bird strikes)
- Transportation (intersection and freeway levels of service and transit delays)

The project would also result in the following significant unavoidable cumulative impacts:

- Air Quality emissions (criteria pollutant emissions)
- Biological Resources (bird strikes)
- Transportation (intersection levels of service)
- Utilities (landfill capacity)

All of the other potentially significant impacts can be mitigated to a less than significant level. The mitigation measures are included in their entirety as a part of the proposed Mitigation Monitoring and Reporting Program (MMRP).

The Draft EIR comment period ran from July 30, 2018 to September 13, 2018. A total of eleven

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comments were received during the comment period, with comments from the Regional Water Quality Control Board and a joint letter from the Audubon Society and Sierra Club arriving after the close of the comment period.

None of the comment letters have identified a new significant impact, or have provided substantial evidence that the CEQA analysis is otherwise inadequate. Recirculation of the EIR is therefore not required.

Responses to the Draft EIR comments, as well as minor text changes and clarifications, in the form of a Final EIR, was made available to the public through the City's website on October 12, 2018, and have been forwarded on to all commenters on the Draft EIR.

A detailed discussion of the potential impacts and mitigation measures to be applied to the project is specified in the EIR and would be implemented through project conditions of approval and the MMRP for the proposed project.

FISCAL IMPACT

Consultant costs borne by the City for the preparation of the Specific Plan have been financed through the City's permit fee revenue and are anticipated to be significantly recovered following the adoption of a proposed Specific Plan fee that will be brought forward for Council consideration after the adoption of the Specific Plan. The proposed change in land uses would significantly increase land values as well as demand for services, having both positive and negative fiscal impacts upon the City. The addition of retail services and an increased local population will add to more sales tax revenue for the City. While the City has not conducted a fiscal analysis for the Specific Plan, it is understood that residential land uses generally have a net negative fiscal impact (as increased land value revenue does not completely offset increased costs for service), but infill development and higher density development, particularly utilizing Type I or Type III construction, provides for more efficient delivery of services and can be revenue neutral or even positive in some circumstances. Furthermore, the Plan will include private maintenance of park spaces and a significant private investment for infrastructure that will also provide fiscal benefits. On the whole, implementation of the Specific Plan is expected to have a relatively minor net fiscal impact to the City and will provide housing necessary for Santa Clara's ongoing economic vitality.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Adopt Ordinance No. 1992 Amending the Zoning Code to create the Transit Neighborhood Zoning District including a minimum density of 100 DU/AC and maximum density of 350 DU/AC, creating standards for uniformly sized parking spaces (unistalls), rezoning the Project Site to the new district, and establishing affordable housing requirements and an additional affordability incentive based on density.

Reviewed by: Brian Doyle, City Attorney
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS
1. Ordinance No. 1992

ORDINANCE NO. 1992

AN ORDINANCE OF THE CITY OF SANTA CLARA, CALIFORNIA, AMENDING TITLE 18 OF "THE CODE OF THE CITY OF SANTA CLARA, CALIFORNIA" TO ADD CHAPTER 18.25, REGULATIONS FOR THE TRANSIT NEIGHBORHOOD ZONING DISTRICT, MODIFYING PARKING DIMENSIONS IN CHAPTER 18.74, PARKING REGULATIONS, ADDING A NEW SECTION 17.40.115 TO CHAPTER 17.40, CITYWIDE AFFORDABLE HOUSING REQUIREMENTS, TO SPECIFY DENSITY INCENTIVES APPLICABLE TO THE TRANSIT NEIGHBORHOOD ZONING DISTRICT, AND CHANGING THE ZONING DESIGNATION FROM LIGHT INDUSTRIAL (ML) TO TRANSIT NEIGHBORHOOD (TN) FOR THE AREA BOUNDED BY TASMAN DRIVE TO THE SOUTH, THE GUADALUPE RIVER TO THE EAST, THE SANTA CLARA GOLF CLUB TO THE NORTH, AND LAFAYETTE STREET TO THE WEST

BE IT ORDAINED BY THE CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS, the City of Santa Clara (the "City") intends to allow for the development of high-density residential neighborhoods, such as the Tasman East Specific Plan area;

WHEREAS, on November 13, 2018, the City Council approved a Specific Plan for the Tasman East Area, which contemplates a transit-oriented pedestrian-friendly neighborhood of up to 4,500 residential units with supportive retail uses, proximate to the Lick Mill Light Rail Station;

WHEREAS, the Tasman East Area is one of the "Future Focus Areas" identified in the City's General Plan, each of which is intended to be a walkable urban neighborhood, with parking reflective of a variety of available transit modes, including bicycle parking;

WHEREAS, the General Plan contemplates that Future Focus Areas will include a variety of forms of high-density urban housing, including podium buildings, residential towers, and residential mixed-use buildings;

WHEREAS, the Tasman East Area is currently zoned Light Industrial (ML), which allows for uses

such as manufacturing, processing, repairing and storing products;

WHEREAS, the Santa Clara City Code ("SCCC") currently does not include any zoning district that would permit residential densities above 100 Dwelling Units per acre; and,

WHEREAS, in order to effectuate the Project and the higher-density residential uses envisioned by the General Plan, it therefore is necessary to (a) create a new high-density residential zoning district, (b) rezone the Tasman East Area to that new zoning district, (c) establish affordable housing requirements and density incentives for the district, and (d) create standards for uniformly sized parking spaces ("unistalls").

NOW THEREFORE, BE IT FURTHER ORDAINED BY THE CITY OF SANTA CLARA, AS FOLLOWS:

SECTION 1: That a new Chapter 18.25, "Regulations for the Transit Neighborhood (TN) District", is hereby added to Title 18 (entitled "Zoning"), of "The Code of the City of Santa Clara, California" ("SCCC") as follows:

"Chapter 18.25

Regulations for the Transit Neighborhood (TN) Zoning District

18.25.010 Application.

The regulations set forth in this chapter apply to all Transit Neighborhood (TN) zoning districts.

18.25.020 Intent.

This zone is designed to implement the Transit Neighborhood General Plan designation, creating a high-density, transit-oriented residential district with supportive retail services. Transit Neighborhoods are expected to be implemented over time, and the district contains provisions for the continuation of existing industrial buildings and uses.

18.25.030 Permitted uses.

(a) Multiple-family dwellings.

(b) Home occupation as defined under Chapter 18.06 SCCC.

(c) Live/work units.

(d) Supportive housing, subject to the same standards and restrictions as other dwelling units under this chapter.

(e) Transitional housing, subject to the same standards and restrictions as other dwelling units under this chapter.

(f) Housing for the Ambulatory Aged.

(g) On the ground floor of multi-family dwelling structures, or in buildings intended solely for retail use, any use permitted in the CC Community Commercial district (Chapter 18.36 SCCC), CN Neighborhood Commercial district (Chapter 18.34 SCCC), or OG General Office district (Chapter 18.32 SCCC), each as amended, except that auto repair and auto sales, other than product showcase venues, are not permitted, subject to the regulations set forth in this chapter.

(h) Outdoor seating and dining areas appurtenant to retail uses.

(i) Live entertainment that is wholly incidental to an otherwise permitted commercial use.

(j) Outdoor walk-up facility appurtenant to retail uses.

(k) On-sale of alcohol appurtenant to restaurant uses.

(l) Neighborhood Light Industrial uses, with a public facing component, including but not limited to breweries, wineries, catering companies, garment manufacturing, and crafts and artists' studios. Such uses shall be operated completely within an enclosed

building.

18.25.040 Conditional uses.

(a) On the ground floor of multi-family dwellings, or in buildings intended solely for retail use, any use identified as a Conditional Use in the CC Community Commercial district (Chapter 18.36 SCCC), CN Neighborhood Commercial district (Chapter 18.34 SCCC), or OG General Office district (Chapter 18.32 SCCC), each as amended, subject to the regulations set forth in this chapter.

(b) Cocktail lounges, bars, and taverns, involving the on-sale of alcohol without meals.

(c) Live entertainment as a primary use.

(d) Stand-alone parking garage.

18.25.050 Existing buildings and uses.

(a) Notwithstanding any other provision in this Chapter, the lawful use of buildings existing prior to the adoption of this Chapter may continue and none of the other sections of this Chapter 18.25 shall apply, as though the prior zoning of the parcel remained in place, until such time as the existing use (including any expansions) has been discontinued in its entirety, at which time the prior zoning shall become inapplicable and the other sections of this Chapter shall apply from that point forward.

(b) Allowed Uses. For parcels with legal uses of buildings existing prior to the adoption of this chapter, permitted uses of the prior zoning district are allowed, and none of the other sections of this Chapter 18.25 shall apply to such building and use, until such time as the existing use (including any expansions) has been discontinued in its entirety.

(c) Conditional Uses. For parcels with legal uses of buildings existing prior to the

adoption of this chapter, conditional uses of the prior zoning district are conditionally permitted, and none of the other sections of this Chapter 18.25 shall apply, until such time as the existing use (including any expansions) has been discontinued in its entirety.

(d) Development Standards. For parcels with legal uses of buildings existing prior to the adoption of this chapter, development standards of the prior zoning district shall apply, and none of the other sections of this Chapter 18.25 shall apply, until such time as the existing use (including any expansions) has been discontinued in its entirety.

18.25.060 Development standards.

(a) Maximum Dwelling Unit Density. For the Transit Neighborhood district, the maximum dwelling unit density is 350 dwelling units per acre.

(b) Minimum Dwelling Unit Density. For the Transit Neighborhood district, the minimum dwelling unit density is 100 dwelling units per acre.

(c) Minimum Lot area. None.

(d) Minimum Lot Width. None.

(e) Building Height Limits. The maximum height limit in the Transit Neighborhood district is 220 feet in height.

(f) Front Yard requirements. None.

(g) Side yards requirements. None.

(h) Maximum Building Coverage. No maximum, subject to providing adequate pervious area to meet stormwater requirements.

18.25.070 Parking requirements.

(a) Minimum Parking Requirements.

(1) The minimum parking requirement for grocery stores is one (1) parking

space per 500 square feet of building area.

(2) The minimum parking requirements for all other commercial uses, including restaurants, is one (1) parking space per 1,000 square feet of building area.

(3) Residential units: one parking space per unit.

(4) Residential units with a floor area of less than 550 square feet: 0.5 spaces per unit.

(5) Guest parking associated with residential uses: One space per 20 units.

(6) Home for the Ambulatory Aged: One space per employee plus 0.1 space per unit.

(b) Shared Parking. Parking shared among uses is encouraged, and up to 20% of parking spaces provided may be shared between two uses. For the purposes of this title, those parking spaces shared between two uses counts towards the parking requirement of both.

(c) Unbundled Parking. A maximum of one parking space shall be rented or sold with each unit. Additional parking spaces shall be rented or sold separately.

(1) As an alternative to renting or selling parking spaces separately from residential unit, property managers may implement a parking preference program, with prospective renters without cars put on a separate waiting list from renters with cars, and renters being chosen alternately from the two lists.

(d) Minimum Bicycle Parking Requirements.

(1) For each multi-family unit, one Class 1 parking space per two units and one Class 2 bike rack, accommodating two bikes, per 15 units is required.

(2) For retail or restaurant uses, for every 1,000 square feet of floor area, one Class 2 bike rack (accommodating two bikes) is required. In addition, one Class 1 parking space is required for every 30 employees or fraction thereof.

18.23.080 Additional development standards.

(a) Lighting and Security.

(1) Open parking areas and common open space areas shall include lighting which provides a minimum illumination of one footcandle. Lighting fixtures shall be weather and vandal resistant. Lighting shall reflect away from residential areas and public streets.

(2) All main entrance doors to individual dwelling units shall be equipped with one hundred eighty (180) degree door viewer. Each main entrance door shall be equipped with a deadbolt lock with a cylinder guard, a minimum of one-inch bolt projection and a maximum security strike plate.

(3) All sliding glass doors and ground floor windows shall be equipped with auxiliary locks, as approved by the Chief of Police.

(b) Trash Disposal. Each property shall provide accessible trash disposal areas. If not screened within a garage or structure, each disposal area shall be screened from public view. Such enclosures shall provide area of sufficient size to accommodate trash and recycling bins for residential and commercial uses on-site. Trash compactors shall be located within an enclosed building."

SECTION 2: That a new section 18.74.035 is hereby added to Chapter 18.74, Parking Regulations, of Title 18 (entitled "Zoning"), of "The Code of the City of Santa Clara, California" ("SCCC") to read as follows:

"**18.74.035 Uniform parking stalls and drive aisles.**

As an alternative to a mixture of standard-size and compact spaces, off-street parking facilities may be designed with 100% uniform-size stalls, measuring eight-and-a-half (8.5) feet in width and seventeen (17) feet in depth. For parking facilities using the uniform stall dimensions, the minimum drive aisle width is twenty-four (24) feet."

SECTION 3: That a new section 17.40.115 is hereby added to Chapter 17.40, Citywide Affordable Housing Requirements, of Title 17 (entitled "Development"), of "The Code of the City of Santa Clara, California" ("SCCC") to read as follows:

"**17.40.115 Density Incentive – Tasman East Specific Plan.**

(a) Notwithstanding any other provision of this Chapter, for either ownership or rental housing developed under the Transit Neighborhood Zoning Designation in the Tasman East Specific Plan Area, the following affordable housing requirements apply:

Project Density	Incremental Affordable Housing Requirement (Phase I – project applications filed through August 1, 2019)	Incremental Affordable Housing Requirement (Phase II – project applications filed after August 1, 2019)
Density ≤ 120 DU/AC	10%	15%
120 DU/AC < Density ≤ 140 DU/AC	8%	12%
Density > 140 DU/AC	5%	10%

(b) The affordability requirement is calculated on an incremental basis, meaning that for a project with a density of greater than 140 DU/AC in Phase I, the portion that equates to the first 120 DU/AC of density would be calculated using the 10% affordability requirement, with the affordability requirement being 8% for the increment of units greater

than 120 and less than or equal to 140 DU/AC, and 5% for the increment of units over 140 DU/AC.

(c) Affordable units shall be priced such that the distribution of affordable units in a development averages to a maximum of one hundred percent (100%) area median income."

SECTION 4: That all parcels in the Tasman East Area are hereby rezoned from Light Industrial (ML) to Transit Neighborhood (TN).

SECTION 5: Effective date. This ordinance shall take effect thirty (30) days after its final adoption; however, prior to its final adoption it shall be published in accordance with the requirements of Section 808 and 812 of "The Charter of the City of Santa Clara, California."

PASSED FOR THE PURPOSE OF PUBLICATION this 13th day of November, 2018, by the following vote:

AYES:	COUNCILORS:	Davis, Kolstad, Mahan, and Watanabe, and Mayor Gillmor
NOES:	COUNCILORS:	O'Neill
ABSENT:	COUNCILORS:	None
ABSTAINED:	COUNCILORS:	None

ATTEST: _____
NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference: None

18-1554 **Agenda Date: 11/27/2018**

REPORT TO COUNCIL

SUBJECT
Action on Appointment to fill a June 30, 2020 partial term vacancy on the Senior Advisory Commision

BACKGROUND
Alma M. Garcia resigned from the Senior Advisory Commission on October 25, 2018. Ms. Garcia was appointed to serve on May 24, 2016. Therefore, one vacancy now exists on the Commission for a partial term ending June 30, 2020.

On October 16, 2018, the City Council conducted interviews during its regular meeting for a different vacancy on the Senior Advisory Commission. A total of six candidates were interviewed with one appointment made that evening.

At the November 13, 2018 Council meeting, Council approved to revisit the applications and consider one of the candidates interviews on October 16 in lieu of conducting a new recruitment process and holding additional interviews. At Council direction, the City Clerk's Office has confirmed that the remaining five candidates are interested in being considered for the current vacancy.

DISCUSSION
The following list of candidates from the October 16 interviews has confirmed interest in the current vacancy.

1. Suzanne Dougan
2. Judy Hubbard
3. MV Kumar
4. Audrey Mitchell
5. Kirankumar Shinde

Attached, please find the applications (Attachment 1) and Voting Guidelines (Attachment 2).

ENVIRONMENTAL REVIEW
The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT
There is no additional cost to the City other than administrative staff time and expense.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

ALTERNATIVES

1. Appoint one candidate to the Senior Advisory Commission to serve a partial term ending June 30, 2020.
2. Any other action the Council deems appropriate.

RECOMMENDATION

1. Appoint one candidate to the Senior Advisory Commission to serve a partial term ending June 30, 2020.

Reviewed by: Nora Pimentel, Assistant City Clerk
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Applications
2. Voting Guidelines

City of Santa Clara
The Center of What's Possible

APPLICATION
BOARD, COMMISSIONS, AND COMMITTEE
CITY OF SANTA CLARA

City Clerk's Office 1500 Warburton Avenue,
Santa Clara, California 95050
Phone: 408-615-2220 E-mail: Clerk@santaclaraca.gov

*If you are having trouble viewing or submitting this form please download the free version of Adobe Reader: http://get.adobe.com/reader

Board/ Commission/ Committee Applying For:	Senior Advisory Commission
Name:	Suzanne Dougan
Address:	3471 Bonita Court
City:	Santa Clara
State:	CA
Zip Code:	95051
E-mail Address:	SLDougan3@gmail.com
Primary Phone Number	209-480-4924
Secondary Phone Number	

Are you eligible to register to vote in Santa Clara? ☑ Yes ☐ No ☐ Unsure

Are you a registered voter of Santa Clara? ☑ Yes ☐ No ☐ Unsure

Have you attended a meeting of this Board/ Commission/Committee? ☐ Yes ☑ No ☐ Unsure

Present Employer:	Heart of the Valley
Job Title:	Staff Assistant

Previous Governmental Bodies/ Elective Offices Applicant has served:	Position/ Office Held:	Dates:
None	None	

Civic or Charitable Organizations to which Applicant has belonged:	Position(s) Held:	Dates:

Special Interests, Hobbies or Talents:

Quilting, photography, garden
Good on phones

College, Professional, Vocational Schools attended:	Major Subject:	Degree/Dates:

Special awards or recognition received:

Please state reasons why you want to become a member of this Board/Commission/Committee, including what specific objectives you would be working toward as a member of this advisory board:

Advocates for seniors with limited income

Any other information which you feel would be useful to the City Council in reviewing your application:

Current a board member with Heart of the Valley

Are you associated with any Organization/Employment that might be deemed a conflict of interest in performing your duties if appointed to this position? ☐ Yes ☑ No ☐ Unsure

If yes, please name the Organization or Employment.

City policy directs all advisory body members not to vote on matters where there exists a potential conflict of interest. Would you be willing to abstain from voting if such a conflict arises? ☑ Yes ☐ No ☐ Unsure

Have you ever been convicted of a felony or misdemeanor? Do not list any misdemeanor settled in juvenile court. (If yes, explain convictions)

Senior Advisory Commission

Signature of Applicant: Suzanne Dougan

Date Signed: 09/13/2018

By clicking submit you are confirming that you are the person listed in this application, and that all information provided is truthful and correct. You can also submit the completed application in person at: City Clerk's Office, 1500 Warburton Avenue, Santa Clara, California 95050. All information provided will be public information.

City of Santa Clara
The Center of What's Possible

APPLICATION
BOARD, COMMISSIONS, AND COMMITTEE
CITY OF SANTA CLARA

City Clerk's Office 1500 Warburton Avenue,
Santa Clara, California 95050
Phone: 408-615-2220 E-mail: Clerk@santaclaraca.gov

*If you are having trouble viewing or submitting this form please download the free version of Adobe Reader: http://get.adobe.com/reader

Board/ Commission/ Committee Applying For:	Senior Advisory Commission
Name:	Judy Hubbard
Address:	1751 Nelson Dr
City:	Santa Clara
State:	CA
Zip Code:	95054
E-mail Address:	Swtjudy1@aol.com
Primary Phone Number	4082349344
Secondary Phone Number	
Are you eligible to register to vote in Santa Clara?	☑ Yes ☐ No ☐ Unsure
Are you a registered voter of Santa Clara?	☑ Yes ☐ No ☐ Unsure
Have you attended a meeting of this Board/ Commission/Committee?	☐ Yes ☐ No ☑ Unsure
Present Employer:	Disabled
Job Title:	Homemaker

Previous Governmental Bodies/ Elective Offices Applicant has served:	Position/ Office Held:	Dates:
Past presidency of the Santa Clara Womens League	President for 2 yrs	May 2016 through May of 2018

Civic or Charitable Organizations to which Applicant has belonged:	Position(s) Held:	Dates:
Santa Clara Womens League		2016 through 2018

Special Interests, Hobbies or Talents:

Crocheting, knitting, painting, arts and crafts

College, Professional, Vocational Schools attended:	Major Subject:	Degree/Dates:
Some college		No degrees

Special awards or recognition received:

Please state reasons why you want to become a member of this Board/Commission/Committee, including what specific objectives you would be working toward as a member of this advisory board:

I want to help the seniors out in our community

Any other information which you feel would be useful to the City Council in reviewing your application:

Are you associated with any Organization/Employment that might be deemed a conflict of interest in performing your duties if appointed to this position? ☐ Yes ☑ No ☐ Unsure

If yes, please name the Organization or Employment.

City policy directs all advisory body members not to vote on matters where there exists a potential conflict of interest. Would you be willing to abstain from voting if such a conflict arises? ☑ Yes ☐ No ☐ Unsure

Have you ever been convicted of a felony or misdemeanor? Do not list any misdemeanor settled in juvenile court. (If yes, explain convictions)

Senior Advisory Commission

Signature of Applicant: Judy Hubbard

Date Signed: 09/14/2018

By clicking submit you are confirming that you are the person listed in this application, and that all information provided is truthful and correct. You can also submit the completed application in person at: City Clerk's Office, 1500 Warburton Avenue, Santa Clara, California 95050. All information provided will be public information.

City of Santa Clara
The Center of What's Possible

APPLICATION
BOARD, COMMISSIONS, AND COMMITTEE
CITY OF SANTA CLARA

City Clerk's Office 1500 Warburton Avenue,
Santa Clara, California 95050
Phone: 408-615-2220 E-mail: Clerk@santaclaraca.gov

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Board/ Commission/ Committee Applying For:	Senior Advisory Commission
Name:	MV Kumar
Address:	1124 Reed Street
City:	Santa Clara
State:	CA Zip Code: 95050
E-mail Address:	mv_kumar@att.net
Primary Phone Number	(408) 261-3943
Secondary Phone Number	(408) 261-3943
Are you eligible to register to vote in Santa Clara?	☑ Yes ☐ No ☐ Unsure
Are you a registered voter of Santa Clara?	☐ Yes ☑ No ☐ Unsure
Have you attended a meeting of this Board/ Commission/Committee?	☐ Yes ☑ No ☐ Unsure
Present Employer:	In-between jobs/career
Job Title:	Director/VP

Previous Governmental Bodies/ Elective Offices Applicant has served:	Position/ Office Held:	Dates:

Civic or Charitable Organizations to which Applicant has belonged:	Position(s) Held:	Dates:

Special Interests, Hobbies or Talents:

Hiking, outdoors, photography, spirituality, reading

College, Professional, Vocational Schools attended:	Major Subject:	Degree/Dates:
University of California, Berkeley, Haas School of Business	Business Administration	MBA/1999
Pennsylvania State University, University Park, PA	Engineering	MS/1990
Indian Institute of Technology (IIT), Madras, India	Engineering	BS

Special awards or recognition received:

Please state reasons why you want to become a member of this Board/Commission/Committee, including what specific objectives you would be working toward as a member of this advisory board:

Give back to the committee. I have been a member of the Santa Clara Senior Center for a couple of years, and a Santa Clara resident for nearly two decades. I would like to be more involved in my civic duties, and put my skills which have served the private, corporate world well so far to good use in public, voluntary organizations. The specifics I will be happy to discuss in person.

Any other information which you feel would be useful to the City Council in reviewing your application:

Dutiful citizen, well-educated, eager to serve the community.

Are you associated with any Organization/Employment that might be deemed a conflict of interest in performing your duties if appointed to this position? ☐ Yes ☑ No ☐ Unsure

If yes, please name the Organization or Employment.

City policy directs all advisory body members not to vote on matters where there exists a potential conflict of interest. Would you be willing to abstain from voting if such a conflict arises? ☑ Yes ☐ No ☐ Unsure

Have you ever been convicted of a felony or misdemeanor? Do not list any misdemeanor settled in juvenile court. (If yes, explain convictions)

Senior Advisory Commission

Signature of Applicant: MV Kumar

Date Signed: 09/14/2018

By clicking submit you are confirming that you are the person listed in this application, and that all information provided is truthful and correct. You can also submit the completed application in person at: City Clerk's Office, 1500 Warburton Avenue, Santa Clara, California 95050. All information provided will be public information.

City of Santa Clara
The Center of What's Possible

APPLICATION
BOARD, COMMISSIONS, AND COMMITTEE
CITY OF SANTA CLARA

City Clerk's Office 1500 Warburton Avenue,
Santa Clara, California 95050
Phone: 408-615-2220 E-mail: Clerk@santaclaraca.gov

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Board/ Commission/ Committee Applying For:	Senior Advisory Commission
Name:	Audrey Mitchell
Address:	761 Cornell Drive
City:	Santa Clara
State:	CA Zip Code: 95051
E-mail Address:	yerduanna@yahoo.com
Primary Phone Number	650-867-8976
Secondary Phone Number	408-753-9529
Are you eligible to register to vote in Santa Clara?	☑ Yes ☐ No ☐ Unsure
Are you a registered voter of Santa Clara?	☑ Yes ☐ No ☐ Unsure
Have you attended a meeting of this Board/ Commission/Committee?	☐ Yes ☑ No ☐ Unsure
Present Employer:	retired
Job Title:	Software / systems engineer

Previous Governmental Bodies/ Elective Offices Applicant has served:

Position/ Office Held:	Dates:
none	

Civic or Charitable Organizations to which Applicant has belonged:	Position(s) Held:	Dates:
ACBL	Director of ACBL sanctioned games	Lifetime

Special Interests, Hobbies or Talents:

Bridge, golf, knitting, sewing, web site development, cooking. I am an ACBL sanction bridge director for games. I would like to have ACBL sanctioned games provided at the Bridge Center.

College, Professional, Vocational Schools attended:	Major Subject:	Degree/Dates:
Macalester College St. Paul, MN	Mathematics, Physics	BA
University of Colorado Boulder, Colorado	Mathematics, Philosophy	MA

Special awards or recognition received:

Published in an Engineering Journal

Please state reasons why you want to become a member of this Board/Commission/Committee, including what specific objectives you would be working toward as a member of this advisory board:

I am interested in supporting the senior citizens of Santa Clara by providing communication tools to reach out and receive communication with Santa Clara Seniors. This may include email deliveries, recorded phone calls, note cards announcing programs provided by the Senior Center. I would like to inform our seniors of new programs and to present existing senior programs on an event website, robocall system, or email.

I am also interested in promoting the Senior Center bridge games to ACBL sanctioned games including providing class lessons to new players. I believe there are seniors within the city of Santa Clara who are ACBL bridge players that would attend ACBL sanctioned games at the bridge center.

Any other information which you feel would be useful to the City Council in reviewing your application:

I have been a resident of the Bay Area since 1966 and have worked as software engineer, systems engineer, and staff management at Bay Area companies including ESL Inc, Lockheed Martin, Argo Systems. I retired in 2000.
I have been a senior citizen for many years and have seen seniors conquering age-defying conditions through mind and body stimulating activities. It is my goal to support these activities and assure that our citizens are aware of the opportunities and are able to participate in the programs at the Senior Center.

Are you associated with any Organization/Employment that might be deemed a conflict of interest in performing your duties if appointed to this position? ☐ Yes ☑ No ☐ Unsure

If yes, please name the Organization or Employment.

City policy directs all advisory body members not to vote on matters where there exists a potential conflict of interest. Would you be willing to abstain from voting if such a conflict arises? ☑ Yes ☐ No ☐ Unsure

Have you ever been convicted of a felony or misdemeanor? Do not list any misdemeanor settled in juvenile court. (If yes, explain convictions)

Senior Advisory Commission

Signature of Applicant: Audrey Mitchell

Date Signed: 08/29/2018

By clicking submit you are confirming that you are the person listed in this application, and that all information provided is truthful and correct. You can also submit the completed application in person at: City Clerk's Office, 1500 Warburton Avenue, Santa Clara, California 95050. All information provided will be public information.

City of Santa Clara
The Center of What's Possible

APPLICATION
BOARD, COMMISSIONS, AND COMMITTEE
CITY OF SANTA CLARA

City Clerk's Office 1500 Warburton Avenue,
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Phone: 408-615-2220 E-mail: Clerk@santaclaraca.gov

*If you are having trouble viewing or submitting this form please download the free version of Adobe Reader: http://get.adobe.com/reader

Board/ Commission/ Committee Applying For:	Senior Advisory Commission
Name:	Kirankumar Shinde
Address:	1667 Calabazas Blvd
City:	Santa Clara
State:	CA
Zip Code:	95051
E-mail Address:	kgshinde@gmail.com
Primary Phone Number	4082190408
Secondary Phone Number	4088375054

Are you eligible to register to vote in Santa Clara? ☑ Yes ☐ No ☐ Unsure

Are you a registered voter of Santa Clara? ☑ Yes ☐ No ☐ Unsure

Have you attended a meeting of this Board/ Commission/Committee? ☐ Yes ☑ No ☐ Unsure

Present Employer:	Self Employed (Business)
Job Title:	President

Previous Governmental Bodies/ Elective Offices Applicant has served:	Position/ Office Held:	Dates:

Civic or Charitable Organizations to which Applicant has belonged:	Position(s) Held:	Dates:

Special Interests, Hobbies or Talents:

Help people in real need and ensure people are happy

College, Professional, Vocational Schools attended:	Major Subject:	Degree/Dates:

Special awards or recognition received:

Please state reasons why you want to become a member of this Board/Commission/Committee, including what specific objectives you would be working toward as a member of this advisory board:

Recently I quit job and focusing on my business and realized that I can offer my time to social activities. I have applied for few posts but never got selected. Trying again to see if selection committee finds a single quality to qualify me for the post. I am well educated and experienced person to work on various commission work.

Any other information which you feel would be useful to the City Council in reviewing your application:

I am well educated and experienced person to work on various commission work. I have special community interest for Senior and Elderly people especially those who are left out but their childerens.

Are you associated with any Organization/Employment that might be deemed a conflict of interest in performing your duties if appointed to this position? ☐ Yes ☑ No ☐ Unsure

If yes, please name the Organization or Employment.

City policy directs all advisory body members not to vote on matters where there exists a potential conflict of interest. Would you be willing to abstain from voting if such a conflict arises? ☑ Yes ☐ No ☐ Unsure

Have you ever been convicted of a felony or misdemeanor? Do not list any misdemeanor settled in juvenile court. (If yes, explain convictions)

Senior Advisory Commission

Signature of Applicant: Kiran Shinde

Date Signed: 09/11/2018

By clicking submit you are confirming that you are the person listed in this application, and that all information provided is truthful and correct. You can also submit the completed application in person at: City Clerk's Office, 1500 Warburton Avenue, Santa Clara, California 95050. All information provided will be public information.

CITY OF SANTA CLARA
VOTING GUIDELINES FOR THE APPOINTMENT OF APPLICANTS TO BOARDS AND COMMISSIONS

1) Council is given a copy of the applications in their weekly packet to review and consider applicant qualifications.

2) Council interviews applicant. Interviews are held at a City Council Meeting for the Planning Commission and Civil Service Commission. Interviews are held in a less formal area of City Hall for all other Boards and Commissions.

    A) Each applicant is given three (3) minutes for an opening statement. The applicant may respond to questions from the Council. The applicant has one (1) minute for a closing statement.

3) Council votes for applicants:

    A) If there are four (4) or fewer applicants the Council will cast one vote each for their desired appointee.

    B) If there are five (5) or more applicants, the Council will cast one vote each for their two desired appointees. Only one vote per applicant is allowed. A Councilmember may choose to vote for only one applicant but will relinquish the other vote.

4) The votes are tallied:

    A) If there are four (4) or fewer applicants the Clerk will announce the winner.
        i. If there is a tie, there will be 3 re-votes for the Council to reconsider the applicants. The Council has the opportunity to deliberate between each round of re-voting.
        ii. If there is still a tie and there is not a full Council present, the Council will defer the decision until a full Council is present, and re-interview the top two applicants.
        iii. If there is a full Council present, the Members will draw straws, with the person drawing the long straw abstaining from voting at the next round. The Council has the opportunity to deliberate.
        iv. The Council votes, with the applicant receiving the highest number of votes being the winner. The City Clerk will announce the winner.

    B) If there are five (5) or more applicants, the Clerk will announce the two applicants who received the highest number of votes. The Council then has an opportunity to deliberate regarding the remaining two applicants.

The Council will then cast one vote each for their desired appointee. The City Clerk will announce the winner.

i. If there is a tie, there will be 3 re-votes for the Council to reconsider the applicants. The Council has the opportunity to deliberate between each round of re-voting.
ii. If there is still a tie and there is not a full Council present, the Council will defer the decision until a full Council is present, and re-interview the top two applicants.
iii. If there is a full Council present, the Members will draw straws, with the person drawing the long straw abstaining from voting at the next round. The Council has the opportunity to deliberate.
iv. The Council votes, with the applicant receiving the highest number of votes being the winner. The City Clerk will announce the winner.

5) A Council Member makes a motion to appoint the applicant that received the highest number of votes. The Council has the opportunity to vote unanimously to appoint the applicant using the Council Chambers electronic voting equipment.

18-1235 **Agenda Date: 11/27/2018**

REPORT TO COUNCIL

SUBJECT

Action on Resolution Establishing New Electric Rate Schedules for Large Customers

BACKGROUND

Over the past twenty years, Silicon Valley Power (SVP) has entered into individual electric service agreements (ESA) with large customers. The ESAs have provided a balance of benefits such as longevity and economic development with market-based rates or rate discounts commensurate with the type of service being provided to these large customers. Customers have also sought different rate structures to match either corporate goals or their atypical load profile. On April 3, 2018, City Council delegated authority to the City Manager to negotiate, assign, and/or extend ESAs, as necessary, until January 31, 2019, while new standardized rate tariffs were designed to meet the needs of both the largest-use customer class and SVP.

DISCUSSION

Rather than continue with a process that requires negotiation of individual rates for large customers, SVP is recommending that City Council enact three new alternative rate schedules that each of the fourteen customers with current ESAs, that will be expiring. These new schedules would yield substantially the same average cost of power these customers are paying under their individual agreements. These are alternative rates schedules that will be available for future customers who meet the qualifications for their appropriate rate schedule. These rate schedules are:

Schedule CB-6	Large Combined General Service
Schedule CB-7	Large Combined General Service - Market Based Option
Schedule CB-8	Customer Load Retention

The prices in these rate schedules, as well as various other provisions, are meant to approximate, for each customer with an ESA, the cost of power that would have been incurred had that ESA been renewed or extended. As the current ESAs expire, those customers will be eligible to transition to the appropriate rate schedule. Customers served under these new rate schedules are very large. Annual bills under these rate schedules are expected to range from more than $3.5 million per year to more than $25 million per year. Combined, these customers represent approximately 65% of SVP's total kWh sales.

Schedule CB-6 - Large Combined General Service

This rate schedule is an alternative to existing rates in effect for smaller customers. Large customers who do not choose Schedule CB-6 will otherwise default to the appropriate Schedules CB-1 or Schedule CB-3. CB-6 will be available to customers with demand metering and whose combined

demand is more than 5,000 kW. Like existing Schedules CB-1 and CB-3, Schedule CB-6 consists of a monthly Customer Charge, Demand Charge, and Energy Charge. The Customer Charge and the Demand Charge are significantly higher than the current schedules, while the Energy Charge is commensurately lower, and declines with increases in kWh usage. This shift recognizes the importance of each customer making adequate contributions to fixed costs of the utility system.

Schedule CB-7 - Large Combined General Service - Market Based Option

This rate schedule is available to customers eligible for service under Schedule CB-6. Schedule CB-7 rates would be the same as those on CB-6, except that under CB-7, a specified portion of customer's energy usage would be priced based on hourly California Independent System Operator (ISO) energy prices averaged over each billing month. This market-related portion would also be designed to comply with applicable renewable and greenhouse gas reduction regulations. Linkage to market prices would be achieved by calculating the difference between the annualized unit cost of ISO purchases reflected in SVP's budget and the average of ISO prices in the applicable billing month. This difference would be applied to the applicable energy usage and shown as a line item on the customer's bill. All other provisions of Schedule CB-7 would be the same as Schedule CB-6.

This rate, while fulfilling the needs of certain customers, also requires extensive administrative activity to maintain. Thus, at this time, SVP proposes to limit the total amount of load that might be served under CB-7 to 30,000,000 kWh. Customer will apply for CB-7 at least 30 days before the start of a month in which they wish to be placed on the CB-7 rate; applications will be taken on a first come, first serve basis and may be pro-rated among applicants in any given month. Once a customer has selected this option, that customer must continue with this option for at least one year.

Schedule CB-8 - Customer Load Retention

This rate schedule is available to customers eligible for service under Schedule CB-6, who, but for the provisions of this rate schedule, would cease operations in the City of Santa Clara, and would not engage in any substantially similar operation in the State of California for a period of at least five years. As a threshold matter, loss of any large customer means that SVP's fixed costs must be spread over a smaller sales base than would otherwise exist. Large users can also be significant employers and provide diversity in the types of large businesses in Santa Clara.

CB-8 customers' bills, under their applicable rate schedule, will be reduced by up to 12% for a period of not more than five years. The effective percentage reduction and period of that percentage reduction, will be as approved by the Chief Electric Utility Officer.

While other nearby California utilities currently have similar Load Retention or Economic Development rate schedules, SVP has limited experience with applying these parameters. Thus, SVP proposes to limit the total amount of load that might be served under CB-8 to 20,000 kW, at this time. Service under this schedule would also be limited to five years. Any extension beyond five years would require SVP to show how an extension beyond five years would directly benefit other SVP customers, and the extent to which the City, or other Santa Clara residents and businesses, would benefit from such extension. Such an extension would require Council approval of the rate schedule.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT

Minimal fiscal impact is expected as the new rate schedules are estimated to result in similar revenue generation from customers transferring to the new rate schedules from existing ESAs if their electric demand and usage remained unchanged.

COORDINATION

This report has been coordinated with the Finance Department and the City Attorney’s Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk’s Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Adopt a Resolution of the City of Santa Clara Establishing City Electric Utility Rate Schedules CB-6, CB-7 and CB-8.

Reviewed by: John C. Roukema, Chief Electric Utility Officer
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Resolution Establishing City Electric Utility Rate Schedules CB-6, CB-7, CB-8
2. Rate Schedule CB-6
3. Rate Schedule CB-7
4. Rate Schedule CB-8

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA ESTABLISHING CITY ELECTRIC UTILITY RATE SCHEDULES CB-6, CB-7 AND CB-8

BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS, pursuant to Santa Clara City Code Section 13.05.040, all electric energy and power furnished to customers of the City of Santa Clara's Electric Utility, Silicon Valley Power (SVP), shall be charged, paid for and supplied in accordance with certain electric rate schedules, tariffs, and rules and regulations adopted and amended from time to time by City Council;

WHEREAS, SVP has been providing electric service to fourteen of its largest customers pursuant to Electric Service Agreements (ESAs) approved by the City Council;

WHEREAS, the City Council delegated authority to the City Manager on April 3, 2018 to extend the term of the existing ESAs as necessary until January 31, 2019 while new standardized rate tariffs were devised;

WHEREAS, SVP staff has created three new rate schedules: CB-6 – Large Combined General Service, CB-7 – Large Combined General Service – Market Based Option, and CB-8 – Customer Load Retention;

WHEREAS, the operation of these rate schedules, for those customers served under existing ESAs, is designed to result in each of those customers incurring power costs substantially similar to their power costs under their respective existing ESAs;

WHEREAS, SVP presented a Report to Council on October 30, 2018 supporting the development of these new rate schedules at the October 30, 2018 City Council meeting, and recommending adoption of these new rate schedules; and

WHEREAS, City Council reviewed and approved SVP's recommendations contained in its Report to Council and desires to adopt the rate schedules as recommended by SVP.

NOW THEREFORE, BE IT FURTHER RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. That SVP Rate Schedules CB-6, CB-7, and CB-8 attached to this Resolution are hereby adopted by the City Council of the City of Santa Clara;

2. That true and correct copies of this Resolution shall be kept on file in the Office of the City Clerk and in the Billing Division of the City's Finance Department at all times while these Rate Schedules are in effect, and until further amended or replaced, be open to public investigation and inspection during regular business hours of such offices.

3. Effective date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE ___ DAY OF _____, 2018, BY THE FOLLOWING VOTE:

AYES: COUNCILORS:

NOES: COUNCILORS:

ABSENT: COUNCILORS:

ABSTAINED: COUNCILORS:

ATTEST: _____
NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference:
1. Rate Schedule CB-6
2. Rate Schedule CB-7
3. Rate Schedule CB-8

CITY OF SANTA CLARA
SILICON VALLEY POWER

RATE SCHEDULE CB-6 LARGE COMBINED GENERAL SERVICE	Sheet 1 of 3

DESCRIPTION OF SERVICE

This Schedule is optional to Customers who occupy one or more demand-metered service addresses served by Silicon Valley Power (SVP), where electric service from SVP is in Customer's name, and where Customer's combined monthly electric billing demand is 5,000 kW or more. Customers with self-generation may also be subject to Schedule SB-1. Customers who select this rate option will need to provide at least one month written notice and continue with this rate option for at least one year. This Schedule is closed to Customers covered by a separate Electric Sales Agreement between Customer and SVP.

RATE OPTIONS:

	Non Time of Use	Time of Use	
CUSTOMER CHARGE			
For Each Service Address – per meter per month	$306.00	$306.00	
DEMAND CHARGE:			
		Peak	Off-Peak
All kW of Billing Demand, per kW:	$19.84	$19.84	$0.00
ENERGY CHARGE:			
First 5,000,000 kWh, per kWh	$0.07548	$0.07874	$0.07262
Next 10,000,000 kWh, per kWh	$0.07344	$0.07670	$0.07058
Next 5,000,000 kWh, per kWh	$0.06936	$0.07262	$0.06650
Over 20,000,000 kWh, per kWh	$0.06324	$0.06650	$0.06038

SURCHARGES:

Public Benefits Charge and State Surcharge, as set forth in Note E, will be added to the above charges.

NOTES:

(A) MAXIMUM DEMAND

The Maximum Demand in any month will be the sum of the highest average kW delivery, at each service address, of any 15-minute interval occurring between 1:00 PM and 10:00 PM Monday through Saturday, excluding holidays. However, in case the load is intermittent or subject to violent fluctuations, Silicon Valley Power may use a 5-minute interval instead of a 15-minute interval.

(B) BILLING DEMAND

The Billing Demand to be used in computing charges under this schedule will be sum of the mean of the actual Maximum Demand for the current month at each service address and the highest such demand occurring in the year ending with the current month at each service address, but not less than 5,000 kw.

(C) VOLTAGE ADJUSTMENT:

For each Service Address served at less than 12,000 volts, the Demand Charge will be increased by $1.02 per kW. For each Service Address served at 60,000 volts directly from a customer owned

substation or from a SVP-owned substation directly paid for by customer, the Demand Charge will be reduced by $1.275 per kW. However, Silicon Valley Power is not required to supply service at a particular line voltage where it has (or will install) ample facilities for supplying at another voltage equally or better suited to the customer's electrical requirements. Silicon Valley Power retains the right to change its line voltage at any time, after reasonable advance notice to any customer receiving a discount hereunder and affected by such change, and such customer then has the option to change their system so as to receive service at the new line voltage or to accept service (without voltage discount) through transformers to be supplied by Silicon Valley Power.

(D) POWER FACTOR:

For each service address where Billing Demand has exceeded 300 kW for three consecutive months, bills will be adjusted for weighted monthly average Power Factor as follows: the sum of Customer Charge, Demand Charge, Energy Charge, Secondary Voltage Adjustment (as applicable) and 60kV Delivery Adjustment (as applicable) for any month as computed on the above rates will be decreased or increased, respectively, by 0.1 % for each 1 % that the average Power Factor is greater or less than 85%. Such average Power Factor to be computed (to the nearest whole percent) from the ratio of lagging kilovolt-ampere-hours to kilowatt- hours consumed in the month, provided, however, that no Power Factor correction will be made for any month when the Maximum Demand of such service address, is less than 10% of the highest demand in the preceding eleven months.

Power Factor Adjustment will be discontinued for any service address that falls below 200 kW for 12 consecutive months.

(E) SURCHARGES:

PUBLIC BENEFITS CHARGE:

The Public Benefits Charge is a state required non-bypassable surcharge on all sales of electricity and electrical services. It is used to fund public goods research, development, and demonstration, as well as, energy efficiency activities, renewable energy, and low income assistance programs. The surcharge is equal to the sum of the Customer Charge, Demand Charge, Energy Charge, Voltage and Power Factor Adjustment, times 0.0285.

STATE SURCHARGE:

The State Surcharge is required by California state law, and supports funding for the California Energy Commission. The surcharge is equal to kWh billed times $0.00029 per kWh.

(F) CALCULATION OF ENERGY CHARGES AT EACH SERVICE ADDRESS:

The energy charges calculated under this Schedule CB-6 will be apportioned to each service address as follows:

RATE SCHEDULE CB-6 LARGE COMBINED GENERAL SERVICE	Sheet 3 of 3

1. Energy Charges for each service address will be determined as the ratio of the kWh usage at each service address divided by the sum of kWh usage at all applicable service addresses.
2. After such apportionment, each service address will be subject to the applicable Voltage Adjustment, Power Factor Adjustment, Public Benefits Charge and State Surcharge provisions set forth above.
3. Payment for bills rendered at each service address shall be made by wire transfer, automated clearing house (ACH) transfer, check or credit card. Payments made by credit card will be subject to the applicable credit card transaction fees.

(G) TIME OF USE OPTION:

Customers who select the time of use option will need to provide at least one month written notice and continue with this option for at least one year. Customers who select the time of use option will pay a one-time TOU Meter Installation Charge, which reflects the cost difference (including installation) between a non-time of use meter and a time of use meter. This Charge is set forth in the City of Santa Clara Municipal Fee Schedule. The manufacturer and model of such meter shall be at the sole discretion of Silicon Valley Power. Time of use periods are as set forth below:

Peak Period: Monday through Saturday, except holidays (New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day), beginning at 1:00 PM and ending at 10:00 PM.

Off-Peak Period: All other hours. The TOU meter is used to measure kWh and kW in the peak and off-peak period.

CITY OF SANTA CLARA

RATE SCHEDULE CB-7 LARGE COMBINED GENERAL SERVICE – MARKET BASED OPTION	Sheet 1 of 6

DESCRIPTION OF SERVICE

This Schedule is optional to Customers who occupy one or more demand-metered service addresses served by Silicon Valley Power (SVP), where electric service from SVP is in Customer's name, and where Customer's combined monthly electric billing demand is 5,000 kW or more. Customers with self-generation may also be subject to Schedule SB-1. Under this Schedule, Customers may designate a portion of their monthly energy purchased from SVP to be priced based on Note H. Customer who select this rate option will continue with this option for the full kWh volume subscribed for at least one year. Customer must also provide at least three months' written notice to terminate this option and to be billed under other applicable rate schedule. This Schedule is closed to Customers covered by a separate Electric Sales Agreement between Customer and SVP. The total combined energy for all SVP customers that may be served under this rate schedule is 30,000,000 kWh per month.

RATE OPTIONS:	Non Time of Use	Time of Use	
CUSTOMER CHARGE			
For Each Service Address – per meter per month	$306.00	$306.00	
DEMAND CHARGE:			
		Peak	Off-Peak
All kW of Billing Demand, per kW:	$19.84	$19.84	$0.00
ENERGY CHARGE:			
First 5,000,000 kWh, per kWh	$0.07548	$0.07874	$0.07262
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Next 5,000,000 kWh, per kWh	$0.06936	$0.07262	$0.06650
Over 20,000,000 kWh, per kWh	$0.06324	$0.06650	$0.06038
MARKET-BASED PRICING ADJUSTMENT:		See NOTE H	

SURCHARGES:

Public Benefits Charge and State Surcharge, as set forth in Note E, will be added to the above charges.

NOTES:

(A) MAXIMUM DEMAND

The Maximum Demand in any month will be the sum of the highest average kW delivery, at each service address, of any 15-minute interval occurring between 1:00 PM and 10:00 PM Monday through Saturday, excluding holidays. However, in case the load is intermittent or subject to violent fluctuations, Silicon Valley Power may use a 5-minute interval instead of a 15-minute interval.

(B) BILLING DEMAND

The Billing Demand to be used in computing charges under this schedule will be sum of the mean of the actual Maximum Demand for the current month at each service address and the highest such

demand occurring in the year ending with the current month at each service address, but not less than 5,000 KW.

(C) VOLTAGE ADJUSTMENT:
For each Service Address served at less than 12,000 volts, the Demand Charge will be increased by $1.02 per kW. For each Service Address served at 60,000 volts directly from a customer owned substation or from a SVP-owned substation directly paid for by customer, the Demand Charge will be reduced by $1.275 per kW. However, Silicon Valley Power is not required to supply service at a particular line voltage where it has (or will install) ample facilities for supplying at another voltage equally or better suited to the customer's electrical requirements. Silicon Valley Power retains the right to change its line voltage at any time, after reasonable advance notice to any customer receiving a discount hereunder and affected by such change, and such customer then has the option to change their system so as to receive service at the new line voltage or to accept service (without voltage discount) through transformers to be supplied by Silicon Valley Power.

(D) POWER FACTOR ADJUSTMENT:
For each service address where Billing Demand has exceeded 300 kW for three consecutive months bills will be adjusted for weighted monthly average Power Factor as follows: the sum of Customer Charge, Demand Charge, Energy Charge, Secondary Voltage Adjustment (as applicable) and 60kV Delivery Adjustment (as applicable) for any month as computed on the above rates will be decreased or increased, respectively, by 0.1 % for each 1 % that the average Power Factor is greater or less than 85%. Such average Power Factor to be computed (to the nearest whole percent) from the ratio of lagging kilovolt-ampere-hours to kilowatt- hours consumed in the month, provided, however, that no Power Factor correction will be made for any month when the Maximum Demand of such service address, is less than 10% of the highest demand in the preceding eleven months.

Power Factor Adjustment will be discontinued for any service address that falls below 200 kW for 12 consecutive months.

(E) SURCHARGES:

PUBLIC BENEFITS CHARGE:
The Public Benefits Charge is a state required non-bypassable surcharge on all sales of electricity and electrical services. It is used to fund public goods research, development, and demonstration, as well as, energy efficiency activities, renewable energy, and low income assistance programs. The surcharge is equal to the sum of the Meter Charge and Capacity Reservation Charge, times 0.0285.

STATE SURCHARGE:
The State Surcharge is required by California state law, and supports funding for the California Energy Commission. The surcharge is equal to kWh billed times $0.00029 per kWh.

(F) CALCULATION OF ENERGY CHARGES AT EACH SERVICE ADDRESS:

The energy charges calculated under this Schedule CB-7 will be apportioned to each service address as follows:

1. Energy Charges for each service address will be determined as the ratio of the kWh usage at each service address divided by the sum of kWh usage at all applicable service addresses.
2. After such apportionment, each service address will be subject to the applicable Voltage Adjustment, Power Factor Adjustment, Public Benefits Charge and State Surcharge provisions set forth above.
3. Payment for bills rendered at each service address shall be made by wire transfer, automated clearing house (ACH) transfer, check or credit card. Payments made by credit card will be subject to the applicable credit card transaction fees.

(G) TIME OF USE OPTION:

Customers who select the time of use option will need to provide at least one month written notice and continue with this option for at least one year. Customers who select the time of use option will pay a one-time TOU Meter Installation Charge, which reflects the cost difference (including installation) between a non-time of use meter and a time of use meter. This Charge is set forth in the City of Santa Clara Municipal Fee Schedule. The manufacturer and model of such meter shall be at the sole discretion of Silicon Valley Power. Time of use periods are as set forth below:

Peak Period: Monday through Saturday, except holidays (New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day), beginning at 1:00 PM and ending at 10:00 PM.

Off-Peak Period: All other hours. The TOU meter is used to measure kWh and kW in the peak and off-peak period.

(H) MARKET BASED PRICING ADJUSTMENT (MBPA):

Upon at least 30 days' notice, customers may designate up to 100%, but not less than 2,000,000 kWh of their monthly usage to be priced based on market indices as set forth below. The total combined amount of energy that may be available (Total Available) to all Customers under this MBPA shall be determined solely by SVP and it's on a first come first serve basis. SVP shall give 90 days' notice of any change in such total amount, and endeavor to make such changes effective January 1 of each calendar year. If the Total Available is changed to an amount lower than actually being allowed, SVP will reduce existing customers' allowable amounts on a prorated basis, and this schedule will be closed to new customers.

Market Based Pricing Adjustment is calculated as the Market Cost Adjustment Rate times the full kWh subscribed under this rate option. The Market Cost Adjustment Rate is the Current Market Cost of Energy minus the Base Energy Rate. Such difference may be positive or negative.

RATE SCHEDULE CB-7 LARGE COMBINED GENERAL SERVICE – MARKET BASED OPTION	Sheet 4 of 6

The Current Market Cost of Energy is determined as set forth in the CB-7 Market Based Option Bill Determinants attached here and as posted. The Current Market Cost of Energy for each calendar month will be sent to Customer served under this option with the monthly bill.

The Base Energy Rate is reflected in the above Energy Charge rates, and is SVP's determination of the annualized unit cost that a creditworthy customer would incur for receiving bundled energy with renewable and GHG characteristics from publicly owned energy service providers like SVP. The Base Energy Rate will be updated annually in conjunction with changes in the Energy Charge rates.

The Market Based Pricing Adjustment, which can be positive or negative, will be applied to the Energy Charge prior to Voltage Adjustment, Power Factor Adjustment and Surcharges.

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RATE SCHEDULE CB-7 LARGE COMBINED GENERAL SERVICE – MARKET BASED OPTION	Sheet 5 of 6

CB-7 MARKET BASED OPTION BILL DETERMINANTS

The total combined amount of energy that is available (Total Available) to all Customers under MBPA for Calendar Year 2019 is **30,000,000 kWh per month**.

Base Energy Rate for Calendar Year 2019 is $0.0588 per kWh.

Current Market Cost of Energy includes:

1. PG&E Hourly DLAP Price which is the CAISO DLAP_PGAE - APND for the Day Ahead Market (DAM). If any hourly DLAP Price is less than zero, the effective DLAP price for such hour shall be zero.

2. Transmission loss which is 2% of PG&E Hourly DLAP price calculated above.

3. CAISO High Voltage Transmission Access Charge ("HV TAC") for month ($/MWh)

   The CAISO HV TAC price is the daily average PG&E effective HV TAC rate for Santa Clara for the applicable month, and is obtained using the following site(s) information:

   http://www.caiso.com/market/Pages/Settlements/Default.aspx

4. CAISO Low Voltage Transmission Access Charge ("LV TAC") price is the daily average PG&E effective LV TAC rate for Santa Clara for the applicable month, expressed in $/MWh), and multiplied by 0.5. The CAISO LV TAC monthly price is the PG&E listed price for Santa Clara, and is obtained using the following site(s) information:

   http://www.caiso.com/market/Pages/Settlements/Default.aspx.

5. Market Price of Renewable Energy Credit =

   Market price of RECs for Month * 33% (SVP applicable RPS percentage for current compliance year)

   The average monthly market price of RECs is obtained using the following site(s) information:

   The data for California Bucket 1, 2, and 3 RECs are obtained from Megawatt Daily. The average monthly market price is then calculated based on SVP weighted average for Bucket 1, 2 and 3 RECs. For current compliance year, the Bucket 1 is 75%, Bucket 2 is 15% and Bucket 3 is 10%.

6. CAISO Grid Management Charge ("GMC") ($/MWh) = Charge Code 4560 (Market Services Charge) + Charge Code 4561 (System Operations Charge)

   The CAISO GMC is obtained using the following site(s) information (and will be updated as it is updated at the CAISO:

http://www.caiso.com/Documents/GMCRatesfor2004-2018EffectiveAug12018_071218.pdfIf any of the sources for the above described rate components are no longer available, SVP will diligently seek an alternative but equivalent source for that rate component.

If new or additional components affect the Current Market Cost of Energy due to new legislation or other circumstances, bill determinants will be added or adjusted to reflecting any impacting mandates or regulations. Customers will be provided notification of such additions or adjustments no less than 30 days prior to implementation. .

CITY OF SANTA CLARA
SILICON VALLEY POWER

RATE SCHEDULE CB-8 CUSTOMER LOAD RETENTION	Sheet 1 of 1

DESCRIPTION OF SERVICE

This rate schedule is available to customers eligible for service under Schedules CB-6 or CB-7 who, but for the provisions of this rate schedule, would cease operations in the City of Santa Clara, and would not engage in any substantially similar operation in the State of California for a period of at least five years. Customer must submit a signed affidavit attesting to this effect. The cumulative maximum billing demand for all SVP customers that may be served under this rate schedule at any one time is 20,000 kW.

RATES:

Customers' bills under Schedule CB-6 or CB-7, prior to Public Benefit Charge and State Surcharge, will be reduced by up to 12% for a period of not more than five years. The effective percentage reduction and the term of such percentage reduction, will be as approved by the Chief Electric Utility Officer.

NOTES:

1. Marginal Cost to Serve:
   In no event shall service under this rate schedule result in customer being served at less than SVP's marginal cost of providing service to said customer.

2. Forfeiture of Discounts:
   If a customer fails to comply with the terms of this rate schedule, SVP will seek repayment of the dollar amount of all discounts provided under this rate schedule.

3. First Come, First Served:
   This rate schedule is available on a first come, first served basis on a monthly basis. However, preference will be given to customers with a long history of doing business in Santa Clara, to customers that help SVP maintain a diversified sales base, and to the number and type of jobs that may be preserved.

18-769 **Agenda Date: 11/27/2018**

REPORT TO COUNCIL

SUBJECT
Action on the Santa Clara Chamber of Commerce/Convention-Visitors Bureau Response to Performance Audit Titled "Santa Clara Convention Center and Convention-Visitors Bureau: Restructuring Operations Can Strengthen Accountability, Performance and Revenue"

BACKGROUND
On September 18, 2018, TAP International made a presentation to the Council regarding its performance audit and findings as documented in "Santa Clara Convention Center and Convention-Visitors Bureau: Restructuring Operations Can Strengthen Accountability, Performance and Revenue."

The Santa Clara Chamber of Commerce/Convention-Visitors Bureau (Chamber) response was originally requested to take place on October 16, 2018, but TAP International could not be in attendance at the Council meeting on that date. The Chamber released a video and companion response document (attached) in mid-October 2018.

A written response from TAP International to the Chamber's October response document is also on the November 27, 2018 Council agenda (#18-699).

DISCUSSION
The Chamber will provide a 10 minute presentation to Council on its response to the performance audit on the Convention Center and Convention Visitors Bureau that was commissioned by the City at the direction of Council.

ENVIRONMENTAL REVIEW
The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(5) in that it is fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

FISCAL IMPACT
There is no fiscal impact associated with this item other than administrative time and expense.

COORDINATION
This report has been coordinated with the City Attorney's Office

PUBLIC CONTACT
Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website

and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Action on the Santa Clara Chamber of Commerce Response to TAP International Performance Audit titled "Santa Clara Convention Center and Convention-visitors Bureau: Restructuring Operations Can Strengthen Accountability, Performance and Revenue"

Reviewed by: Ruth Shikada, Assistant City Manager
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Santa Clara Chamber of Commerce - Response to Audit Findings and Concerns with City Actions

SANTA CLARA
SILICON VALLEY CENTRAL®
CHAMBER OF COMMERCE &
CONVENTION-VISITORS BUREAU

Santa Clara Chamber of Commerce

Response to Audit Findings and Concerns with City Actions

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Purpose

The intent of the Santa Clara Chamber of Commerce's response to TAP Internationals audit is not to influence change in City action regarding the Chamber's management and operation of the Santa Clara Convention-Visitors Bureau and Santa Clara Convention Center. The intent is to accurately and factually present the response to inform those who have been misinformed and persuaded by the misleading information used to cast a shadow on the incredible work by the Santa Clara Chamber of Commerce over the last 70 years.

On September 18th, the Santa Clara City Council unanimously voted to Note and File the Audit Findings with the caveat that the Santa Clara Chamber of Commerce will present their response on October 9th to ensure Council had the complete story. This specific and direct Council Action included a date for the presentation without any other contingencies. Unfortunately, City Staff overruled Council Action and postponed the Santa Clara Chamber's presentation until November 13th, over a month past the original agreed upon date and coincidentally after the election.

Executive Summary

The Santa Clara Chamber of Commerce has been an invaluable organization in Santa Clara for over 70 years and a partner to the City of Santa Clara for over 40 years. The Santa Clara City Council voted to audit Santa Clara Chamber of Commerce's management of the Santa Clara Convention Center and the operation of the Santa Clara Convention-Visitors Bureau (CVB). Under this direction, City Staff hired TAP International to conduct this audit.

The Santa Clara Chamber of Commerce found blatant omissions, misleading content, and incomplete content in the Final Audit conducted by TAP International. The Santa Clara Chamber of Commerce is concerned with the independence of this audit and the procedure which the audit was conducted including releasing preliminary information to the public before properly vetting or discussing this information with the Chamber's Board or President/CEO.

The Santa Clara Chamber of Commerce is also concerned with the City's actions surrounding this audit. The City of Santa Clara has misused authority, reach, and public funds with the intent to harm the Santa Clara Chamber of Commerce and interfere with their ability to operate a business in Santa Clara. These actions include:

- Targeting Chamber Customer List with misleading and unsubstantiated material
- Uncharacteristically using Santa Clara Tax dollars to send letters via direct mail including businesses in other cities
- Reporting to FPPC and other agencies knowing it was past the FPPC statute of limitations
- Inserted Misleading Information Not Included in Audit
- Releasing Preliminary Observations made by City Staff and auditor before speaking to Chamber President/CEO or Board Members

- Council Members directing Chamber to remove the Santa Clara Weekly's Publisher from our Board
- Urging TID Advisory Board to stop conducting business with the Santa Clara Chamber
- Meeting with The SVO, formerly known as San Jose Chamber who is now attempting to go regional, for "General Relationship Building"

The Santa Clara Chamber of Commerce had a mutually beneficial and cooperative relationship with the City of Santa Clara for nearly a half a century. The Santa Clara Chamber understands that this is a one place in time and both entities will outlast this blunder and will rebuild a relationship, however, it is the duty of the Santa Clara Chamber, as a Chamber of Commerce and a community organization, to report wrongdoing within our local government. The Chamber feels that a number of issues presented herein amply address some of our concerns of the City's improper behaviors, however, we reserve the right to present additional points as to the actions of City leadership at a future date.

Observations and Concerns with City Action

Staff Reports

Background

On June 26th 2018, the City of Santa Clara voted to defund the CVB after the Chamber operated the CVB for over 40 years. In this action, the Council included 60 days of salaries and salary related expenses for the CVB employees, directed the Chamber to return all reserves for the CVB, transfer the CVB employees to the Convention Center where their salaries would be administered, and directed City Staff to create an agreement for this 60 day period.

Following this Council meeting, City Staff reported to the Chamber that a new agreement would not be possible in the short time period as the City Attorney's Office was busy dealing with the lawsuit surrounding the Elections. The City Staff decided the easiest course of action would be to write the Chamber a check covering the estimated difference between the reserves and the necessary funding needed to cover the 60 days of salaries and salary related expenses.

The City Staff dropped off an $80,000 check of City funds to the Chamber's receptionist without a contract or agreement detailing the expectations. The Chamber's President/CEO did not feel comfortable accepting $80,000 of City funds without any expectations so he contacted City Staff for clarification.

In an email thread with City Staff and Chamber Staff, the City Staff clarifies the $80,000 was for salaries and salary related expenses with no expectations or scope of work. The email also states the Chamber was their employer and could redirect (or let go) the employees and the purpose of the funding was to allow the Chamber and the affected employees the flexibility to determine what might be the best course for their respective futures (Appendix A).

On September 18th 2018, the City Staff released a staff report stating,

> It is worth noting that at the June 26,2018 City Council meeting, Council provided a 60-day salary appropriation for CVB staff, from July 1 through August 31, 2018, for the purpose of transitional/close out activities; however, the Chamber released staff in July and did not ensure proper close out of the fiscal year (Appendix B).

Concerns with City Action

The Staff Report issued by City Staff publicly blames the Chamber for not following the City's directive to conduct transitional/close out activities which was clearly not the case. The City of Santa Clara's Code of Ethics and Values supports trustworthy, truthful, and uninfluenced governance. City Staff misstated the circumstances and misrepresented the Chamber leading the public and Council to believe the Chamber was not compliant with City directives. This untruthful and incorrect Staff Report served to the detriment of the Chamber by misrepresenting the Chamber to the public.

Letter to TID Advisory Board

Background

The Santa Clara Chamber of Commerce and the several hotels formed a Tourism Business Improvement District (TBID) which was titled the Tourism Improvement District (TID). The participating TID hotels voluntarily implemented an assessment of $1 per room night to generate more marketing funds for the CVB with the City as the taxing agency collecting these funds. The TID Bylaws state that all TID funding generated would be administered to the Chamber as the Chamber was serving as the fiscal agent and conducted the operational assignments.

In July 2018, the City of Santa Clara realized the possibility that the City and TID was not in compliance with the law. The City Staff instructed the TID Advisory Board to return the reserves generated by the assessment to the City which the TID objected. The TID Advisory Board and City agreed to freeze the reserves and stop collecting the assessment until the appropriate Council action was taken. The appropriate Council action has since been taken and the TID hotels have now reinstated the $1 per room night assessment, however, the reserves are still frozen.

In a letter to the TID Advisory Board, the City detailed the concerns brought forth in the audit as well as the City's own insertions related to the Chamber. In this letter, the City "strongly urge[d] the TID to immediately address its governance structure, fiscal agent and operation assignments with the Chamber." (Appendix C).

Concerns with City Actions

The TID Advisory Board's Bylaws states the generated funds must be administered to the Santa Clara Chamber of Commerce and the TID has followed this for over five years. The Santa Clara Chamber of Commerce is concerned that the City has interfered with a contract between the TID Advisory Board and Santa Clara Chamber by urging the TID to stop doing business with the Chamber. This letter to the TID Advisory Board was released prior to the Chamber's response to the audit. The Chamber does not support the City's decision to interfere with the TID Advisory Board and Chamber's agreement. It is also concerning that this letter was released prior to the Chamber having the opportunity to respond to the Audit Findings.

City's Public Communications Regarding Audit

The City of Santa Clara sent two letters via direct mail regarding the audit after releasing the same information on the City's usual communication methods (Press Releases, Nextdoor, Social Media, etc.). These letters were purely informational with no call to actions or reason to stray from the usual communication methods. The estimated cost to the residents of Santa Clara for preparation and mailing of the two letters is over $20,000.

Who received these letters?

The City of Santa Clara sent the two letters via direct mail to every business license holder in Santa Clara as well as the Chamber's Membership Directory. The Santa Clara Chamber's Membership Directory includes businesses in San Jose, Sunnyvale, Campbell and several other cities. The City of Santa Clara used Santa Clara tax dollars to inform businesses outside of the City of Santa Clara on actions taken at City hall. To further prove the City downloaded and targeted the Chamber's customer list, the Santa Clara Chamber's Membership Directory included a control profile to ensure no one was using their directory to spam their members. Day's Interior Design, the control profile, is not a registered business or business at all. The only way to get this Business Name or private address was through the Chamber's Membership Directory. Day's Interior Design received two letters from the City of Santa Clara. (Appendix D)

Letter #1 – 8/13 (Appendix E)

The City of Santa Clara's first letter, costing the residents of Santa Clara approximately $10,000, included preliminary observations made by City Staff and TAP International prior to speaking with the Chamber's President/CEO or Board of Directors. The preliminary observations were unfounded and unconfirmed information that painted a negative picture of the Chamber. In two separate conversations with TAP International, the President/CEO of the Chamber, and the Vice-President of Sales, the auditor stated she was unhappy with the City's decision to combine the preliminary observation made by the auditor and the City's observations as it misrepresented the audit information. In a later conversation with TAP International, the auditor retracted this statement and stated she knew the information was going to be sent out and she was fine with it.

Letter #2 – 9/11 (Appendix F)

The City of Santa Clara's second letter, costing the residents of Santa Clara approximately $10,000, included many insertions and observations made by the City that were not included in the audit, although the letter stated they were.

The letter sent by the City stated "the auditor found that the City of Santa Clara lost $20.5 million in revenue and City subsidies over the past 10 years." This was not stated in the audit but was an abnormal calculation conducted by the City of Santa Clara and inserted as Audit Findings.

The letter also stated "board members engaged in self-dealing, using City assets for their own financial gain…" This statement was not in the audit. The City reported actual self-dealing instead of the appearance of self-dealing with more research needed. This false report defamed the Chamber and Board Members causing harm to the reputation of a valued Santa Clara entity as well as valued Santa Clara businesses.

Lastly, the letter stated the Chamber's mismanagement resulted in $37 million in lost funds to the City of Santa Clara. This, again, was not stated in the audit but was an insertion made by the City of Santa Clara.

Table 1: Lost Revenues and City Subsidies Resulting from Chamber's Mismanagement of Public Funds

Net Lost Revenue and City Subsidies	Amount (in Millions)	Note	Time Period	Audit
Facility Discounts (1,720 events)	($16.1)		2011-2018	Pg. 34
Facility Free Rent (353 events)	($2.8)	(1)	2011-2018	Pg. 35
Bonus Payments to Convention Center Staff	($0.3)	(2)	2014-2017	Pg. 22
City General Fund Capital Expenditures	($2.4)	(3)	2007-2017	Pg. 12
City Annual Payments to CVB	($14.9)	(4)	2007-2017	Pg. 50
City Paid Management/Administration Fee	($0.5)		2007-2017	Pg. 53
TOTAL Lost Revenue and City Subsidies	**($37.0)**			
Positive Direct Convention Center/CVB Financial Impact	$11.3		2007-2017	Pg. 17
Convention Center Net Income	$5.2	(5)	2007-2017	Pg. 12
TOTAL Positive Convention Center/CVB Financial Impact	**$16.5**			
TOTAL Net Lost Revenue and City Subsidies	**($20.5)**			

When referring to the graph above, one can see the City used unusual accounting practices to draw their desired conclusion.

- The City of Santa Clara counted Bonus Payments to Convention Center Staff twice: once in the Convention Center Net Income and once in the table.
- The City of Santa Clara included City General Fund Capital Expenditures and City Paid Management/Administration Fee as "lost funds" resulting from Chamber's

Mismanagement of Public Funds. These expenditures were approved by Council each year for the 10 year period.

- The City included the total of 10 years of CVB operating budgets, approved by Council each year, as "lost funds" resulting from the Chamber's Mismanagement of Public Funds.
- The City included $18.9 million worth of "Facility Discounts and Facility Free Rent as lost revenue to the City of Santa Clara.
    - The "Facility Discounts" is the difference between the retail price of Convention Center space and the negotiated price. The Santa Clara Convention Center competes with many other Convention Centers for business and the auditor states that negotiating pricing is common in the Convention Center industry.
    - The "Facility Free Rent" includes refunds given to events that hit the food and beverage minimum which is also an industry standard practice. This calculation also includes free space used by the City of Santa Clara. Lastly, this calculation includes space given to community organizations, some of which are run by City Officials.
    - It is an unusual accounting practice to subtract the difference between retail price and the negotiated price from the Net Income to show a Net Loss.

Conclusion

The City of Santa Clara targeted the Santa Clara Chamber's membership, using approximately $20,000 of public money, to spread misinformation, misleading calculations, and blatant untruths to harm the reputation of the Santa Clara Chamber of Commerce.

Concern with Audit Findings and City's Actions

Appearance of Self-Dealing with More Research Needed

Background

The Santa Clara Chamber has managed the Santa Clara Convention Center for over 30 years with the direction to operate the Convention Center as a business. With that said, the Audit mentions the Appearance of Self-dealing three times all regarding the Shipping and Handling Services at the Convention Center. The Shipping and Handling Services mentioned in the Audit is referring to the lease for a UPS Store within the Convention Center.

The existing UPS Store owner, who holds the lease at the Convention Center, was near bankruptcy, past-due on payments, and near closing the store at a loss to the Convention Center. Knowing this, Corporate UPS, with no affiliation to the Chamber, searched and sought out a successful local UPS Franchisee to take over the lease keeping the UPS Store operational.

The current lease states the lease is transferable among private businesses with the approval of Corporate UPS and the Chamber. Corporate UPS proposed OMCO, Inc. as their approved new

owner believing OMCO, Inc. would be the most successful owner of this store not knowing that a Santa Clara Chamber Board Member was a partner at OMCO, Inc. The Board Member disclosed this potential Conflict of Interest prior to its existence and provided the Chamber Management and Executive Committee time to review and mitigate the Conflict. The Chamber mitigated this Conflict of Interest by having the proposed owner abstain from any future decisions regarding the management of the Convention Center including the decision to transfer the lease.

During this transition period which extended past the release of the Final Audit, the proposed owner agreed to operate under a management agreement between the current owner and proposed owner with the proposed owner paying all past due payments including those due to the Convention Center. It is important to note that the Board Member abstained from all decisions regarding the Convention Center while operating under the management agreement.

Concerns with the Audit

Prior to the release of the Final Audit, the lease was not transferred to the Board Member. The Audit states there was the Appearance of Self-Dealing with more research needed because the lease was transferred to a Board Member which was not the case. The Auditor was presented this information but it was misstated in the report to the detriment of the Chamber and the proposed UPS Store Franchisee. TAP International never discussed this with the Board Member in question but made assumptions that led to an error in the Audit.

Concerns with City Actions

The City of Santa Clara reported publically in Press Releases, News Articles, and Direct Mail to businesses and Chamber Members actions of the Chamber were *actual* Self-Dealing instead of the *appearance* of Self-Dealing with more research needed (Appendix F). The City of Santa Clara misled the public by reporting speculations made by the Auditor, which stated that more research was needed, and publically reported them as fact. The Chamber believes the City used public money to harm the reputation of the Chamber by knowingly and publicly dispersing misleading and incorrect information.

Former City Officials Did Not Use the Contracting Process to Change Management Fees Response

Background

The City of Santa Clara and the Santa Clara Chamber of Commerce's interest have traditionally been aligned to stimulate the growth and development of Santa Clara's economy. In the 1970s, the Santa Clara Chamber of Commerce and the Visitors Bureau advocated for the construction of the Santa Clara Convention Center. In 1984, the Santa Clara Chamber of Commerce was granted an evergreen contract (the "Agreement") to manage the Santa Clara Convention Center with a

$45,000 administrative fee approved annually in the budget.[1] While the administrative fee remained static for 30 years, it was submitted yearly to City Staff and approved in the budget each year. In 2014/15, City Council approved an administrative fee increase to $47,250 and in 2015/16, the administrative fee increased to $50,000.

In 2016, with the development of Levi's Stadium and the still pending Redevelopment Agency ("RDA") issue, the Santa Clara Chamber of Commerce found itself spending an inordinate amount of time working to provide solutions to these issues while experiencing an increase of its liabilities. Executive Committee Members Paul Dines, Ravinder Lal, and Joe Siecinski met with Mayor Gillmor and Councilmember Davis to discuss the future management of the Convention Center. Mayor Gillmor and Councilmember Davis instructed the Santa Clara Chamber of Commerce to include an administrative fee of 2% of gross revenue in the 2016/17 budget. A summary of the meeting's outcome was outlined in an email thread between the Executive Committee Members directly following the meeting (Appendix G). For the last 30 years, the Chamber has submitted the budget to City Staff for approval by City Council.[2] Following this established process, the Chamber submitted their 2016/17 Convention Center budget to City Staff (Appendix H). The fee adjustment was clearly identified and marked in RED to provide City Staff notice of a significant change. The new budget, with the increased management fee, was approved in an open City Council meeting by the Mayor and Council Members.

In April 2017, the Santa Clara Chamber of Commerce submitted their 2017/18 budget which was reviewed by City Staff. During the review, the City acknowledged the prior year's (2016/17) fee adjustment "currently 2% of gross revenues" and tasked the City Manager " to work on getting the letter establishing the C of C Admin Fee" (Appendix I). The Chamber never received this letter, but the budget line item was again clearly identified and approved by Council for the 2017/18 year with the 2% Administrative Fee (Appendix J).

On May 22nd 2018, the Santa Clara City Council suspended the Santa Clara Chamber of Commerce's Administrative Fee until TAP International's final audit was submitted citing the Chamber for not disclosing the increased administrative fee. The Chamber, under reservation of rights to an administrative fee, agreed to uphold their side of the Agreement and continue the management of the convention to avoid a significant negative impact on Santa Clara (Appendix K).

TAP International's final audit has since been released confirming the increased administrative fee was disclosed. While the audit advised that there should have been a contractual amendment, the Chamber properly disclosed the amounts and followed the City's instructions for the fee

[1] "A contract between a governmental body and a private party is to be construed by the same rules which apply to the construction of contracts between private persons [Citation] . . .and the public entity is bound in the same manner as an individual. " *Tonkin Constr. Co. v. Cty. of Humboldt,* 188 Cal. App. 3d 828, 831–32 (Ct. App. 1987).

[2] "As a general proposition of law, it is, of course, true that every commercial contract is entered into with the understanding that usage in regard to the particular matter of the contract becomes a part of the transaction itself." *Luckehe v. First Nat. Bank of Marysville,* 193 Cal. 184, 189 (1924).

increase.[3] (Section titled "Former City Officials Did Not Use the Contracting Process to Change Management Fees").

Concerns with Audit

The information stated above was presented to TAP International detailing the circumstances surrounding the increased Management Fee; however, the audit incorrectly reported the information to include the Chamber as a responsible party. The Santa Clara Chamber of Commerce discussed the increased Administrative Fee with Elected City Officials and reported the increase to the appropriate City Staff. Appendix I clearly shows the Santa Clara Convention Center Staff brought the Discussion Point (DP) of the Chamber Board drafting a letter/amendment. The only Action Item (AI) concluding this meeting was the City Manager (CM) to follow up with the Chamber with a letter/amendment which we never received.

The Audit misstates this information declaring the Chamber was to also draft a letter which was clearly not the case. This misstatement is a concern of the Chamber because it puts unnecessary blame on the Chamber when the Chamber followed the City directed procedure.

Concerns with City Action

The City publically stated the Chamber did not disclose the increased Management Fee asserting the Chamber was deceitfully attempting to take more City funds than appropriate.

The Santa Clara Chamber followed the established process to increase the administrative fee with resulted in the City Council approving the Convention Center budget two consecutive years with the increased administrative fee. The miscommunication between City Staff and City Council led to the City Council prematurely suspending the established Management Fee in May 2018 prior to the final results of the Audit.

Conclusion

The Audit misrepresents the information surrounding the circumstances of the increased Administrative Fee. This misrepresentation serves to the detriment of the Chamber misleading the public to believe the Chamber shared responsibility. The City irresponsibly reported to the public stating the Chamber's intentions to be deceitful and untrustworthy. The City also made the decision to suspend the Administrative Fee, which was an established practice for over 30 years, prior to the conclusion of the Final Audit and without the necessary information.

Conflict of Interest Regarding Advertisements in the Santa Clara Weekly

Background

The Santa Clara Convention-Visitors Bureau's (CVB) duty was to market the City of Santa Clara

[3] "Contractual understanding need not be express, but may be implied in fact, **arising from the parties' conduct** evidencing their actual mutual intent to create such enforceable limitations." *Guz v. Bechtel National, Inc.,* (2000) 24 Cal.4th 317, 336.

stimulating visitor's spending and promoting the Santa Clara economy. As stated in the Audit, the CVB's most lucrative customer-base was corporations. Included in an overall marketing plan, the CVB intended to engage more local corporations to further promote the CVB's most successful industry. Senior CVB Staff, with more than 25 years of Visitors Bureau industry experience, included a minimal appropriation of funds for print media.

The print media industry has severely declined over the course of decades leaving few print media options targeting the local Santa Clara corporations. The Santa Clara Weekly, one of few remaining print media outlets serving Santa Clara, is distributed to up to a 1,000 businesses per week. The Santa Clara Weekly Publisher is on the Chamber's Board of Directors, which most would believe is a beneficial considering the Santa Clara Chamber is a nonprofit organization run by Santa Clara businesses and it is important to have the diverse business community represented including the only print media outlet serving Santa Clara.

CVB Staff, with no influence from the Santa Clara Chamber Board of Directors, contacted the Santa Clara Weekly to run these advertisements. The Santa Clara Weekly offered 6 full-page color advertisements to the CVB for an under market price of $5,000. This price was over $2,500 off retail price. The Santa Clara Weekly's competitors offer 6 full-page color advertisements for over $25,000 (Appendix L).

Being good business people, the Senior CVB Staff Member contracted the print media outlet that better reached the targeted customer-base at a more cost-effective rate. It is also important to note the Staff Member's Direct Supervisor, President/CEO, and Board Chair all separately reviewed and approved the expense. It is also important to note the CVB received leads from local corporations who saw the advertising and were interested in bringing their corporate event to Santa Clara. Unfortunately, the CVB services were defunded prior to these leads substantiating.

Concerns with the Audit

The Audit omits the clear business reasons for deciding to contract the Santa Clara Weekly to run 6 full-page advertisements. The Audit also omits the Staff Member's Direct Supervisor, President/CEO, and Board Chair all separately reviewed and approved the expense. Lastly, the Audit omits the fact that the CVB received leads from local corporations who saw the advertising and were interested in bringing their corporate event to Santa Clara.

Conclusion

The Audit misrepresents the CVB's intention which was to grow their largest customer base. These omissions in the Audit serve to the detriment of the Chamber misleading the public to believe the Chamber was pushing contracts towards its Board when the intention was, and has always been, to best serve the interest of the residents of Santa Clara.

Redevelopment Agency Issue

Background

In 2015, the City of Santa Clara instructed the Chamber to stop booking the Convention Center as the future of the Convention Center was uncertain due to the pending Redevelopment Agency (RDA) issue. The City of Santa Clara's ban on Convention Center bookings lasted seven months and fell within the period that was audited by TAP International.

The uncertainly of the future of the Convention Center and the seven month ban on booking the Convention Center had a severe impact on the success of the Convention Center and CVB which is still being felt today. It is important to note that during this period, the CVB and Convention Center lost many employees including seasoned Sales Managers. There was an estimated 85,000 rooms nights lost due to this seven month ban on booking the Convention Center.

Concerns with Audit

TAP International reported several issues hindering the success of the CVB and Convention Center but did not mention the City's directive for the CVB and Convention Center to stop booking for seven months due to the RDA issue. In fact, the RDA issue was not mentioned in the Audit. When independently evaluating the success of an organization over the course of 10 years, the Chamber feels it necessary to include a period of seven months where there was a ban on booking future business.

This information was provided to the Auditor but was omitted from the Audit. This omission served to the detriment of the Chamber and relieved the City of any negative attention for causing a major negative impact on the tourism industry in Santa Clara.

Santa Clara Chamber PAC

Donations to the Santa Clara Chamber PAC

In 2012, the Santa Clara Chamber PAC, a separate organization from the Santa Clara Chamber of Commerce made up of Chamber members, conducted a fundraiser. Due to infrastructure challenges, the Santa Clara Chamber of Commerce collected $8,000 of donations for the Santa Clara Chamber PAC with the donors knowingly and intentionally making these donations to the Santa Clara Chamber PAC. The Santa Clara Chamber of Commerce, having $8,000 of PAC money on their books, made a check out to the Santa Clara Chamber PAC for $8,000. No Chamber or City funding was donated to the PAC.

Concerns with Audit

This information was presented to TAP International; however, this information was misstated in the report. The auditor reported the CVB conducted the fundraiser and collected the donations. The distinction between the CVB and Chamber is very important because the Chamber is not

subsidized by City funding. The auditor also reported the Chamber donated to the Santa Clara Chamber PAC using public funds which was not the case.

The Chamber informed the auditor on several occasions, but the auditor would not make this change in the report. The City used this misinformation to publicly reprimand the Chamber for using City funds to make political donations painting the Chamber in a negative light.

Free Space Provided to Santa Clara Chamber PAC

In 2012, Santa Clara Chamber PAC held a breakfast fundraiser at the Santa Clara Convention Center during a need period with no other competing events. The Santa Clara Chamber PAC's contract included language where an offset would be applied with the minimum purchase of food and beverage. The Santa Clara Chamber PAC hit the food and beverage minimum for the event and the offset was applied.

The Santa Clara Chamber PAC contributed thousands of dollars to the Santa Clara Convention Center during a need period following offset procedures (Appendix M).

Several Elected City Officials attended this event including Mayor Gillmor.

Concerns with Audit

TAP International misstated the information reporting the Santa Clara Convention Center made gift of public funds to a political organization when this was not the case. It is concerning that the auditor would misstate this information when it was provided to the auditor. The City then used this misinformation to publicly reprimand the Chamber for gifting public funds to a political organization. The misstatements regarding the PAC event were to the detriment to the Chamber.

Recommendation to Report to FPPC and other agencies

TAP International erroneously recommended the City report the Chamber to the FPPC and other agencies for political violations made in 2012. TAP International cited several policies regarding the FPPC and IRS but failed to state the FPPC Statue of Limitation for investigations is 5 years. The City Staff followed the recommendations, with the knowledge of the City Attorney, to use City tax dollars to report the Santa Clara Chamber to the FPPC when it was clearly past the Statute of Limitations.

Along with erroneously reporting the Chamber to the FPPC, the City reported in a press release to the public that the Chamber may have violated state law (Appendix N). Due to the facts stated above, the Chamber believes the City knew these allegations were past the Statute of Limitations, however, used the erroneous FPPC report as an opportunity to publicly harm the reputation of the Santa Clara Chamber of Commerce.

Conclusion

The City of Santa Clara used incomplete and inaccurate audit findings, along with misleading insertions and miscalculations by the City, used in a PR campaign that was detrimental to the Santa Clara Chamber of Commerce, a nonprofit organization run by a volunteer board of Santa Clara businesses and community leaders. The Santa Clara Chamber of Commerce and many other members of the community is left with the question of why?

In any case, the Santa Clara Chamber of Commerce will continue the tradition established over multiple generations of building a vibrant community that benefits all.

Appendix A

Kaspar, Nick

From: Ruth Shikada <RShikada@SantaClaraCA.gov>
Sent: Tuesday, July 03, 2018 8:16 AM
To: Kaspar, Nick; Moreno, Lisa
Cc: Deanna Santana
Subject: RE: Option for Vacation Time

Good morning Nick
Here are responses to your inquiries:

Our understanding was that we were to return the reserves to the City. I am happy to work out another model but just wanted to make sure to request clarification so the Chamber is compliant.

The Council voted to fund salaries for the next 60 days and request return of the reserves. Based upon the time left on the contract and because the City's expense for the cost of salaries was more than what the Chamber had on reserve, we determined that the best course was to apply the reserves to the overall salary expense and provide the Chamber with supplemental funding. We estimated that $80k plus the reserves was enough for the 60 day salary cost --- but since it was only an estimate, we asked for a reconciliation.

I realize that an agreement for the CVB for the next 60 days might be difficult
Until the audit is done, I don't know that we will have the ability to negotiate meaningful terms. I wouldn't have an expectation of an agreement during this time.

I did want to request clarification about expectations of CVB. Without any funding for operations of the CVB, can you share what the cities expectation and scope of work are from the CVB employees?

Without a contract, the City does not have expectation of any services from CVB. We understand that this will cause a disruption. We also understand that the Chamber, as their employer, may choose to redirect the scope of work (or let go) of the employees previously funded under the CVB contract. Providing the cost of salaries was intended to allow the Chamber and the affected employees with flexibility to determine what might be the best course for their respective futures.

with the termination of the CVB Contract, the Chamber is supposed to close out the City Store. We have the current inventory and can cut a check for the City today. Please let us know who should be the POC to close out the City Store with us.

We'll set an appointment with a staff person to meet with you to determine next steps to handle inventory and accounting matters.

Let me know if you have further questions.

Ruth

Appendix B

City of Santa Clara

Agenda Report

1500 Warburton Avenue
Santa Clara, CA 95050
santaclaraca.gov
@SantaClaraCity

18-995 **Agenda Date: 9/18/2018**

REPORT TO COUNCIL

SUBJECT

Action on the Santa Clara Convention Center and Convention-Visitors Bureau 4th Quarter and Fiscal Year Ended June 30, 2018 Financial Status Report

BACKGROUND

The purpose of this report is to provide a financial status update for the 4th quarter and fiscal year ending June 30, 2018 for the Santa Clara Convention Center and Convention-Visitors Bureau. The report covers the period of time when the City had two Agreements with the Santa Clara Chamber of Commerce & Convention- Convention Visitors Bureau (Chamber), which required that the Chamber provide the City with a quarterly activity and operations report for the Santa Clara Convention Center (SCCC) and the Convention-Visitors Bureau (CVB) within 30 days after the end of each quarter during the fiscal year. The SCCC-CVB Financial Status Report for fourth quarter and fiscal year ended June 30, 2018 provides current information on the business activities of the Santa Clara Convention Center and Convention-Visitors Bureau. Since that time, the SCCCCVB agreement for CVB services has expired.

DISCUSSION

Submitted for City Council review and acceptance is the SCCC-CVB Financial Status Report for the 4th quarter and fiscal year ending June 30, 2018, as submitted by the Chamber. Submission of the report is required under the Management Agreement for the operation of the Santa Clara Convention Center and the Agreement for convention and visitor services which expired June 30, 2018. This report is unaudited and therefore, subject to change. The City is simply transmitting to the City Council the Chamber's report for its compliance with its agreement terms.

It should be noted that information included in prior quarterly reports such as room rental nights, convention attendees, and estimated revenues for convention center rental and Transient Occupancy Tax associated with CVB bookings was excluded from this report. The Convention Center submitted the report without this information. The Convention Center stated that these figures were omitted from the report because the Chamber released from employment the CVB staff members, who provided this information and, as a result, the Chamber is not able to obtain this information. It is worth noting that at the June 26,2018 City Council meeting, Council provided a 60-day salary appropriation for CVB staff, from July 1 through August 31, 2018, for the purpose of transitional/close out activities; however, the Chamber released staff in July and did not ensure proper close out of the fiscal year. As such, the Convention Center General Manager, Lisa Moreno, provided a letter dated September 7, 2018 explaining why this information was not provided with this report (see Attachment 2).

Although the City continues to work with the Santa Clara Convention Center staff to research this

information, it was not available at the time this report was prepared. As it is unclear when the information might be forthcoming, and should also be noted that the provision of this information to the City is required under both Agreements and even though the CVB Agreement expired on June 30, 2018, all accounting requirements survive the expiration of the Agreement. Staff may require the assistance of an accountant/auditor to reconcile CVB accounts and to obtain a valid close out report.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

FISCAL IMPACT

Year-end positive net operating results could be a revenue source to the General Fund, while net operating losses may be require a subsidy by the General Fund.

The financial status of the Convention Center operation as captured in the attached quarterly report is one of several aspects of the City's overall financial obligation related to the Convention Center. In addition to the general management and day-to-day operation of the Convention Center as captured in the quarterly report, in FY 2017/18 the City budgeted funds for the Convention Center's Capital Improvement Program (CIP) in the amount of $304,000; an annual contribution of $1,461,601 for the Convention-Visitors Bureau (CVB); a contribution of $669,941 into Maintenance District 183 (an agreement between the Convention Center, TechMart, and Hyatt for maintenance of shared spaces); and funds of $145,291 for an annual management fee. (It should be noted that while the management fee was budgeted, payment of the fee was frozen by Council direction as of May 2018.) The budgeted General Fund subsidy for the Convention Center overall was $2,317,825 for FY 2017/18.

The Convention Center operation shows a net profit of $2,227,366, compared to $1,470,826 for fourth quarter YTD 2016/17. As of June 30, 2018, the City contributed $212,594 and $669,941 for CIP and Maintenance District expenditures, respectively, and paid $1,479,956 to CVB operations. ***Based on the final net operating results and capital expenditures for the fiscal year ended June 30, 2018, the actual General Fund subsidy is $135,125.***

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Note and file the Santa Clara Convention Center and Convention-Visitors Bureau Financial Status Report for the 4th quarter and fiscal year ended June 30, 2018, as submitted by the Santa Clara Chamber of Commerce & Convention-Visitors Bureau.

18-995 **Agenda Date: 9/18/2018**

Reviewed by: Angela Kraetsch, Director of Finance
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. SCCC-CVB Activity Report for Fiscal Year 2017/18 Fourth Quarter
2. Convention Center Letter dated September 7, 2018

Appendix C

City of Santa Clara
The Center of What's Possible

City Manager's Office

September 21, 2018

Mr. Eron Hodges, Chair of Santa Clara Tourism Improvement District
c/o Hyatt Regency Santa Clara
5101 Great America Pkwy
Santa Clara, CA 95054

RE: Response to Mr. Rollet's Correspondence (dated September 10, 2018)

Dear Mr. Hodges:

This letter is in response Mr. Rollet's September 10, 2018 communication to the City concerning the Tourism Improvement District (TID) cash flow and the future management of TID funds. As I stated previously, the City shares the TID's concern with the Chamber of Commerce's (Chamber) terminating its staff working with the TID, our mutual past non-compliance with the proper process to reauthorize the TID levy, and the legal requirement to maintain unexpended for one year the TID reserve of approximately $600,000. These circumstances have resulted in difficulties for the TID to operate. However, the City must meet the legal requirements and properly authorize levied assessments, regardless of the inconvenience it temporarily presents to correct past improper actions. To alleviate the short-term cash flow issues, I would like to work with the TID Board to figure out a path forward.

At the September 18, 2018 City Council meeting, TAP International, the performance auditor contracted by the City, identified serious misuse and mismanagement of public funds by Chamber through its two Convention Center and CVB contracts. The audit findings include and are not limited to poor management of public funds and financial mismanagement, misuse of government resources (personal gain, inappropriate bonuses/commissions, and political fundraising activities), conflict of interests by Chamber staff and Board members (self-dealing that went uncorrected/undisclosed until the City asked), and problematic accounting and unexplained expenditures. Further, as you know, TAP International is currently auditing TID-related activities as well and references the improper use of TID funds in the audit. A separate TID audit was initiated based on serious preliminary audit findings on the Chamber's management of the Convention Center and CVB.

Due to the significant audit findings of the use of public funds, the City Council has terminated the Management Agreement with the Chamber for the Santa Clara Convention Center and the Council has already allowed for the CVB agreement to expire. Parallel to working with the TID on addressing cash flow issues, I strongly urge the TID to immediately address its governance structure, fiscal agent, and operation assignments with the Chamber. The City Council has terminated any issuance of public funds from its two contracts and has put significant due-diligence measures in place for the expenditure of public funds relative to the Santa Clara Convention Center. We ask that the TID consider the same, as further issuance of public funds to the Chamber for TID purposes, absent the TID staff, presents serious concern and challenges for the City.

In light of these recent events, I respectfully request to meet with you and other TID Board Members on October 4, or another mutually agreeable date, to discuss the TID's governance structure, fiscal agent, and operation assignments, and short-term cash flow issues.

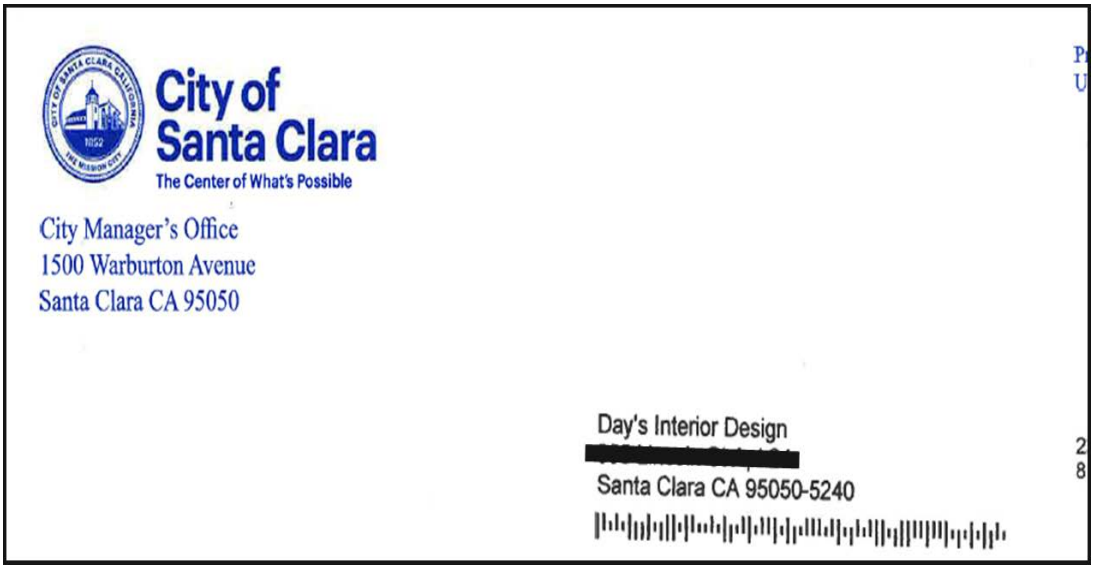
Kathi McGraw, Executive Assistant to the City Manager, will reach out to you to set up a meeting. If you have any questions please do not hesitate to contact me at dsantana@santaclaraca.gov or 408-615-2210.

Sincerely,

Deanna J. Santana
City Manager

c: City Council
City Attorney
Finance Department Director
Chamber of Commerce

Appendix D


City of
Santa Clara
The Center of What's Possible
City Manager's Office
1500 Warburton Avenue
Santa Clara CA 95050
Day's Interior Design
[redacted]
Santa Clara CA 95050-5240


City of
Santa Clara
The Center of What's Possible
City Manager's Office
1500 Warburton Avenue
Santa Clara CA 95050
[redacted]
San Jose CA 95128-4605

Appendix E

City of Santa Clara
The Center of What's Possible

August 15, 2018

To Our Valued Santa Clara Business:

Greetings! The City of Santa Clara is fortunate to be a world-class city with a diverse range of businesses from local small businesses to Fortune 500 companies. I recognize the integral role that the business community plays in driving a strong local economy, contributing to the global economy, and playing a key role in making Santa Clara "The Center of What's Possible."

As an example of the City's commitment to its strong partnership with the business community, and in order to ensure continuous support for mutual goals, the City Council has established "Promoting and Enhancing Economic and Housing Development" and "Enhance Community Engagement and Transparency" as two of six strategic pillars. The City Council's strategic pillars have been established to guide policy development, budget appropriations, and strategic focus of the City Council. In addition to strategic pillars, the City Council has been focused on ensuring the efficient use of public funds to achieve improved service delivery in a transparent and cost-effective manner to the public, residents, the business community, visitors, and guests. At the City Council's request, City staff has been evaluating its contract management, audit, and procurement processes with various City services.

As a valued member of the Santa Clara business community, the City is taking this extra step to provide information and facts surrounding recent actions taken by the City Council relative to its review of the Santa Clara Chamber of Commerce's two contracts to (1) manage the City-owned Santa Clara Convention Center (Center) and (2) provide convention and visitor services to promote tourism and attract bookings for the Center. Combined, the two contracts were valued annually at over $1.6 million of public funds, not including additional subsidies that have been needed year-to-year for the past decade. One of two contracts has expired and Council has directed that no payments of public funds be issued for the second contract.[1] Additionally, the City Council directed that City staff initiate a performance and fiscal audit to inform future decision-making. Staff and a professional auditor have made some preliminary observations that were reported publicly on June 26, 2018, which are:

- Material inconsistencies were found between the Chamber's federal filings (e.g., Form 990: Return of Organization Exempt from Income Tax) and the practices that the Chamber claimed to have in place with the City to protect against conflicts of interest.
- There is a long-standing practice that the Chamber (since the Convention Center opened), on its own initiative, grants 20% discounts to Chamber members that rent Center space without any public disclosure, approval, or reporting of lost revenue to the City.
- There is preliminary evidence that the Chamber grants itself complete discounts on space rental for Chamber events and only pays for food and beverages, including major Chamber fund-raising events, providing significant financial value to the Chamber.
- These discounts were not disclosed to the City and the value of the discounts, which is lost public revenue funds, has not been determined. Analysis is underway to determine whether this is a material conflict of interest and/or self-dealing; whether Board members used their role to benefit each other; and/or, a violation of State law with respect to political fund-raiser(s) held at the City-owned Center.

[1] The Council authorized a payment equal to 60 days of salary expense for the Chamber employees impacted by the expired City contract. We are aware that the Chamber has terminated these services, along with their staff. It is unfortunate that despite the Chamber's public testimony of providing a minimal "lights on" service level, the Chamber did not continue services for the paid 60-day term provided by the City.

City of Santa Clara
The Center of What's Possible

While the Chamber plays an important role in our community, the City Council has a responsibility to address these contract matters: unfortunately, the City had not evaluated its contractual relationship with the Chamber over the past 30 years, despite it being a good business practice to evaluate expenditure of public funds to determine whether the City is accomplishing the intended purpose. The final audit will be presented publicly in September 2018 and will answer some of these inquires and allow the Council to take informed action. To ensure full transparency, the City has established a webpage that provides background of this matter, which can be found at: http://santaclaraca.gov/cvb-chamber.

We are hopeful that the business community will understand the City Council's interest of preserving the appropriate use of public funds and facilities as they relate to the City's strategic pillars of promoting economic benefit for our business community and city. There is a great opportunity to redefine the future of these important Santa Clara assets for the benefit of the community as a whole. Regardless of the outcome of the City Council-directed audit, we will work to ensure that the appropriate remedies are in place to protect our public funds and facilities. The City encourages you to stay engaged and if you have any questions, please contact the City Manager's office at manager@santaclaraca.gov.

Sincerely,

Deanna Santana

Deanna J. Santana
City Manager

Appendix F

City of Santa Clara
The Center of What's Possible

September 21, 2018

To Our Valued Santa Clara Business:

On behalf of the City, I recently sent a letter to local businesses about the City Council's policy priorities and to provide some general information about an independent audit conducted on two City contracts for the Santa Clara Chamber of Commerce's (Chamber) management of the Santa Clara Convention Center (Convention Center) and Convention-Visitors Bureau (CVB).

The audit findings state that the Chamber mismanaged City facilities and seriously misused public resources. The audit findings revealed the Chamber's significant financial mismanagement, questionable accounting practices, self-dealing practices, conflicts of interest, and misuse of government resources, as well as a lack of City contract oversight. The Auditor recommends that the City engage state and federal agencies to investigate potential violations of law and the City has taken the appropriate actions.

Further, the auditor found that the City of Santa Clara lost $20.5 million in revenue and City subsidies over the past 10 years. The mismanagement of the Convention Center and CVB services impacted the City and local businesses alike through loss of potential business opportunities, hotel occupancy, and services provided to our visitors. The full audit and its findings on the Chamber's management of the Convention Center and CVB are now available online: www.santaclaraca.gov/cvb-chamber. The following table illustrates the financial impact for the time period audited:

Table 1: Lost Revenues and City Subsidies Resulting from Chamber's Mismanagement of Public Funds

Net Lost Revenue and City Subsidies	Amount (in Millions)	Note	Time Period	Audit
Facility Discounts (1,720 events)	($16.1)		2011-2018	Pg. 34
Facility Free Rent (353 events)	($2.8)	(1)	2011-2018	Pg. 35
Bonus Payments to Convention Center Staff	($0.3)	(2)	2014-2017	Pg. 22
City General Fund Capital Expenditures	($2.4)	(3)	2007-2017	Pg. 12
City Annual Payments to CVB	($14.9)	(4)	2007-2017	Pg. 50
City Paid Management/Administration Fee	($0.5)		2007-2017	Pg. 53
TOTAL Lost Revenue and City Subsidies	**($37.0)**			
Positive Direct Convention Center/CVB Financial Impact	$11.3		2007-2017	Pg. 17
Convention Center Net Income	$5.2	(5)	2007-2017	Pg. 12
TOTAL Positive Convention Center/CVB Financial Impact	**$16.5**			
TOTAL Net Lost Revenue and City Subsidies	**($20.5)**			

(1) Includes free rentals for Chamber members, staff and other insiders for wedding receptions, birthday parties and other events
(2) Reflects bonus payments over four fiscal years only; likely to be higher with completion of more review
(3) Includes $82,039 of City funds paid in 2007 not included in the audit
(4) $14.9 million in City payments subsidized the Convention Center/CVB Net Loss of $9.4 million
(5) Does not include the City-paid management/administration fee

The audit confirmed the Chamber's financial and operational mismanagement as well as serious misuse of public resources as summarized below:

- Issued $18.9 million in undisclosed and improper fee waivers and discounts to Chamber members and others over the past seven fiscal years "which led to a direct financial loss to the City."

- Issued $300,000+ in staff bonuses over the past four fiscal years, without any public disclosure or Council authorization, with a portion of these funds paid "without a formal contract or written legal agreement in place."
- Operated the Convention Center and Convention-Visitors Bureau at a $9.4 million loss over a decade, while at the same time receiving $17.3 million in operating and capital subsidies from the City. Direct tax and assessment revenue generated by CVB activities amounted to $11.3 million during the last 10 years. During the same period, the City subsidized CVB operations with $14.9 million, with the Chamber's business practices resulting in additional financial loss of $3.6 million.
- Board members engaged in self-dealing, using City assets for their own financial gain, such as: political fundraising activities, diverting public funds to their personal business, and held personal weddings, birthday parties and more events at a direct loss to the City.
- Managed public assets without transparency, without proper documentation and under a business model rife with personal gain and conflicts of interests.

The audit findings also indicated that these serious fiscal issues might have been discovered sooner if the City had strong agreements in place or implemented effective contract oversight. The audit made a series of recommendations which the City has started to act on:

- Cooperate with California Fair Political Practices Commission and Internal Revenue Service (IRS) on potential violations.
- Utilize a professional consultant to address audit findings and industry best practices into a new management agreement.
- Select a qualified management company through a competitive procurement process.
- Implement contract oversight and reconciliation and close out of contracts based on audit findings.

During the October 9, 2018 Council meeting, the Chamber will be given the opportunity to provide a response to the audit. As directed by the Council, staff will present a Request for Proposal (RFP) procurement framework and business model for future operations of the Convention Center for Council discussion and public input with the goal to contract with an experienced and qualified operator.

The City is committed in the success of the Santa Clara Convention Center and the convention/tourism industry in Santa Clara. Success of the Convention Center and a robust convention/tourism industry in Santa Clara leads to the business community's success and benefits all of us. As such, we are taking the audit findings and recommendations seriously and implementing steps to ensure that the public trust and business community's trust will be restored.

You can stay informed on this topic by visiting the Updates for Santa Clara Chamber of Commerce and Convention-Visitors Bureau Agreement page on the City's website, http://santaclaraca.gov/cvb-chamber. For questions, please contact the City Manager's Office at manager@santaclaraca.gov.

Sincerely,

Deanna Santana

Deanna J. Santana
City Manager

Appendix G

---------- Forwarded message ----------
From: **CEO Mail** <rl.store4636@gmail.com>
Date: Thu, Feb 25, 2016 at 4:02 PM
Subject: Re: Meeting This AM
To: "Dines,Paul A" <Paul.Dines@edwardjones.com>
Cc: "undisclosed.for.privacy" <undisclosed.for.privacy@edwardjones.com>



Hi Paul and Joe,

All of that sounds good. The mayor did say put the increased cost into the budget so when I talked to Lisa at the convention center I told her to go ahead and put 2% of the gross as our fee to manage the center. Of course they can negotiate that later if need be.

Ravinder

Sent from my iPhone

On Feb 25, 2016, at 1:59 PM, Dines,Paul A <Paul.Dines@edwardjones.com> wrote:

> Hi Joe and Ravinder:
>
> Alright, we need to capture the message from our meeting today with the mayor and Debi D. to report to the full board next TUE. I'd appreciate your help in making sure we get the correct message conveyed back to the board, and that I'm not: a) missing anything important, or 2) misstating anything.
>
> My take is that:
>
> - The mayor understands that the landscape of Santa Clara has changed dramatically since the original Chamber/CVB/Convention Ctr. structure was put together.
> - The mayor understands and agrees with the separation of the Chamber from the Convention Ctr and CVB as a logical and needed step to move forward.
> - The mayor understands that this will take at least a year, and hence is comfortable with an MOU for the chamber to continue managing the CC and CVB.

- All parties understand that there are many,many details to work out to make this happen.
- The mayor understands that the $50K annual mgmnt. fee is not enough.
- The mayor expressed that City hall is in a "transition" (Lisa said "dysfunctional") and nothing will happen soon.
- The mayor would like to see a strong chamber and she believes that option A will provide this opportunity to the chamber.

The meeting was meant to be informative, educational and see what level of "partnership" there was between the City and the Chamber of Commerce.

Please feel free to add/edit the crap out of my notes above! I'd like to get this note to Joe Sweeney today so he can put a line item into the Agenda, and then the details will be discussed during the meeting.

Warm regards,

Paul A. Dines

Financial Advisor | **Edward Jones U.S.A**

69 Washington Street , Santa Clara, California 95050

PH: 408-984-4729 | FAX: 866-532-4716

Mail: paul.dines@edwardjones.com

For administrative questions, please contact Naira at 408-984-4729, or naira.masri@edwardjones.com

Please help us help you protect your account. If you need help making trades, money transfers and check requests, ***CALL 408-984-4729*** *for immediate assistance. Our goal is to provide you with the best and most timely service you deserve. You can also use our secure message center via your on-line account access.*

TAX DISCLOSURE*: Edward Jones, its employees and financial advisors cannot provide tax or legal advice. You should consult your attorney or qualified tax advisor regarding your situation.*

SANTA CLARA CONVENTION CENTER

	GL Acct #s	Proposed Budget 2016/2017	Final Budget 2015/2016	2015/2016 Actual 7/14-01/16	2015/2016 Est. 2/15-6/15	2015/2016 Total Est. 7/15-6/16	2015/2016 Variance Final vs. Est.	Budget to budget % +/(-)	Notes/Comments
REVENUE									
Space Rental	4110-4200	2,600,000	2,500,000	1,840,623	1,141,900	2,982,523	482,523	4%	Tracking OB
Labor - Miscellaneous	4220	15,000	15,000	5,785	6,250	12,035	-2,965	0%	
Equipment Rental	4230	90,000	90,000	63,622	37,500	101,122	11,122	0%	
Electrical Commissions	4240	210,000	210,000	78,872	87,500	166,372	-43,628	0%	
Electrical Services - In House	4250	150,000	140,000	98,660	58,333	156,993	16,993	7%	Increase in business
A/V Commissions	4260	758,734	680,000	333,191	352,453	685,644	5,644	12%	Increase in business
Services - Misc.	4270	3,000	6,000	665	2,500	3,165	-2,835	-50%	Tracking UB
Incoming Freight	4290	6,000	6,000	860	2,500	3,360	-2,640	0%	
Cell Site Revenue	4540	33,039	25,000	12,470	10,417	22,886	-2,114	32%	DAS did not materialze based on RDA effect
Telephone Commissions	4560	300,000	280,000	263,756	142,618	406,374	126,374	7%	
Catering Commissions	4610	2,600,000	2,000,000	1,078,467	1,340,885	2,419,352	419,352	30%	Tracking OB
Insurance Revenue	4620	3,000	3,000	1,120	1,240	2,360	-640	0%	
Advertisement Revenue	4640	40,000	36,000	12,133	18,000	30,133	-5,867	11%	
Sponsorship Revenue	4645	3,000	5,000	1,750	5,000	6,750	1,750	-40%	Less due to DesignCon N/C for 2017. Last year w NC
Business Center/UPS	4650	14,000	13,448	7,344	6,160	13,504	56	4%	Increase in business
Other Income	4660-4690	5,000	5,000	2,841	2,083	4,924	-76	0%	
Interest	4630	4,200	10,800	2,714	4,500	7,214	-3,586	-61%	City Account
TOTAL REVENUE		**6,834,973**	**6,025,248**	**3,804,873**	**3,219,838**	**7,024,711**	**999,463**	**13%**	
LABOR EXPENSES									
Labor Related									
General Management	5010+5560	922,404	849,770	504,295	353,575	857,870	8,100	9%	Assumes 3% increase across the board
Non-Exempt	5020	202,968	222,150	112,206	92,431	204,637	-17,514	-9%	Have not replaced 2 PT positions
Operations Mgmt & Labor	100-5410, 5530-555	2,152,529	2,122,763	1,165,697	883,173	2,048,870	-73,892	1%	Did not replace 1 FT position
PT Bldg. Services/Agency	5520	150,000	150,000	124,608	61,490	186,099	36,099	0%	
Payroll Total		**3,427,901**	**3,344,683**	**1,906,807**	**1,390,669**	**3,297,476**	**-47,207**	**2%**	
Employer Paid Taxes	5710	293,051	284,215	146,334	116,572	262,906	-21,309	3%	Based on payroll increase
Workers' Compensation	5730	176,400	322,678	137,724	68,736	206,460	-116,218	-45%	Reduction in Exp Mod Rate
Medical & Other Insurance	5810-5920	1,090,873	1,022,207	549,246	445,373	994,619	-27,588	7%	Market changes
401k Contribution/Admin Fee	5990	110,000	107,737	55,142	42,399	97,541	-10,196	2%	Based on payroll increase
Payroll Overhead Total		**1,670,324**	**1,736,837**	**888,446**	**673,081**	**1,561,527**	**-175,310**	**-4%**	
Labor Related Total		**5,098,225**	**5,081,520**	**2,795,253**	**2,063,750**	**4,859,003**	**-222,517**	**0%**	
OPERATION EXPENSES									

Appendix H

SANTA CLARA CONVENTION CENTER

	GL Acct #s	Proposed Budget 2016/2017	Final Budget 2015/2016	2015/2016 Actual 7/14-01/16	2015/2016 Est. 2/15-6/15	2015/2016 Total Est. 7/15-6/16	2015/2016 Variance Final vs. Est.	Budget to budget % +/(-)	Notes/Comments
Other Outside Rentals	6050	10,000	10,000	0	4,300	4,300	-5,700	0%	
Parking Fees	6070	50,000	50,000	31,432	50,000	81,432	31,432	0%	
C of C Administration Fee	6100	136,699	50,000	29,167	20,833	50,000	0	173%	
Professional Associations									
Memberships	6110	2,500	2,500	1,288	1,216	2,504	4	0%	
Meeting & Travel	6120	10,000	10,000	1,528	5,900	7,428	-2,572	0%	
Advertising & Promotions									
Printing	6310	1,000	1,000	224	650	874	-126	0%	
Travel, CVB Support	6360	500	500	0	500	500	0	0%	
Telephone Expenses									
Fixed Charges	6410					0	0		
Maintenance Costs	6420					0	0		
Local & Long Distance Calls	6430	5,500	4,840	2,995	2,350	5,345	505	14%	Based on cost of phone services
Office Expenses									
Office Supplies	6510	13,500	13,500	4,724	5,500	10,224	-3,276	0%	
Postage	6520	1,500	1,500	380	300	680	-820	0%	
FedEx, UPS, etc.	6530	500	500	0	220	220	-280	0%	
Copier Lease Expense	6540	6,200	6,000	3,690	2,500	6,190	190	3%	
Office Equipment Maintenance	6550	1,500	1,500	0	1,000	1,000	-500	0%	
Forms Printing	6560	1,500	1,500	0	1,000	1,000	-500	0%	
Computer Software/Hardware	6570	7,000	7,000	1,861	2,917	4,777	-2,223	0%	
Computer System Support	6590	20,000	18,500	11,816	7,708	19,524	1,024	8%	
Legal	6610	40,000	30,000	18,047	10,000	28,047	-1,953	33%	Union Negotiations
Insurance									
Property & Business Interrupt	6620	74,168	63,236	49,474	26,348	75,822	12,586	17%	10% increase over current year actual
General Liability/Fidelity	6640	116,275	117,790	53,136	50,613	103,749	-14,041	-1%	
Employee Expenses									
Uniform Rental	6720	22,000	21,425	13,440	8,927	22,367	942	3%	
Training & Education	6740	8,000	8,000	4,653	3,500	8,153	153	0%	
Employment Advertising	6750	500	500	0	500	500	0	0%	
Payroll Processing	6770	34,100	27,851	14,454	11,604	26,058	-1,793	22%	Increase to add ACA Reporting and Training Modules
Pre-Employment Expenses	6780	500	500	503	500	1,003	503	0%	
Maintenance Expenses									
Elevator & Escalator Maint.	6810	50,800	48,380	26,247	20,158	46,406	-1,974	5%	KONE expected increase
Service Contracts	6820	21,100	24,350	12,654	10,146	22,800	-1,550	-13%	Daktronics no longer covered under contract
Maintenance Supplies	6830	72,750	66,125	49,566	26,029	75,595	9,470	10%	Increased costs/aging building
Interior Landscaping	6840	7,000	6,624	8,265	2,760	11,025	4,401	6%	

Appendix H Continued

SANTA CLARA CONVENTION CENTER

	GL Acct #s	Proposed Budget 2016/2017	Final Budget 2015/2016	2015/2016 Actual 7/14-01/16	2015/2016 Est. 2/15-6/15	2015/2016 Total Est. 7/15-6/16	2015/2016 Variance Final vs. Est.	Budget to budget % +/(-)	Notes/Comments
Pest Control	6850	3,884	3,604	2,182	1,502	3,684	80	8%	2016 increase
Paint & Supplies	6870	3,415	3,250	980	1,352	2,332	-918	5%	Increased cost/aging building
Lighting System	6920	18,000	16,380	6,814	6,825	13,639	-2,741	10%	Change in materials used
Telephone Equipment Supplies	6940					0	0		
Less: Damage Claims	6980	-2,000	-2,000	-2,002	-833	-2,836	-836	0%	
Non-Routine Maintenance	6990	40,000	27,500	32,870	11,451	44,321	16,821	45%	Increased cost/aging outdoor sign
Janitorial & Cleaning									
Dumping Fees	7010	53,424	50,400	33,000	21,000	54,000	3,600	6%	Price increase
Paper Supplies	7020	40,000	32,000	30,964	13,000	43,964	11,964	25%	Price increase/Business increase
Cleaning Chemicals	7030	16,000	14,000	12,555	5,800	18,355	4,355	14%	Price increase/Business increase
Janitorial Supplies	7040	25,000	19,000	19,414	7,900	27,314	8,314	32%	Price increase/Business increase
Window Washing	7050	6,500	6,000	0	6,000	6,000	0	8%	Price increase
Utilities									
Electricity	7310	727,200	709,430	439,568	302,213	741,781	32,351	3%	SVP 2.5% increase
Aramark Utilities	7315	(159,920)	(120,000)	(72,524)	(60,325)	(132,849)	-12,849	33%	Based on revenue increase
Gas	7320	84,569	76,188	38,726	28,016	66,742	-9,446	11%	PG&E expected increase
Water & Sewer	7330	53,835	48,941	31,083	17,099	48,182	-759	10%	Estimate per city
Capital Additions		0	0	0	0	0			
Total Operation Expenses		**1,624,999**	**1,478,313**	**913,173**	**638,980**	**1,552,152**	**73,839**	**10%**	
Total Expenses		**6,723,225**	**6,559,833**	**3,708,425**	**2,702,729**	**6,411,155**	**-148,678**	**2%**	
EXPENSES VS REVENUE		**111,748**	**-534,585**	**96,447**	**517,109**	**613,556**	**1,148,141**	**-121%**	

Appendix H Continued

Appendix I

From: Feliser Lee
Sent: Thursday, April 06, 2017 12:09 PM
To: Lisa Moreno; 'Fitzgerald, Karen'; Bill Benadere
Cc: Alita Reinecker; Marcelo Penha
Subject: followup to SCCC/CVB CM Budget Meeting

This email serves as a summary of the major discussion points ("DP"), minor talking points ("TP"), and action items ("AI") from the Operating Budget Review Meeting held with your department. Please review and respond by email to revise, comment, or provide additional major discussion points and action items from the meeting. In addition, please contact Alita or myself to address the Action Items and make changes within Questica, as necessary. **Your reply is requested by** end of day, Tuesday, 4/11.

Major Discussion Points ("DP") / Action Items ("AI")

SCCC

(DP.1) Discussed drafting an amendment/letter regarding the C of C Admin Fee from board

(AI.1) *CM* to work on getting the letter establishing the C of C Admin Fee, and asking about the fee amount (currently 2% of gross revenues) in relation to the split of operations of the SCCC/CVB and Chamber

(DP.2) Discussed $100k increase in computer Software/Hardware and need for an integrated system to replace the current system originating from 1998.

(AI.2) *SCCC/CVB* to provide current technology platform and requirements to the City to have City IT review and make possible suggestions.

- We are currently using an integrated software called "ConCentrics which has been in place since 1998 with no upgrades. They have since had four revisions, the latest, is web based. We have also looked at Ungerboeck and Sales Force. Sales Forces does not have an accounting component, which is needed. Ungerboeck, is a good program, but expensive. We believe that we will stay with ConCentrics as it is a good system, user friendly and less training.
- As for IT support, we only have the funds to have "on-call" services, on a add needed basis.

(DP.3) Discussed Aramark reserves that City to would like to reflect on balance sheet as an asset

(AI.3) *SCCC/CVB* to provide current reserve balance to year-end reserve balance to the City.'

- Current equipment fund balance: $318,581.52

(DP.4) Discussed staffing levels (42 FTE, 4 PT)

(AI.4) *SCCC/CVB* to provide position listing with title and FTE count for both SCCC and CVB

CVB

Karen sent yesterday

(DP.5) Discussed current rent, with the use of less space

(AI.5) *SCCC/CVB* to provide City information obtained on rate and space utilization. The City may look at other options with SCCC/CVB based on market rate being paid.

- I reached out to the Chamber last week and I am waiting for this information. I will inquire again today.

Appendix J

SANTA CLARA CONVENTION CENTER

	GL Acct #s	Proposed Budget 2017/2018	Final Budget 2016/2017	Total Estimate 2016/2017	Variance Final vs. Est. 2016/2017	Budget to budget % +/(-)	Notes/Comments
REVENUE							
Space Rental	4110-4200	2,800,000	2,600,000	2,973,964	373,964	8%	
Labor - Miscellaneous	4220	15,000	15,000	10,850	(4,150)	0%	
Equipment Rental	4230	90,000	90,000	103,480	13,480	0%	
Electrical Commissions	4240	213,575	210,000	269,492	59,492	2%	
Electrical Services - In House	4250	128,000	150,000	94,900	(55,100)	-15%	
A/V Commissions	4260	927,052	758,734	779,414	20,680	22%	
Services - Misc.	4270	3,000	3,000	4,039	1,039	0%	
Incoming Freight	4290	6,000	6,000	7,584	1,584	0%	
Cell Site Revenue	4540	30,000	33,039	30,286	(2,753)	-9%	
Telecom Commissions	4560	300,000	300,000	515,033	215,033	0%	
Catering Commissions	4610	2,647,923	2,600,000	2,742,355	142,355	2%	
Insurance Revenue	4620	3,000	3,000	2,365	(635)	0%	
Advertisement Revenue	4640	40,000	40,000	38,325	(1,675)	0%	
Sponsorship Revenue	4645	3,000	3,000	13,050	10,050	0%	
Business Center/UPS	4650	14,000	14,000	10,431	(3,569)	0%	
Other Income	4660-4690	35,000	5,000	3,772	(1,228)	600%	
Interest	4630	9,000	4,200	13,926	9,726	114%	Based on current year actual
TOTAL REVENUE		**7,264,551**	**6,834,973**	**7,613,265**	**778,293**	**6%**	
LABOR EXPENSES							
Labor Related							
General Management	5010+5560	917,462	922,404	916,530	(5,874)	-1%	3% + Reduction of Commission Estimate
Non-Exempt	5020	230,680	202,968	208,763	5,795	14%	3% + Add'l for HR
Operations Mgmt & Labor	5100-5410, 5530-555	2,321,451	2,152,529	2,112,206	(40,323)	8%	3% + 1 staff in each department
PT Bldg. Services/Agency	5520	189,000	150,000	196,053	46,053	26%	3% + add'l labor for increased business
Payroll Total		**3,658,594**	**3,427,901**	**3,433,551**	**5,650**	**7%**	
Payroll Overhead							
Employer Paid Taxes	5710	296,412	293,051	270,503	(22,548)	1%	
Workers' Compensation	5730	201,770	176,400	177,997	1,597	14%	Increase in EXP MOD and assumes 10% increase

SANTA CLARA CONVENTION CENTER							
	GL Acct #s	Proposed Budget 2017/2018	Final Budget 2016/2017	Total Estimate 2016/2017	Variance Final vs. Est. 2016/2017	Budget to budget % +/(-)	Notes/Comments
Medical & Other Insurance	5810-5920	1,091,320	1,090,873	1,022,958	(67,915)	0%	
401k Contribution/Admin Fee	5990	113,431	110,000	99,957	(10,043)	3%	
Payroll Overhead Total		**1,702,933**	**1,670,324**	**1,571,416**	**(98,908)**	**2%**	
Labor Related Total		**5,361,527**	**5,098,225**	**5,004,967**	**(93,258)**	**5%**	
OPERATION EXPENSES							
Other Outside Rentals	6050	5,000	10,000	3,300	(6,700)	-50%	
Parking Fees	6070	25,000	50,000	23,550	(26,450)	-50%	
C of C Administration Fee	6100	145,291	136,699	136,594	(105)	6%	
Professional Associations							
Memberships	6110	2,500	2,500	1,745	(755)	0%	
Meeting & Travel	6120	10,000	10,000	8,488	(1,512)	0%	
Advertising & Promotions							
Printing	6310	700	1,000	750	(250)	-30%	
Travel, CVB Support	6360	0	500	500	0	-100%	
Telephone Expenses							
Fixed Charges	6410			0	0		
Maintenance Costs	6420			0	0		
Telephone	6430	8,820	5,500	6,933	1,433	60%	Increase in cell phone stipend
Office Expenses							
Office Supplies	6510	14,000	13,500	13,281	(219)	4%	
Postage	6520	860	1,500	1,903	403	-43%	Using less
FedEx, UPS, etc.	6530	0	500	224	(276)	-100%	
Copier Lease Expense	6540	6,300	6,200	6,328	128	2%	
Office Equipment Maintenance	6550	1,500	1,500	1,108	(392)	0%	
Forms Printing	6560	750	1,500	750	(750)	-50%	Using less
Computer Software/Hardware	6570	107,000	7,000	5,769	(1,231)	1429%	Enterprise Software Upgrades
Computer System Support	6590	45,000	20,000	18,646	(1,354)	125%	Support for Upgraded sotware
Legal	6610	24,000	40,000	57,115	17,115	-40%	No Union negotiations
Insurance							

Appendix J Continued

SANTA CLARA CONVENTION CENTER

	GL Acct #s	Proposed Budget 2017/2018	Final Budget 2016/2017	Total Estimate 2016/2017	Variance Final vs. Est. 2016/2017	Budget to budget % +/(-)	Notes/Comments
Property & Business Interrupt	6620	74,168	74,168	69,460	(4,708)	0%	
General Liability/Fidelity	6640	123,208	116,275	103,214	(13,061)	6%	
Employee Expenses							
Uniform Rental	6720	23,100	22,000	26,872	4,872	5%	Service agrmnt increase + new hires (2) Sec & (3) BS
Training & Education	6740	8,000	8,000	14,152	6,152	0%	
Employment Advertising	6750	0	500	575	75	-100%	Using Job posting service through ADP
Payroll Processing	6770	33,600	34,100	29,274	(4,826)	-1%	
Pre-Employment Expenses	6780	500	500	1,813	1,313	0%	
Maintenance Expenses							
Elevator & Escalator Maint.	6810	52,553	50,800	53,044	2,244	3%	
Service Contracts	6820	26,786	21,100	21,321	221	27%	Adding Sprinkler Inspection, 3% for Daikin Contract
Maintenance Supplies	6830	76,388	72,750	72,433	(317)	5%	
Interior Landscaping	6840	7,000	7,000	6,795	(205)	0%	
Pest Control	6850	3,884	3,884	3,882	(1)	0%	
Paint & Supplies	6870	3,483	3,415	2,692	(723)	2%	
Lighting System	6920	18,900	18,000	16,944	(1,056)	5%	
Telephone Equipment Supplies	6940			0	0		
Less: Damage Claims	6980	(2,000)	(2,000)	(3,292)	(1,292)	0%	
Non-Routine Maintenance	6990	42,000	40,000	72,282	32,282	5%	
Janitorial & Cleaning							
Dumping Fees	7010	56,629	53,424	55,267	1,843	6%	Updated City Rates
Paper Supplies	7020	40,000	40,000	39,972	(28)	0%	
Cleaning Chemicals	7030	16,800	16,000	16,361	361	5%	
Janitorial Supplies	7040	25,000	25,000	25,582	582	0%	
Window Washing	7050	9,150	6,500	6,500	0	41%	New Vendor
Utilities							
Electricity	7310	741,744	727,200	710,317	(16,883)	2%	Updated City Rates
Aramark Utilities	7315	(148,091)	(159,920)	(153,237)	6,683	-7%	
Gas	7320	93,872	84,569	83,593	(976)	11%	Updated City Rates
Water & Sewer	7330	61,910	53,835	51,829	(2,006)	15%	Updated City Rates

Appendix J Continued

SANTA CLARA CONVENTION CENTER							
	GL Acct #s	Proposed Budget 2017/2018	Final Budget 2016/2017	Total Estimate 2016/2017	Variance Final vs. Est. 2016/2017	Budget to budget % +/(-)	Notes/Comments
Capital Additions		0	0	0			
Services - JLL Contract		0	0	0	0		New CC Evaluation Contract
Total Operation Expenses		1,785,306	1,624,999	1,614,631	(10,369)	10%	
Total Expenses		7,146,833	6,723,225	6,619,598	(103,627)	6%	
EXPENSES VS REVENUE		117,718	111,748	993,668	881,919	5%	

Appendix K

SANTA CLARA
SILICON VALLEY CENTRAL®
CHAMBER OF COMMERCE & CONVENTION - VISITORS BUREAU

Tuesday, June 12, 2018

City Manager Deanna Santana
Santa Clara City Hall
1500 Warburton Avenue
Santa Clara, CA 95050

Re: Information Requested By City during June 6th Meeting

Dear Mayor, City Council, and City Manager:

On June 6th, representatives from the Santa Clara Chamber of Commerce and Convention-Visitors Bureau, Santa Clara Convention Center, and City Staff met following the direction of City Council to begin a process of exploring a term sheet for a new agreement with the Chamber of Commerce for their management of the Convention Center and to begin the process to execute a financial and performance audit of the Chamber.

The outcome of this meeting was for the Santa Clara Chamber of Commerce and Convention-Visitors Bureau to provide a response in regards to four topics: Santa Clara Chamber PAC Advertising in Chamber Eblast, Conflict of Interest Policies in regards to the Convention-Visitors Bureau advertising in the Santa Clara Weekly, Response to City's Request of Information regarding the Convention-Visitors Bureau, and Position on Intention to continue management role while the management fee is suspended.

Santa Clara Chamber PAC Advertising

The Chamber PAC is separate from the Santa Clara Chamber of Commerce and is independently funded. The Chamber PAC was created in March of 2010 as a political action committee, formally called the Santa Clara Chamber Political Action Committee.

The purpose of the PAC is to review research and recommend support of and/or any opposition to proposed ballot measures and legislation, ordinances and other actions of local, county and state government bodies. It is also the responsibility of the committee to seek out, evaluate qualifications and endorse those candidates who are running for office at the local, county and state level, who support the free enterprise system, believe in fiscally responsible government and whose views represent the interests of the business community. David D. Tobkin is the Chair of the SCCPAC.

The Santa Clara Chamber PAC is a separately funded organization from the Chamber. No membership dues funds will be utilized for the PAC. All funds collected for the SCCPAC are done through separate donations and gifts. Thus, Santa Clara Chamber PAC does not receive any public funding. Like many other Chamber members the Chamber PAC has the option of advertising in the Chamber's eblasts. The Chamber PAC is provided the same treatment as any other Chamber member and pays for the advertising like many other Chamber members.

Please refer to the FPCC reports filed with the City Clerk's office to find detailed reports of the funding sources of the SCCPAC.

Conflict of Interest Policies in regards to the Convention-Visitors Bureau advertising in the Santa Clara Weekly

As part of the Santa Clara Chamber of Commerce's duty as manager for the Santa Clara Convention Center and Visitor's Bureau ("CVB"), the Chamber has a duty to market the space in order to maximize bookings. As part of this effort, the Chamber has, over the last few years engaged in an aggressive marketing campaign which has led to over a 60% increase in bookings this year alone.

One piece of this aggressive marketing campaign involves direct advertising of the Convention Center space and other Santa Clara venues. The best and most logical place to run advertisements to target the local community is in the Santa Clara Weekly. The Santa Clara Weekly is the only recognized paper of general circulation in Santa Clara and has the widest reach for the local Santa Clara community which is most likely to use the CVB for events.

Chamber Director Miles Barber has a controlling interest in the Santa Clara Weekly. Each Director reads and signs the conflict of interest policy that requires them to, among other things, act in the best interest of the Chamber and subordinate his own interests to that of the Chamber in the event of an interested director transaction, which is also what the California Corporations Code requires of a director.

Chamber Board member, Miles Barber complied with this policy by giving the Chamber a 30% discount on all advertising. Since Mr. Barber always fills his advertising space, this resulted directly in a revenue cut for himself. Given the overall success of the Chamber's marketing program (a 60% increase in bookings) and the discount, the transactions with the Weekly have been more than fair to the Chamber.

Booking the ads was initiated and implemented by Chamber staff as one piece of a broader marketing program. Chamber staff discussed advertising in the Weekly with Mr. Barber briefly when he agreed to give the discount, but there was never any decision made by the Chamber board concerning advertising in the Weekly. The amount paid to the Weekly for the advertisements amounted to less than one third of a percent of the entire CVB budget. The Chamber board approved was the broader marketing program which was then implemented by

staff and has been a great success. As a result of the marketing campaign numerous marketing leads have been generated and attributed directly to the Weekly advertisements.

At one time, there were discussions about the expending of advertising dollars with Harbir Kaur Bhatia who is currently on the Santa Clara Cultural Commission. Those discussions never came to fruition and there was never a conflict of interest in the situation.

Response to City's Request of Information regarding the Convention-Visitors Bureau

When the initial request for certain information came in the Chamber's board, management, and staff needed additional time to review, discuss, and prepare the information the City requested. The Santa Clara Chamber of Commerce and Convention-Visitors-Bureau is prepared to provide the information the City has requested.

Position on Intention to Continue Management Role while the Management Fee is Suspended

The suspension of the management fee is a precautionary measure albeit a mistake. The City has paid the Chamber a management fee for decades. For many years it was $45,000 and in recent years, was changed to 2% of total revenue. Under reservation of rights, in order to prevent any damage that might occur to the local business community and current employees, the Chamber will continue to manage the Convention Center despite the City's actions, but the management fee has been a substantial part of the parties' agreement as evidenced by the actions of the Chamber and the City for many years.

The Santa Clara Chamber of Commerce and Convention-Visitors Bureau appreciates the equally beneficial partnership to manage the Santa Clara Convention Center and operate a Convention-Visitors Bureau and looks forward to working with the consultant, TAP International, to perform a financial and performance audit on the Santa Clara Convention Center and Convention-Visitors Bureau.

Sincerely,

Nick Kaspar
President/CEO
Santa Clara Chamber of Commerce and Convention-Visitors Bureau

Appendix L

From: [redacted]
Sent: [redacted]
To: Kaspar, Nick
Subject: Re: Advertisement Rate Sheet

Sorry for the delay Nick, was called into a meeting.

For [redacted] we can offer any of the pages but the front page and the back page. I can offer you the following pricing:

For a full page - 10" wide x 21" tall **Color:**

1x - $5,670

2x - $5,418 each

3x - $5,040 each

4x - $4,788 each

5x - $4,536 each

6x - $4,284 each

These prices are a pretty big discount off our rate card. I'm happy to be able to offer them to you.

Let me know what other information I can provide.

Thanks,

R-

[redacted]z Retail Sales Manager | Advertising - Retail

[redacted]

Appendix M

ARAMARK Corporation
Santa Clara Convention Center
5001 Great America Parkway
Santa Clara, 95054
Phone: (408) 748-7030
Fax: (408) 748-7047

ARAMARK

EVENT CONTRACT

Contract#: 99038206

SANTA CLARA CHAMBER PAC

CUSTOMER	
Barbara Carlisle	
1850 Warburton Ave	
Santa Clara, CA 95050	
Phone:	408-380-1232
Fax:	408-244-7830
Account Number:	8479003128

EVENT INFORMATION	
Event Date:	Thursday, April 12, 2012
Description:	SC CHAMBER PAC - SIT DOWN BI
Guest Count:	270
Guarantee Count:	270
Salesperson:	Melanie McCarthy
Event Status:	Booked
Contact Person:	Barbara Carlisi
Contact Phone:	408-380-1232

LOCATION AND TIMES

Location	Setup Style	Start Time	End Time
Mission City MR123	Rounds of 10	7:30 am	9:00 am

EVENT TIMES

Doors Open:	7:30 am	Service Begins:	7:30 am
Program Begins:	8:00 am		

MENU SELECTIONS

Name	Quantity	Price	Total
== SIT DOWN BREAKFAST ==	270	$18.50	$4,995.00

SERVED WATM IN BASKETS
w/ Butter
(please line basket w/gold or red napkin

---PRE-SET—
~Warm Cinnamon Rolls on Table Served
Yogurt Partfait w/ Fresh Berries,
Granola, Drizzled Honey
(Served in Universal Wine Glass)

–PLATED MEAL–
~ Fritatta w/ Portobello Mushrooms,
Spinach, Roasted Peppers and Gruyere
Cheese
~ 2 Applewood Bacon Strips
~ Homestyle Breakfast Potatoes
~ Baked Tomato
~ Chef Choice Additional Garnish

--BEVERAGE SERVICE--
~ Peet's Certified Organic Coffee
(2 individual carafes per table)
~ Peet's Certified Organic Decaf
(served upon request)
~ Peet's Hot Tea
(served upon request)

~ 1 Pitcher of Orange Juice on Each
Table
~ Pre-set Iced Water in Glasses at Each
Setting

OTHER CHARGES

EVENT CONTRACT

Contract#: 99038206

SANTA CLARA CHAMBER PAC

STAFFING	***PURCHASE MATERIALS***
OUTSIDE SERVICES	***ROOM CHARGES*** -

SPECIAL INSTRUCTIONS

VIP CHAMBER EVENT

SPEAKER: JED YORK

SET-UP:
- ARAMARK TO HAVE ALL THE TABLES FULLY SET BY 7:00 AM
- ARAMARK TO SKIRT REGISTRATION TABLES IN FOYER (BLACK ON BLACK) BY 6:00 AM

SET-UP INCLUDES MIRRORS WITH 3 BATTERY OPERATED VOTIVES PER TABLE

*** SEE DIAGRAM FOR NUMBERS OF GUEST FOR EACH TABLE: SOME TABLE WILL BE SET FOR 11 ATTENDEES

LINENS: WHITE (8PT) (2 PER TABLE)
NAPKINS: GOLDAND RED (PLEASE ALTERNATE PER TABLE) FAN FOLD ON TABLE

HEAD TABLE: BLACK ON BLACK

AGENDA:
7:00 AM TO 7:30 AM - REGISTRATION IN MISSION LOBBY
7:30 AM - OPEN DOORS - OFFER COFFEE TO ALL GUESTSAND BEGIN SERVING MEALS AS GUESTS ARE SEATED
7:45 AM TO 8:15 AM - CLEAR PLATES AND REFILL ALL COFFEE THERMALS
8:00 AM - PROGRAM BEGINS
8:15 AM - STAFF TO QUIETLY CONTINUE CLEARING AND DEPART FROM ROOM AS SOON AS POSSIBLE
8:15 AM TO 9:00 AM - 4 STAFF TO REMAIN IN ROOM TO CONTINUE SERVICING GUESTS WITH FILLING COFFEE THERMALS OR ANY OTHER REQUESTS .

SERVICE REQUIREMENTS:
- PRE-SET WATER GLASSES
- OFFER COFFEE SERVICE TO ALL GUESTS AS THEY ARE SEATED
- 1 REGULAR COFFEE THERMAL AND 1 DECAF THERMAL ON EACH TABLE

PRE-SET THE FOLLOWING:
- ORANGE JUICE PITCHER ON TABLES WITH JUICE GLASSES
- 2 REGULAR COFFEE THERMALS ON EACH TABLE

- JUICE TO BE LABLED WITH SIGN ON EACH TABLESERVE ENTREES AS GUESTS ARE SEATED. DO NOT NEED TO WAIT FOR A TABLE TO FULLY BE SEATED PRIOR TO SERVING OR CLEARING.

BILLING

Subtotal:	$4,995.00
:	-
Sales Tax:	$494.51
Tax 2 (N/A):	-
Service Chg:	$999.00
:	-
Contract Total:	**$6,488.51**
Total Credits:	**$6,488.51**
Adjusted Total:	-

Appendix N

City of Santa Clara
The Center of What's Possible

NEWS RELEASE

FOR IMMEDIATE RELEASE: Thursday, Sept. 20, 2018

CONTACT: Lenka Wright, Director of Communications, 408-615-5515 or lwright@santaclaraca.gov

Santa Clara Terminates Chamber of Commerce's Contract for the Operations of the Santa Clara Convention Center and Prepared to Report Questionable Practices to State and Federal Authorities for Further Investigation

City begins its own internal reforms to address audit findings showing City's lack of contract oversight

SANTA CLARA, Calif. – After the City Council took action this week to terminate the City's management agreement for the operations of the Santa Clara Convention Center (Convention Center), the City is now in the process of reporting questionable practices by the Santa Clara Chamber of Commerce to state and federal authorities for review of potential violations of law.

The City's swift actions were recommended by Principal Auditor Denise Callahan, TAP International, to the City Council as part of the independent audit of the Convention Center and Convention-Visitors Bureau under the Chamber's management.

The audit findings – which revealed the Chamber's serious financial mismanagement, questionable accounting practices, self-dealing, conflicts of interest and misuse of government resources as well as a lack of City contract oversight - were presented to the City Council at the Tuesday, Sept. 18 meeting. The audit's recommendations state:

- Further legal analysis is needed to determine if the Contractor (Chamber): (1) violated its 501(c)(6) tax exempt status when it provided full facility discounts to its members, and (2) engaged in self-dealing when it used its personal or organizational relationships to offer free use of publicly owned facilities, and allowed the Contractor's Board member to assume SCCC (Convention Center) services without implementing a competitive bid.
- Investigation is needed by the California Fair Political Practices Commission (FPPC) to determine if violation of state law occurred when the Contractor (Chamber) allowed the Santa Clara Chamber Political Action Committee to use SCCC (Convention Center) facilities free of rental charges."

In advance of the Oct. 9 Council meeting, the City fully intends to report these issues to the Internal Revenue Service (IRS) and the California Fair Political Practices Commission (FPPC) concerning the audit's findings. The City will share with the FPPC that the Chamber apparently allowed for the illegal use of public assets for its Political Action Committee by subsidizing the PAC's political fundraising activities and using CVB administrative resources to raise campaign funds and participate in political activity. Prior to notifying the IRS, the City's pulling in legal experts on 501(c)(6) designation for a thorough review of the $2.8 million of full facility discounts and findings of board members' self-dealing activities, where their personal businesses profited by the improper use of public assets. Meantime, the City continues to assess what additional actions are necessary in alerting state and federal authorities regarding potential ethical lapses in the Chamber's mismanagement of the Convention Center.

This week, the City already held two sessions of a newly developed contracts training that's designed to assist staff in writing more effective contracts. The training also provides direct procurement and contract management support. More training sessions will be rolled out to the entire organization. The City's procurement and contract reform efforts include:

- Adoption of overall administrative policies and purchasing training;
- Recent involvement in proper surplus property sales;
- Implementation of online bidding tool *(coming soon)* to enhance competitive bidding process and process improvement for vendors bidding on City services and equipment;
- Development of emergency operations procurement guidelines; and
- Hiring of a seasoned procurement manager to ensure best practices in public sector purchasing to increase transparency, maximize competition and equal treatment of all participants in bidding process.

Read the Sept. 19 news release about the audit. For additional background, visit the City website.

About the City of Santa Clara
Located at the heart of Silicon Valley about 45 miles south of San Francisco, the City of Santa Clara truly is "The Center of What's Possible." Incorporated in 1852, Santa Clara covers an area of 19.3 square miles with a population of 120,000. Santa Clara is home to an extraordinary array of high-tech companies, including Applied Materials, Hewlett-Packard, Intel, Nvidia, Oracle, and Ericsson. The City of Santa Clara is also home to Santa Clara University, California's Great America Theme Park, and Levi's® Stadium, home of the San Francisco 49ers and Super Bowl 50. For more information, go to www.SantaClaraCA.gov.

About TAP International
TAP International is a consulting firm that provides performance management evaluation has over 100 years of combined experience conducting performance audits. Principal Consultant Denise Callahan has an extensive auditing background and has performed performance audits of other convention centers, as well as compliance audits, internal audits and best practices reviews for federal, state and local government agencies. Ms. Callahan has been a lecturer at the University of San Francisco and the University of Southern California. She serves on the Audit Committee for the American Society for Public Administration and has won awards for the quality of completed performance audits.

###

18-699 **Agenda Date: 11/27/2018**

REPORT TO COUNCIL

SUBJECT
Action on the Response by TAP International, Inc. to Santa Clara Chamber of Commerce "Response to Audit Findings and Concerns with City Actions"

BACKGROUND
On September 18, 2018 TAP International (TAP) presented its performance audit titled "Santa Clara Convention Center and convention-Visitor's Bureau: Restructuring Operations Can Strengthen Accountability, Performance, and Revenue."

Subsequently in October 2018 the Santa Clara Chamber of Commerce (Chamber), issued a video statement and report titled "Santa Clara Chamber of Commerce Response to Audit Findings and Concerns with City Actions."

TAP International prepared a response to the comments contained in the Chamber document.

DISCUSSION
As an independent auditor, the scope, methodology and findings of TAP's work with public entities are guided by auditing standards published by the United States Government Accountability Office, also known as the "Yellow Book".

The Yellow Book provides standards and guidance for auditors and audit organizations, outlining the requirements for audit reports, professional qualifications for auditors, and audit organization quality control. Auditors of federal, state, and local government programs use these standards to perform their audits and produce their reports.

TAP requested an opportunity to submit a written response to the Chamber's response document for the benefit of the public record.

ENVIRONMENTAL REVIEW
The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Ace ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT
There is no fiscal impact associated with this item other than administrative time and expense.

COORDINATION
This item has been coordinated with the City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Action on the November 18, 2018 TAP International response to Santa Clara Chamber of Commerce "Response to Audit Findings and Concerns with City Actions"

Reviewed by: Ruth Shikada, Assistant City Manager
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. TAP International Response Letter dated November 18, 2018

TAPInternational

TRAINING | ANALYTICS | PERFORMANCE
3436 American River Drive, Suite 9
Sacramento, CA 95864
PH: 916.333.3401
www.tapinternational.org

November 18, 2018

City of Santa Clara
City Manager Deanna Santana
1500 Warburton Avenue
Santa Clara, CA 95050

Dear Ms. Santana:

Thank you for allowing TAP International to respond to the Santa Clara Chamber of Commerce's (SC Chamber of Commerce) public comments regarding the September 2018 issued performance audit report, SANTA CLARA CONVENTION CENTER AND CONVENTION-VISITORS BUREAU: RESTRUCTURING OPERATIONS CAN STRENGTHEN ACCOUNTABILITY, PERFORMANCE AND REVENUE.

The SC Chamber of Commerce's latest set of comments (not dated) represents the SC Chamber of Commerce's third response opportunity to the audit findings. The SC Chamber of Commerce's first opportunity for comment was in late August 2018 when TAP International met and discussed the audit findings with the SC Chamber of Commerce President/CEO. Their second opportunity was in early September 2018, when TAP International submitted a draft audit report for the SC Chamber of Commerce to review and comment. In each opportunity, the SC Chamber of Commerce provided comment and TAP International addressed their comments in accordance with generally accepted government auditing standards for performance audits.

Our review of the SC Chamber of Commerce's third opportunity to comment on the performance audit report found the following:

- Seven of 25 SC Chamber of Commerce's comments were made without evidence.
- Seven comments were false.
- One comment was misleading.
- The remaining 10 comments are not related to TAP International, Inc.

The attached analysis summarizes the results of our review.

Sincerely,

Denise Callahan
President and Principal Consultant

Comments Made Without Evidence by the SC Chamber of Commerce

SC Chamber of Commerce Comment: "City staff overruled Council action and postponed the Santa Clara Chamber of Commerce's presentation until November 13th, over a month past the original agreed upon date and coincidentally after the election."

Auditor Response: Without Evidence. The SC Chamber of Commerce is omitting relevant facts in its statement of events regarding a postponed presentation.

Analysis:

- City staff did not overrule council. The hearing schedule was not delayed due to the election date, but due to the availability of TAP International's Project Manager. When contacted by the City Manager's Office to discuss the availability to respond to the Chamber's public comments about the performance audit report, TAP International was not available to attend the October 16th City Council meeting. TAP International conveyed to the City that if the TAP Project Manager was required to be in attendance, the TAP Project Manager would be available for the November City Council meeting.

SC Chamber of Commerce Comment: "The Santa Clara Chamber of Commerce is concerned with the independence of this audit and the procedure with which the audit was conducted, including releasing preliminary information to the public before properly vetting or discussing this information with the Chamber's Board or President/CEO."

Auditor Response: Without Evidence. The SC Chamber of Commerce's statement does not account for the Generally Accepted Government Auditing Standards (GAGAS) published in the U.S. Government Accountability Office (US GAO) Yellow Book.

Analysis:

- Contrary to the SC Chamber of Commerce's statement, TAP International did not release preliminary information to the public. TAP International provided preliminary information only to officials of the City of Santa Clara. The information provided to the City was based on factual information provided by SC Chamber of Commerce employees and analyzed by TAP International.
- Section 6.78 of GAGAS calls for early communication of deficiencies in internal control, fraud, non-compliance with laws and regulation, contracts, or abuse. TAP International, the auditor, as required by GAGAS, notified the City that the SC Chamber of Commerce allowed the use of a public facility at full facility discounts to SC Chamber of Commerce members and employees for weddings, birthday parties, and other events. The SC Chamber of Commerce activities were not in compliance with their own membership policies and represented a misuse of public facilities, which led to the auditor's early reporting to the City.
- The President/CEO of the SC Chamber of Commerce wrongly believes information collected during the audit required approval or vetting of the audited information; there is no requirement

for this to occur. GAGAS requires the Auditor to provide a draft report to the SC Chamber of Commerce for comment, which was done by TAP International.

- The SC Chamber of Commerce's concern about the independence of the audit was made without facts. Under Section 3 of GAGAS, TAP International ensured the performance auditors assigned to the audit were free of personal impairments to independence in both fact and appearance. There were no potential or actual personal impairments to independence identified prior to or during the audit. Further, our auditors did not have:
    - Immediate or a close family member who have or are working in the Auditee's offices;
    - Financial interest direct, or indirect, in the Auditee's operations;
    - Preconceived ideas toward individuals, groups, organizations, or objectives of a program that could bias the audit;
    - Any political, ideological, or social convictions that result from membership in, employment in, or loyalty to either a policy, group, organization, or a level of government.
    - Book, attend, or visit the SC Chamber of Commerce, Convention and Visitor's Bureau, or the Santa Clara Convention Center prior to the initiation of the audit;
    - Own property in the City of Santa Clara;
    - Own stock in any corporate hotels located in the City of Santa Clara;
    - Seek employment with any audited entity throughout the term of the audit contract.

SC Chamber of Commerce Comment: "Santa Clara Commerce found blatant omissions, misleading content, and incomplete content."

Auditor Response: Without Evidence. The SC Chamber of Commerce's statement does not account for GAGAS published in the US GAO Yellow Book.

Analysis:

- Under Section 7.33 of GAGAS, the auditor is required to provide a copy of the draft report for review and comment by responsible officials to ensure the fairness, completeness, and accuracy of the report. TAP International first discussed the audit findings with the SC Chamber of Commerce prior to drafting of the report and secondly, provided a copy of the draft report for formal review and comment. TAP International followed GAGAS in incorporating nearly all of the SC Chamber of Commerce's comments in the draft report. There was no information included in the SC Chamber of Commerce's prior review of the draft report that stated that the audit report contained omissions, was incomplete, or contained misleading content.

SC Chamber of Commerce Comment: "TAP International never discussed this with the Board Member in question but made assumptions that led to an error in the Audit."

Auditor Response: Without evidence. The SC Chamber of Commerce's statement does not account for GAGAS published in the US GAO Yellow Book.

Analysis:

- The SC Chamber of Commerce is referring to its Board member who self-disclosed a conflict of interest. TAP International did not need to meet with the Board member in question because the SC Chamber of Commerce provided the signed conflict of interest form that was submitted by the respective Board member. The conflict of interest form is an attested to statement, in writing, by a person disclosing and verifying any conflict of interest. No other verification was needed. TAP International further incorporated SC Chamber of Commerce's comments in the draft report about the conflict of interest status, stating on page 37 of the performance audit report that "SCCC General Manager/CEO further reported the (SC Chamber of Commerce) Board member is currently in the process of purchasing the contract from the current vendor."

SC Chamber of Commerce Comment: "Failed to state the FPPS Statue of Limitations for investigations is 5 years."

Auditor Response: Without evidence. The SC Chamber of Commerce's statement does not reflect principles of auditing.

Analysis:

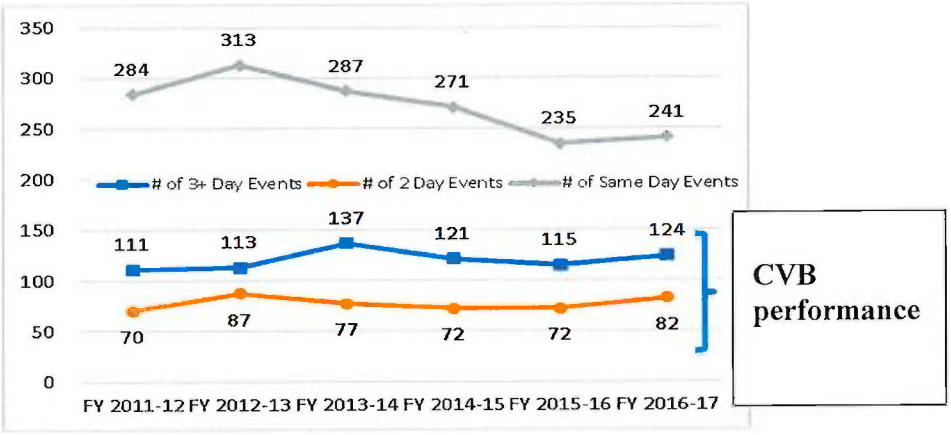
- The California Fair Political Practices Commission through its enforcement activities has the responsibility to determine, upon receiving reports, that issues/concerns either exceed or fall within the statute of limitations. The SC Chamber of Commerce is not an investigating agency with the authority to make a determination on applicable statute of limitations. The determination belongs to the investigating agency, the California Fair Political Practices Commission.

SC Chamber of Commerce Comment: "TAP International did not mention the City's directive for the CVB and Convention Center to stop booking for seven months due to the RDA issue. This information was provided but was omitted."

Auditor Response: Without evidence. The SC Chamber of Commerce's statement does not account for GAGAS published in the US GAO Yellow Book.

Analysis:

- Under Section 6.56 of GAGAS, auditors must obtain sufficient and appropriate evidence to provide a reasonable basis for the audit findings and conclusions. TAP International found that that SC Chamber of Commerce's explanation that the RDA dissolution adversely affected its performance was not supported by evidence.
- Specifically, the Santa Clara Redevelopment Agency was dissolved in 2012 pursuant to California state legislation. As illustrated in the chart below, the SCCC is generally responsible for booking single day events (gray line) and the CVB is generally responsible for booking multi-day events (see the orange and blue lines). In FY 2011-2012 through FY 2013-14, performance actually increased and then remained generally steady through FY 2016-17. There is no evidence to support the SC Chamber of Commerce's assertion regarding the RDA dissolution adversely affecting their performance. Thus it was not included in the report.



SC Chamber of Commerce Comment: "TAP International was provided information detailing the circumstances surrounding the management fee; however, the audit incorrectly reported the information to the Chamber as the responsible party. The audit misstates this information declaring the Chamber was to also draft a letter which was clearly not the case."

Auditor Response: Without evidence. The SC Chamber of Commerce statement does not account for and ignores the direction for drafting documentation about the management fee modification.

Analysis:

- The SC Chamber of Commerce is incorrect in its statements regarding their fee modification to manage the Santa Clara Convention Center. The audit report does not state that the SC Chamber of Commerce was the responsible party for processing a contract amendment to increase its management fee.
- The audit report actually states that: "Contractor documents show that in March 2017, the City provided instructions to the Contractor to use the budgeting process to change its management fees". However, in April 2017, the City met with the Contractor (i.e. SC Chamber of Commerce) in budget meetings and a decision was reached that a formal amendment was needed. The Contractor's Board of Directors was to draft an amendment/letter regarding the management fee and that the City would prepare a letter establishing the new payment term of two percent of gross sales. There was no information provided that either the Contractor or the City followed through on these tasks. Having a contract amendment would have allowed for proper discussion and deliberation by the City Council on the merit of the fee increase."

False Statements Made by the SC Chamber of Commerce

SC Chamber of Chamber comment: "The auditor reported the CVB conducted the fundraiser and collected the donations. The distinction between the CVB and Chamber is very important because the Chamber is not subsidized by City funding. The auditor also reported the Chamber donated to the Santa Clara Chamber PAC using public funds which was not the case. The Chamber informed the auditor on several occasions, but the auditor would not make this change in the report. The City used this misinformation to publicly reprimand the Chamber for using City funds to make political donations painting the Chamber in a negative light."

Auditor Response: Not factually correct. The SC Chamber of Commerce comment regarding PAC donation by the City funded Convention and Visitor's Bureau does not state the facts as stated in the audit report.

Analysis:

- The audit report does not state that the CVB conducted the fundraiser and collected the donations. The audit report states that the Contractor (i.e. Chamber of Commerce) sponsored a web-based fundraising event for a political action committee. The audit report also states that the Contractor (i.e. Chamber of Commerce) received the checks that totaled $8,000. The checks in question were made payable to the CVB.
- The current SC Chamber of Commerce President/CEO's response does not recognize the impropriety of accepting political contributions through checks made payable to the CVB, a City funded program operated by the SC Chamber of Commerce.
- The SC Chamber of Commerce's comments note that the President/CEO made multiple claims to TAP International that the SC Chamber of Commerce's activities to accept the donor checks that were payable to the CVB were appropriate. However, repeatedly asserting the SC Chamber of Commerce's action was proper in using the City funded CVB to send a political donation to a political action committee does not make it so. Also, the SC Chamber of Commerce's repeated assertion that its actions were proper does not account for the actual public law that prohibits such donation.
- The SC Chamber of Commerce incorrectly reported that it is not subsidized by City funding. The SC Chamber of Commerce regularly supports its operations through City funds. For example, as stated in page 6 of the performance audit report, the SC Chamber of Commerce received $45,000 to $50,000 annually under the terms of the 1984 Management Agreement for management of the Santa Clara Convention Center. In addition, page 20 of the audit report describes that the SC Chamber of Commerce receives revenues from activities implemented by the CVB that it operates on behalf of the City of Santa Clara. The SC Chamber regularly received revenues from the publicly funded CVB for other expenses. For example, the SC Chamber of Commerce received $91,232 in rent annually between FY 2008-09 and FY 2016-17 for office space used by Chamber employees to operate the CVB.

SC Chamber of Commerce comment: "...the Audit omits the fact the CVB received leads from local corporations who said they saw the advertising and were interested in bring their corporate event to Santa Clara."

Auditor Response: False and Misleading. The Audit report directly references the outcomes resulting from the advertising.

Analysis:

- The SC Chamber of Commerce reported that one lead was obtained from the advertising in the SC Weekly. In addition to conducting a trend analysis, the one lead, which we could not verify that it translated to an actual event, provided support for the page 54 audit statement, "unchanged performance in lead generation suggests that changes are needed in marketing and advertising strategies".

SC Chamber of Commerce Comment: "In two separate conversations with TAP International, the President/CEO of the Chamber, and the Vice President of Sales, the auditor stated she was unhappy with the City's decision to combine the preliminary observation made by the auditor and the City's observations as it misrepresented the audit information. In a later conversation with TAP International, the auditor retracted this statement and stated she knew this information was going to be sent out and she was fine with it."

Auditor Response: Falsehood. The President/CEO of SC Chamber of Commerce made up the statements.

Analysis:

- The TAP International Project Manager did not inform the Chamber President/CEO that she was unhappy about the City's presentation.
- The Chamber President/CEO in conversations with other Chamber employees continued to falsely represent the statements of TAP International. At two different meetings with Chamber employees, TAP International's Project Manager has had to correctly restate the facts of the conversation of June 27, 2018 between the SC Chamber of Commerce's CEO and TAP International's project manager.

SC Chamber of Commerce Comment: "Prior to the release of the Final Audit, the lease was not transferred to the Board Member. The Audit states there was the Appearance of Self-Dealing with more research needed because the lease was transferred to a Board Member which was not the case. The Auditor was presented this information, but it was misstated in the report to the detriment of the Chamber and the proposed UPS Store Franchisee."

Auditor Response: False. The SC Chamber of Commerce did not state the facts correctly.

Analysis:

- The comments refer to contracted shipping and mailing services for the SCCC. The performance audit reports states on page 37," that the SCCC General Manager/CEO further reported the (SC

Chamber of Commerce) Board member is currently in the process of purchasing the contract from the current vendor.

- The audit report does not state that more research is needed, but rather further review of the findings contained in the audit report by the City.

SC Chamber of Commerce Comment: "...the audit misrepresents the CVB's intention which was to grow their largest customer based."

Auditor Response: False. The SC Chamber of Comments misstates information contained in the performance audit report.

Analysis:

- The information contained in the performance audit report accurately represents CVB intention. Page 54 of the report states "the CVB management explained that it had two goals for advertising and marketing activities: (1) to make the CVB known as a local resource for area businesses to handle its event needs, and (2) to promote the area as a destination for local businesses.".

SC Chamber of Commerce comment: "misstates information declaring the Chamber was to also draft a letter which was clearly not the case. This misstatement is a concern of the Chamber because it puts unnecessary blame on the Chamber when the Chamber followed the City directed procedure."

Auditor Response: False and misleading. The SC Chamber of Commerce does not acknowledge the timeline of events that clearly shows it was to prepare and provide documentation regarding the management fee to the City.

Analysis:

- The performance audit report states "Contractor documents show that in March 2017, the City provided instructions to the Contractor to use the budgeting process to change its management fees. However, in April 2017, the City met with the Contractor in budget meetings and a decision was reached that a formal amendment [between the City and Chamber] was needed. The Contractor's (i.e. SC Chamber of Commerce) Board of Directors was to draft an amendment/letter regarding the management fee and that the City would prepare a letter establishing the new payment term of two percent of gross sales. There was no information provided that either the Contractor or the City followed through on these tasks. Having a contract amendment would have allowed for proper discussion and deliberation by the City Council on the merit of the fee increase".

SC Chamber of Commerce Comment: "The Audit omits the clear business reasons for deciding to contract the Santa Clara Weekly to run 6 full page advertisements. The audit also omits the Staff members Direct Supervisor, President/CEO, and Board Chair all separate reviewed and approved the expense."

Auditor Response: False. Business reasons and improper approval do not excuse economic conflicts of interest.

Analysis:

- In a meeting held on July 7, 2018 between TAP International and the CVB's national marketing sales director, the CVB Director reported that it was her decision to run the ad without the influence of the Board Chair or the Chamber of Commerce and believed that it was a better business decision to advertise in a more cost-effective media outlet that targets Santa Clara corporations. There is no evidence offered that the business decision was made in compliance with public law or evidence available of oversight by the SC Chamber of Commerce to approve the Director's decision.
- Because the newspaper publisher served on the SC Chamber of Commerce Board at the time of the purchase, the ads should have been cancelled by Chamber staff as well as by the Board member in question.
- The SC Chamber of Commerce provided cost information to TAP International in its review of the draft report on area advertising to run the same ad but omitted information that advertising costs are influenced by readership, advertising volume, and subscription costs. As a result, advertising costs vary by publication. In addition, TAP International examined the actual invoice submitted by the local newspaper for payment for the ads. The invoice does not show that a discount was provided. Generally, sound accounting practices would show the full price of the purchases followed by the amount of the discount.

Misleading Statement by the SC Chamber of Commerce

SC Chamber of Commerce Comment: "The fee adjustment was clearly identified and marked in RED to provide City Staff notice of a significant change. The new budget, with the increased management fee, was approved in an open City Council meeting by the Mayor and Council members. TAP International's final audit was submitted citing the Chamber for not disclosing the increased administrative fee."

Auditor Response: Misleading. The SC Chamber of Commerce's statement suggests that the Chamber may not understand government budgeting processes and ignores the City and Chamber staff agreement to prepare documentation to initiate a contract amendment.

Analysis:

- The SC Chamber of Commerce is referring to preliminary budget worksheets provided by the Chamber's Santa Clara Convention Center staff to City staff during the budget process. Preliminary budget worksheets are not included in the final budget presented to the City Council for review and approval.

SC Chamber of Commerce Statements Not Applicable to TAP International

SC Chamber of Commerce Comment: "concerned with the City's actions surrounding this audit."

Auditor Response: Not applicable to TAP International, Inc.

Analysis:

- The SC Chamber of Commerce comment is directed at the City.

SC Chamber of Commerce Comment: "City staff misstated the circumstances and misrepresented the Chamber leading the public and Council to believe the Chamber was not compliant with City directives."

Auditor Response: Not applicable to TAP International, Inc.

Analysis:

- The SC Chamber of Commerce comment is directed at the City.

Chamber of Commerce Comment: "The letter also stated 'board members engaged in self-dealing, using City assets for their own financial gain...' This statement was not in the audit. The City reported actual self-dealing instead of the appearance of self-dealing with more research needed."

Auditor Response: Not applicable to TAP International, Inc.

Analysis:

- The SC Chamber of Commerce comment is directed at the City.
- Under Section 7.21 of GAGAS, auditors can report that either fraud has occurred or is likely to occur as a finding. Whether an act is in fact fraud or other wrong doing, can be determined by others with appropriate expertise.

SC Chamber of Commerce comment: "City has interfered with a contract between the TID Advisory Board and Santa Clara Chamber by urging the TID to stop doing business with the Chamber."

Auditor Response: Not applicable to TAP International, Inc

Analysis:

- The SC Chamber of Commerce comment is directed at the City.

SC Chamber of Commerce Comment: "The City of Santa Clara sent two letters via direct mail to every business license holder..."

Auditor Response: Not applicable to TAP International, Inc.

Analysis:

- The SC Chamber of Commerce comment is directed at the City.

SC Chamber of Commerce Comment: "The City of Santa Clara's second letter, ... included many insertions (sic) and observations made by the City ..."

Auditor Response: Not applicable to TAP International, Inc.

Analysis:

- The SC Chamber of Commerce comment is directed at the City.

SC Chamber of Commerce Comment: "The letter sent by the City stated, 'the auditor found that the City of Santa Clara lost $20.5 million in revenue and City subsidies over the past 10 years.' This was not stated in the audit but was an abnormal calculation conducted by the City of Santa Clara and inserted as Audit Findings."

Auditor Response: Not applicable to TAP International, Inc.

Analysis:

- The SC Chamber of Commerce comment is directed at the City.

SC Chamber of Commerce Comment: "The letter stated the Chamber's mismanagement resulted in $37 million in lost funds to the City of Santa Clara. This, again, was not stated in the audit but was an insertion (sic) made by the City of Santa Clara."

Auditor Response: Not applicable to TAP International, Inc.

Analysis:

- The SC Chamber of Commerce comment is directed at the City.

Chamber of Commerce Comment: "The City used unusual accounting practices to draw their desired conclusion."

Auditor Response: Not applicable to TAP International, Inc.

Analysis:

- The SC Chamber of Commerce comment is directed at the City.

SC Chamber of Commerce Comment: "City interfered with a contract between the TID Advisory Board and the Santa Clara Chamber..."

Auditor Response: Not applicable to TAP International, Inc.

Analysis:

- The SC Chamber of Commerce comment is directed at the City.

18-1372 **Agenda Date: 11/27/2018**

REPORT TO COUNCIL

SUBJECT

Action on Responses to City Council Questions related to the Performance Audit entitled "Santa Clara Convention Center and Convention-Visitors Bureau: Restructuring Operations Can Strengthen Accountability, Performance and Revenue"

BACKGROUND

At the September 18, 2018 Council meeting, TAP International presented the analysis and findings of the performance audit entitled "Santa Clara Convention Center and Convention-Visitors Bureau: Restructuring Operations Can Strengthen Accountability, Performance and Revenue" (Attachment 1).

During the September 18 and October 9, 2018 Council meetings, Council requested additional information related to the audit.

DISCUSSION

In response to Council questions, this report transmits the requested information.

Question: ***What groups received discounts and/or free facility rentals? (Audit Reference - page 38)***

The requested list of groups receiving partial discounts per fiscal year audited is attached. TAP International provided this information to City using data provided by the Chamber (Attachment 2). The attachment does not detail the nature of the discount.

By fiscal year audited, Attachment 3 identifies the organizations which received a fully discounted/free rental. TAP International provided the attached information to City using data provided by the Chamber. The attachment does not detail the rationale for the free rental.

Question: ***What were the commissions and incentives paid to Chamber staff? (Audit Reference - page 25 and 26)***

During the audit period the Chamber paid over $300,000 in commissions and $23,500 in bonus payments that require further review. Attachment 4 provides commissions and bonuses paid by month, quarter, and calendar year, as applicable.

Question: ***Santa Clara Chamber Political Action Committee (PAC) filings of its Fair Political Practices Commission (FPPC) Reports***

In response to Council inquiry, the Appointed City Clerk and City Auditor reviewed the Santa Clara Chamber PAC filings of its FPPC Reports on file with the City Clerk's Office. Based on the review by

the Council Appointees, they issued two reports/audits on October 29 and October 31, 2018, respectively (Attachments 5 and 6), which identify potential violations of FPPC report filings. Both reports were forwarded to the FPPC for review and further determination of fines. On November 13, the FPPC issued a letter (Attachment 7) stating that "the Enforcement Division of the Fair Political Practices
Commission will investigate the allegation."

The City is contracting with TAP International to audit credit card statements. However, City staff has been reviewing all credit card statements/charges since May 2018.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

There is no additional cost to the City other than staff time and expenses.

COORDINATION

This report has been coordinated with the City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Note and File Responses to City Council Questions related to the Performance Audit entitled "Santa Clara Convention Center and Convention-Visitors Bureau: Restructuring Operations Can Strengthen Accountability, Performance and Revenue"

Reviewed by: Ruth Shikada, Assistant City Manager
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Convention Center and CVB Performance Audit
2. List of Events/Groups Receiving Partial Facility Discounts
3. List of Events/Groups Receiving Full Facility Discounts
4. Commission and Incentive Pay
5. Memo regarding SCCCPAC Filings for 2010 - 2014 dated 10/29/2018
6. Memo regarding SCCCPAC Filings for 2015 - 2018 dated 10/31/2018
7. November 13, 2018 FPPC Letter



TAPInternational

SANTA CLARA CONVENTION CENTER AND CONVENTION-VISITORS BUREAU: RESTRUCTURING OPERATIONS CAN STRENGTHEN ACCOUNTABILITY, PERFORMANCE AND REVENUE

FINAL REPORT

September 18, 2018

ACKNOWLEDGEMENTS

TAP International, Inc. appreciates the assistance and cooperation received by City staff and all of the Contractor's CVB and SCCC employees who contributed to this review.

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Report Brief

Why the Assessment was Conducted

The City of Santa Clara (City) has contracted with a local non-profit business organization (Contractor) since 1975 to operate and manage the Convention and Visitors Bureau (CVB) and since 1984 to manage the Santa Clara Convention Center (SCCC) that opened in 1986. The City raised concerns about the Contractor's operations, practices, and financial performance of the CVB and the SCCC. Other concerns include delays in information submitted to the City by the Contractor, hindering the City's ability to perform its own full assessment of the Contractor's operations of the CVB and the SCCC.

In May 2018, the City contracted with TAP International, Inc. to conduct an assessment of the Contractor-operated SCCC and the CVB. This review did not encompass all operations or all financial management activities of these entities. This report describes the fiscal health of each entity, the nature of revenues collected, and their spending. This report also assesses the adequacy of structures, systems, operations, and the processes in place by the Contractor and finally, evaluates the potential changes needed to enhance the SCCC's sustainability and overall performance.

Summary of Key Results

The SCCC has satisfactory fiscal health because it can support operations using its own operating revenues. Across a ten-year period ending in FY 2016-17, revenues cumulatively totaled about $60.4M[1] and expenses cumulatively totaled about $55.8M, resulting in net income levels of $4.7M. Had the SCCC assume responsibility for the CVB's operation, the SCCC could not have supported itself, resulting in a $9.4M net income loss by the end of the ten-year time period. By factoring into the analysis other sources of revenue that other cities allocated to convention centers and visitors bureaus, such as Transient Occupancy Taxes (TOT), Tourism Improvement District (TID) fees, and Sales Tax, then the SCCC may have had mixed financial performance, ending the nine-year period[2] with about $310,000 net income.[3] The fiscal health of the SCCC could have been stronger if it had reduced the frequency and the amount of the discounts offered to event sponsors. Facility discounts totaled $14.7M between FYs 2011-12 to 2016-17. Issuing discounts is allowable under some circumstances in accordance with SCCC's booking policies.

The CVB's year-end fiscal performance was satisfactory. While losses occurred in six of the past ten years, none of the losses exceeded ten percent of its budget. In the past ten years, total revenues cumulatively totaled $15.8M and expenses cumulatively totaled $15.5M, resulting in

[1] Excludes Restricted Revenue
[2] Nine-year period was used as Capital expenditure information from FY 2007-08 was unavailable.
[3] TOT tax, TID fees, and Sales Tax projections based on CVB revenue estimates. It would be assumed that sales tax generated from Convention Center partners would be included in Sales Tax estimates.

excess revenue of about $278,000. The CVB reported revenue surpluses in four of ten years – FYs 2011-12, 2012-13, 2015-16, and 2016-17.

While the types of revenues and expenses incurred by the SCCC and the CVB are aligned with their mission and purpose, each entity paid added compensation to its sales staff that needs further review. The SCCC paid commissions and the CVB paid bonuses, referred to as incentive pay. The sales industry uses this form of compensation. However, the City Council should have provided approval of the commissions because the added pay was not addressed in the City's agreement with the Contractor nor clearly identified in the SCCC's operating budget. Further review is needed for the incentive payments to the CVB staff because the payments were funded by the Santa Clara Tourism Improvement District without a formal contract or agreement.

The Contractor could have had better structures, systems, controls, and processes to support the SCCC and the CVB operations. The Contractor's governance structures and business activities have created the appearance of, and actual, conflicts of interests, mis-use of government assets, and mis-use of government-sponsored resources while other concerns present may need further review by other agencies. In addition, the Contractor's financial management of the CVB's operations has weaknesses in its internal controls, especially in the area of bill payment, while its information management activities have structural gaps that if addressed, could enhance managerial decision-making. The Contractor and the City each share responsibility for the issues described in this report. The City, which is responsible for ensuring that outsourced operations provide services in a transparent and accountable manner, did not have strong agreements in place nor implemented effective contract oversight until recently with the hiring of a new City Manager. The Contractor's implementation of operations led to accountability and compliance concerns.

A key change needed to increase the SCCC's operational sustainability and performance is to update the overall marketing strategy. Several operational challenges hinder the ability of the CVB to enhance their own overall performance and to increase the financial performance of the SCCC. These challenges include: (1) scheduling more events that last less than a day versus scheduling events longer in duration that would also need hotel room nights; (2) the rising number of potential clients (also known as leads) required to schedule an event, as the total number of leads received has declined; (3) inefficient utilization of staff time to work leads because an inordinate amount of time is spent entering information into various databases; (4) not dedicating multiple sales staff in successful target areas, such as the corporate sector; and (5) a limited advertising budget. Both the SCCC and the CVB operate as separate entities and could benefit from an integrated and comprehensive marketing plan.

In June 2018, the Santa Clara City Council directed City management to retain assistance in the development of options for the provision of convention and visitor services. The development of these options should include analysis of varying business structures to operate the SCCC that would result in the strongest level of accountability over operations. Business structures used in other California convention centers and CVB's differed. These business structures included a city-

established nonprofit organization, city-established districts, authorities, and out-sourcing operations to a third-party.

Conclusions

The City's Contractor was instrumental over 40 years ago in working with the City to establish the CVB and to serve as the first operator of the SCCC. The Contractor had key successes, especially with the overall satisfaction of the CVB and the SCCC employees and the financial performance of the SCCC. The Contractor, however, also had key accountability problems and could have had implemented a better strategy to maximize the SCCC's financial potential. Should the City implement changes to the SCCC's and the CVB's operations, including how the City conducts contract oversight over these operations, the potential changes should include sound governance coupled with effective and strong leadership that would ensure administration of a transparent and accountable business environment.

Recommendations

1. The City Manager, in response to prior City Council direction to develop options for the SCCC and the CVB operations, should include a feasibility study to assess the advantages and disadvantages of various business structures to run each or both operations. The feasibility study should include analysis of financial projections in the short and long term for each option.

2. Regardless of any change in the business structure, the City Manager should consider implementing the following activities to ensure better accountability of operations and to build on the financial performance of the SCCC:
   a. Develop a comprehensive and integrated business and marketing strategy.
   b. Develop better event scheduling policies that address renting SCCC facilities to nonprofit organizations, the use of discounts, and document specific criteria for prioritizing event scheduling.
   c. Transition into booking more same day events to area hotels to allow greater availability of calendar time for multi-day events at the SCCC.
   d. Reduce the SCCC's scheduling of events to six months in advance.
   e. Strategically align more sales staff to industries that frequently rent the SCCC.
   f. Integrate all marketing and sales activities between the SCCC and the CVB.
   g. Consolidate accounting systems used between the SCCC and the CVB.
   h. Consider elimination of Sales Commissions.
   i. Modernize the SCCC.
   j. Prohibit comingling of City funds with other nongovernmental revenue sources.
   k. Establish a clear leadership structure and team to administer effective City oversight of operations.
   l. Establish requirements to avoid, disclose, and mitigate conflict of interests.

m. Establish financial disclosure requirements for the SCCC and the CVB contractors who make decisions on the behalf of the City.
n. Establish requirements that describe and define appropriate and reasonable expenditures.
o. Establish requirements and controls for purchasing, including the use of the credit cards and purchase cards.
p. Establish contracting and contract management requirements for the SCCC and the CVB.
q. Establish stronger requirements for financial reporting on operations.
r. Establish the requirement to develop, track, and report on progress in meeting key performance benchmarks for the SCCC and the CVB operations.
s. Establish employee compensation policies.
t. Establish controls that ensure accuracy and completeness of the SCCC and the CVB performance reporting.
u. Establish requirements for the storage and archiving of financial and operational data.
v. Conduct ethics and conflicts of interest training to the SCCC and the CVB employees.
w. Conduct training on the principles of good governance to the SCCC and the CVB employees.

3. The City Manager should review the accountability issues and concerns described in this report and refer them, if needed, for further review by the City or by other agencies.

4. The City should conduct contract oversight activities by reconciling (a) the Contractor's allocation of CVB's revenues and expenses and (b) the Contractor's credit card statements.

Background

City Agreements Guide Operations at the Convention Visitor's Bureau and the Santa Clara Convention Center

The City did not have a CVB organization until a local nonprofit organization approached the City with the concept as a way to help area businesses. Since 1975, the City authorized the local nonprofit organization (referred to herein as the Contractor) to operate the Convention and Visitors Bureau (CVB). The CVB is a destination marketing, sales and service organization whose purpose is to promote the City of Santa Clara as a destination point and to promote the City's hotels and convention center. The agreement, referred to as the CVB Agreement, was updated in 2017. According to the CVB agreement, the City expects the CVB to increase City revenues by increasing visitor and convention spending in hotels, the Convention Center, visitor attractions, restaurants, and other businesses in the City as measured by Transient Occupancy Tax (TOT), Tourism Improvement District (TID), and retail sales tax.[4]

The City also expects the Contractor to:

- Target sales and promotion efforts to various market sectors (e.g. corporate business, association and SMERF (social, military, educational, religious, fraternal) and sports groups)
- Generate "mid-week" for the Convention center and hotels that will pay the mid-week hotel room rates, including holiday and weekend business in selected months
- Attract City-wide groups as newly defined by the CVB as needing 750 hotel room nights per event at the event's peak. (City-wide groups were historically defined as needing 600 hotel room nights at the event's peak).
- Perform sales calls and city bid presentations to prospective businesses and organizations
- Conduct city site inspections showcasing the City of Santa Clara, hotels, convention center, stadium, entertainment and attraction venues, and local businesses
- Sponsor exhibits in key tradeshows, attend industry related meetings and sponsor special industry related events
- Implement direct mail, e-marketing/social media and e-blasts
- Advertise in key trade publications, newsletters, directories, and social media platforms

[4] The City requires that any person or business engaged in the renting of any number of rooms for lodging, dwelling, or sleeping purposes, must collect, report and remit 9.5 percent of the lodging fee per night. In FY 2016-17, the City collected about $20M in TOT tax. The City assesses an added $1 per room night among the eight (at the time of our review) participating hotels that comprise the Tourism Improvement District. These same hotels contribute an extra two percent to help pay off $40M used by the Community Facilities District for infrastructure to facility the Stadium project.

- Develop convention sales and marketing materials
- Advertise and promote the City and Convention Center.

The City also works with the same Contractor to manage the SCCC. Owned by the City of Santa Clara, the SCCC is located on just over 25 acres and provides 302,000 square feet of meeting and exhibit space. The SCCC hosts conventions, trade shows, weddings, receptions, corporate meetings, banquets, and any type of special occasion. The SCCC's purpose is to maximize revenue and economic impact to the City of Santa Clara.

In 1984, a contract (referred to as the Management Agreement) was entered between the City and the Contractor to manage the SCCC. The contract required the Contractor, among other activities, to:

- Operate and maintain the SCCC in a first-class matter
- Advertise and promote the Convention Center
- Coordinate the use of the SCCC
- Book events, theatre performances, shows, conventions, exhibitions, and meetings
- Schedule and administer daily operations as required.

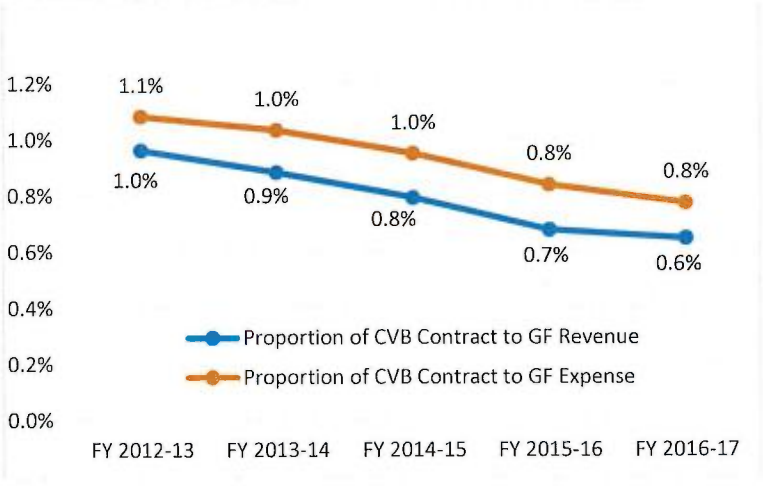
Any excess operating revenues generated from the SCCC operations are deposited to a City enterprise fund account.

City's General Fund Supports Contractor's Activities

Under the terms of the 1984 Management Agreement, the City is to pay the Contractor for the management of the SCCC. The fee ranged from $45,000 to $50,000 annually. The increase in this fee is later discussed in this report. Under the 2017 CVB agreement, the City is to pay the Contractor no more than nearly $1.5M annually for its operations of the CVB.

City funds supporting the Contractor's activities equal less than one percent of the City's General Fund revenues and expenses, as shown in Figure 1. Over time, as the City's revenue and expenses increased, the proportion of all General Fund revenues appropriated to the Contractor has declined. Figure 1 shows only the direct financial impact of the contractual agreements and excludes the City's funding for maintenance

Figure 1. Proportion of General Fund Revenues and Expenses to Fund the CVB Contract



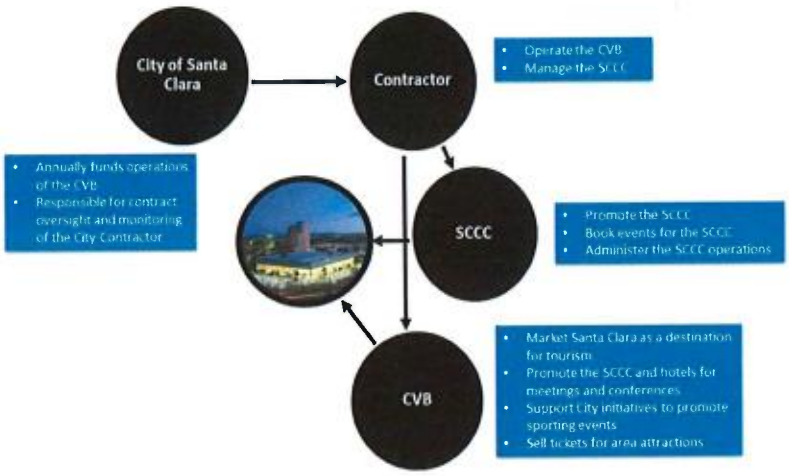
Source of data: TAP International, Inc. analysis based on the CVB and City of Santa Clara financial data.

district expenses and other capital project improvement plans.

The CVB and the SCCC are Managed Separately

Organizationally, the CVB has two Vice-Presidents (VPs) who serve as National Sales Managers. One National Sales Manager oversees convention sales and marketing while the other oversees marketing and advertising. These two VPs are supported by 11 other Contractor/CVB employees. The SCCC has a General Manager/CEO overseeing its operations supported by 43 other Contractor/SCCC employees.

Figure 2: Role of the City, Contractor, the SCCC and the CVB



The President and Chief Executive Officer (CEO) of the Contractor's organizations is responsible for operations of the CVB and the SCCC. In recent years, the Contractor's CEO position has experienced frequent turnover. In 2017, the SCCC's General Manager/CEO assumed management of the CVB until the Contractor's Board formally hired a new Executive Director, who accepted the position in June 2018.

Figure 2 illustrates the roles and relationships between the City, the Contractor, the CVB and the SCCC.

The CVB and the SCCC Receive High Customer Satisfaction Scores

Guests of the SCCC and clients of the CVB have high satisfaction over operations. Based on a total of 322 surveys spanning from 2010 to date, the average annual performance is a satisfaction score of 4.45, as illustrated in Figure 3. A score of "1" is low satisfaction and a score of "5" is high satisfaction. The SCCC and CVB met or exceeded its own

Figure 3: Average Annual Customer Satisfaction Score



Source of data: TAP International, Inc. analysis of 322 customer satisfaction surveys administered by the SCCC, 2010 to date.

performance benchmark in five of the ten years.

As described in Figure 4, guests gave their **highest scores** to the SCCC and the CVB Professionalism. Although high marks, guests gave their **lowest scores** to:

- SCCC facility (condition)[5]
- Catering Services (pricing and food quality).

Figure 4: Annual Guest Satisfaction Score, SCCC and CVB

Survey Category	Average Score
Convention Center Administration	4.66
Convention Visitor Bureau	4.64
Int'l Alliance of Theatrical & Stage Employee's (Local 134)	4.62
Event Management	4.58
Telecommunications	4.58
Booking & Scheduling	4.57
Room Set Up & Housekeeping	4.52
Audio/Visual Services	4.47
Engineering Services	4.45
The UPS Store	4.43
Building Security	4.39
Facility	4.31
Catering Services	4.28
Grand Total	**4.49**

Source of Data: TAP International, Inc. analysis of 322 individual customer satisfaction surveys administered by the SCCC, 2010 to date.

Recent City Council Action Stopped Contractor Payments

In recent City Council meetings, the Santa Clara City Council acted to temporarily end Contractor payments. In May 2018, the Santa Clara City Council (City Council) directed the City Manager to suspend the Contractor's management fee for the SCCC. In June 2018, the City Council did not approve a $1.5M request to fund a FY 2018-19 contract with the Contractor to operate the CVB, and instead, directed the City Manager to provide funds to the Contractor for the sole purpose of funding salaries and specific related costs for up to 60 days. In July 2018, the Contractor's Executive Director addressed the revenue cuts by requesting the CVB employees to vacate the Contractor's office and then issuing termination notices.

[5] The Management Agreement states the Contractor is to maintain the Convention Center, the equipment and furniture situated therein, and related facilities in good order and repair and to request such repairs in the SCCC's annual budget or separate City Council action.

Objective, Scope and Methodology

Objectives

The City contracted with TAP International to address the following questions:

(1) Assess the fiscal health, including the nature of revenues and spending by the SCCC and the CVB.

(2) Assess the adequacy of structures, systems, controls, and processes that affect financial management of the Convention Center, especially whether the City reviewed and approved the contract increases.

(3) Determine the types of changes needed, if any, to enhance Convention Center sustainability and performance.

Scope

The time period covered by this review varied depending on the type of analysis. Where data was available, TAP International analyzed data based on the prior Fiscal Year (FY) only or up to ten years of operations, beginning in FY 2007-08. We describe throughout this report, the time period covered in our analysis. The availability of complete and reliable information determined the time period of analysis.

For our review of structures, systems, controls and processes, the business functions reviewed included governance, financial management, information management, and contract management..

Our scope of work did not include an assessment of the operations of the TID. A separate performance audit of the TID is underway.

The scope of work did not include:

- An assessment of the SCCC's security operations. In FY 2017-18, the SCCC had 62 total incidents, or about five per month related to visitor health issues, fire alarms, visitor and worker injuries, and parking lot related thefts. The low level of incidents precluded further review.
- An assessment of human resources management by the Contractor or on the staffing assignment and reassignment decisions by the Contractor's Board of Directors.
- An assessment of contract compliance with the Management Agreement and the CVB Agreement.
- An evaluation of how the Contractor serves its members and member organizations. Where necessary, transaction activity resulting from the Contractor's core services were reviewed to assess the effectiveness of internal controls governing the CVB.

Methodology

To assess the fiscal health of the Convention Center and the CVB, TAP International computed and analyzed eight key metrics: quick ratio, current ratio, operating margin, net income ratio, days cash on hand, days payable outstanding, debt service coverage ratio, and operating cash flow. These metrics assess the ability of these entities to generate revenue and pay bills and debt, and their ability to generate a profit including cash flow. The sources of data relied upon for the analysis included the City's consolidated audited financial statements and the Contractor's audited financial statements from Fiscal Years (FYs) 2007-08 to 2016-17. Because the Contactor's audited financial statements combines its financial reporting with that of the CVB, we further analyzed the ability of the Contractor to manage the CVB within the contract amount provided by the City. The sources of data relied upon for this analysis were the Contractor's audited financial statements and other financial reports generated by the Contractor from FYs 2007-08 to 2016-17.

To assess the nature of revenues and spending by the SCCC and the CVB, TAP International examined each entity's check register and general ledger, which show in detail the payments made to vendors. The period of the review covered was FYs 2007-08 through 2016-17. We further examined the Contractor's core organization and the CVB documentation to verify the accuracy of the CVB's financial transactions reported in its financial system.

To assess the adequacy of structures, systems, controls, and processes of the Convention Center and the CVB, TAP International analyzed data and conducted interviews with key City, SCCC, CVB, and Contractor staff to discuss operation related to:

- Governance structure and activities
- Use of information systems
- Internal control structure to ensure compliance and effective information sharing, fiscal monitoring, and review and authorization
- Purchasing and contracting activities to ensure compliance to policies and procedure.

TAP International reviewed City documents and interviewed City employees to assess internal controls, contract management, and oversight activities of the City's Contractor.

For all audit activities, TAP International collected and analyzed:

- Advertisements
- Contracts
- Guest satisfaction surveys
- Organizational charts
- Marketing materials
- Performance measurement reports
- Policies and procedures for financial management, procurement, and contracting

- Purchase orders
- Strategy and marketing plans
- Training programs
- Reports and data given to the City by the entities.

To determine the types of changes needed, if any, to enhance the sustainability of the SCCC, TAP International reviewed the SCCC's and the CVB's marketing operations and performance. We independently computed various performance metrics using leads, bookings, and cancellation data provided by the Convention Center and the CVB. Finally, we collected information on the business structures of other convention centers and convention-visitors bureaus in California. The convention centers selected for this analysis were the Cities of San Jose, Sacramento, Stockton, San Francisco, Fresno, and Oakland.

Finally, to adhere to generally accepted government auditing standards, TAP International assessed the reliability of the financial and marketing data collected by the SCCC and the CVB. Data that was reliable is included in this report.

This audit is known as a performance audit. A performance audit evaluates the economy, efficiency and effectiveness of programs, services, and operations. We conducted this performance audit from May through July 2018, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. A draft report was provided to the City and the Contractor for review. Comments were incorporated as applicable throughout the report.

Principle Results

Section 1A: The City Can Build on the Financial Performance of the SCCC and the CVB

SCCC's Fiscal Health is Good Although can be Made Stronger

A fiscal health assessment serves to determine whether it is a self-sustaining operation. As an enterprise operation of the City, the SCCC needs to generate enough revenues to fully cover its expenses. If an enterprise operation has a healthy operating position, then fee increases are not needed. Conversely, if an enterprise operation cannot sustain itself, then fee increases may be needed, or the City may need to provide added financial support. TAP International analyzed the fiscal health of the Convention Center using four different approaches: (1) calculating the Convention Center's fiscal health based on its own operating revenues and expenses; (2) comparing trends in operating revenues and expenses; (3) determining the impact on the SCCC's net income if it assumed responsibility for the CVB's operations; and (4) forecasting SCCC's future fiscal health. It is important to note that the convention center industry is influenced by the general economy.

Under the first approach–assessment of fiscal health indicators—the SCCC is a self-sustaining operation and performs well among seven of eight fiscal health indicators across each of the five years from FY 2012-13 to 2016-17, as shown in Figure 5. The most recent five-year period was used in order to provide a more current assessment of fiscal performance. Periods beyond five years may incorporate business operations and environments that are no longer a factor to current performance. These eight indicators measure fiscal health of enterprise operations. Most notably, the SCCC increased its profit level to 18 percent, the highest level among the five years examined and more than nine times the common benchmark. The SCCC also has cash available to pay its bills for more than six months (193 days) if operations were to suddenly shut down. The SCCC continued to perform well financially in FY 2017-18 with over $2.2M in net income.

Figure 5: SCCC Fiscal Health Indicators**

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	Benchmark Performance
Ability to pay short-term bills (Current Ratio)	2.6	2.2	1.0	1.7	3.1	> 1.0
Ability to pay short term bills with available cash (Quick Ratio)	202	1.9	0.8	1.5	2.3	> 1.0
Profit margin (Operating Margin using operating revenues and expense)*	16%	16%	12%	14%	18%	> 2%

Net Income Ratio (Same as Profit Margin/Operating Margin)*	16%	16%	12%	14%	18%	> 2%	
Number of days cash available to pay bills	135	149	21	120	193	60-90	
Number of days it takes to pay bills	24	44	17	21	19	< 30	
Ability to pay debt (Debt Service Coverage Ratio)	No debt	No debt	No debt	No debt	No debt	> 1.0	
Operating Cash Flow Ratio*	1.0	0.7	0.7	0.7	0.8	> 1.0	

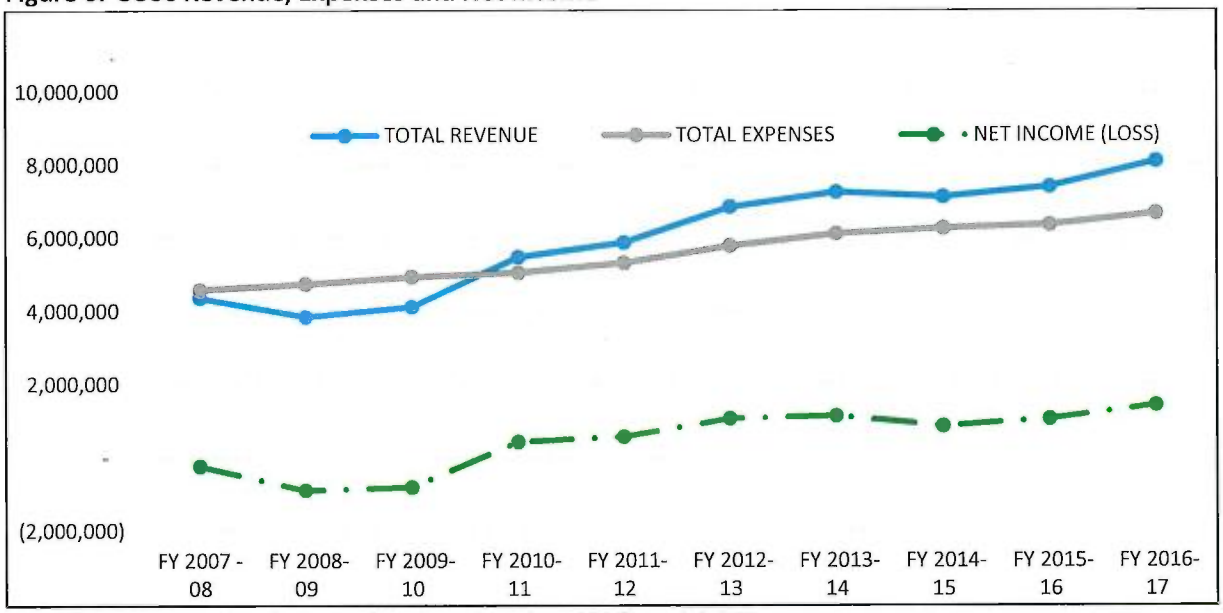
*Excludes restricted income.

** A five-year trend analysis is customarily used in fiscal health analysis because it provides a better assessment of current fiscal health versus examining fiscal health over a 10 year period.

Source: TAP International, Inc. analysis based on the SCCC financial data.

We further examined net income levels for SCCC over a ten-year period to provide a long-term historical look back at SCCC's fiscal health. As shown in Figure 6, the SCCC has slowly improved on its net income levels over a long period of time after three years of profit losses beginning in FY 2007-08.

Figure 6: SCCC Revenue, Expenses and Net Income



Source: TAP International, Inc. analysis based on the SCCC financial data.

At the end of the ten-year period, the SCCC's collected cumulative total revenues of about $60.4M and spent about $55.8M, resulting in net income of nearly $4.7M, as shown in Figure 7.

Figure 7: SCCC Net Income Analysis

	SCCC TOTAL REVENUE	SCCC TOTAL EXPENSES	SCCC TOTAL NET INCOME
FY 2007-08	4,365,268	4,588,650	(223,383)
FY 2008-09	3,856,929	4,744,350	(887,421)
FY 2009-10	4,135,023	4,937,619	(802,597)
FY 2010-11	5,482,042	5,045,617	436,425
FY 2011-12	5,881,508	5,313,299	568,209
FY 2012-13	6,849,158	5,783,261	1,065,897
FY 2013-14	7,254,188	6,106,561	1,147,627
FY 2014-15	7,122,815	6,260,284	862,531
FY 2015-16	7,406,668	6,350,233	1,056,435
FY 2016-17	8,093,763	6,662,438	1,431,326
Cumulative Total	**$60,447,363**	**$55,792,312**	**$4,655,050**

Source: TAP International, Inc. analysis based on the SCCC financial data.

Under the second approach–comparing trends in operating revenues and expenses–TAP International assessed two other measures of fiscal health. The first measure compares the change over time in operating revenues to the change over time in operating expenses. Over the past ten years, the SCCC has sufficiently increased its operating revenue to fully cover the growth in operating expenses. Since FY 2007-08, operating revenues increased by 85 percent to outpace the SCCC's 45 percent increase in operating expenses as shown in Figure 8.[6]

Figure 8: Percent Change in SCCC Operating Revenue and Expenses

	FY 2007-08	FY 2016-17	% Change
Total Revenues	4,365,268	8,093,764**	85%
Total Expenses*	4,588,650	6,662,438	45%
Revenue Less Expenses	**($223,383)**	**$1,431,326**	**741%**

*Includes City Admin Fee

**Excluding restricted revenue

Source: TAP International, Inc. analysis based on the SCCC financial reports.

Under the third approach–determining the impact on net income if the SCCC assumed responsibility for the CVB's operations–the SCCC's fiscal health would have been poor. As shown in Figure 9, if the SCCC had assumed CVB operations, then the SCCC would have operated within its means only for the most recent fiscal year (2016-17),[7] incurring losses of $9.4M over the ten-year period. SCCC's financial performance could have been stronger if it had reduced the amount

[6] Another City-sponsored report that analyzed the fiscal impact of the SCCC showed net losses for most of the last ten years because the report used a different method of analysis that included the City's Maintenance District expenses.

[7] The financial analysis excludes the fees paid to the City's Contractor for operation of the CVB and the management of the SCCC.

and the frequency of facility discounts given to SCCC customers. The discounts totaled $14.7M between FYs 2010-11 and 2016-17,[8] which is discussed in detail later in this report. SCCC management explained that the use of discounts is a marketing tool and that business may have been lost to other convention centers if discounts were not provided.

Figure 9: SCCC and CVB Net Income Analysis

	TOTAL SCCC NET INCOME*	CVB TOTAL REVENUE**	CVB TOTAL EXPENSE	CONSOLIDATED SCCC and CVB NET INCOME
FY 2007-08	(178,383)	163,205	1,608,754	(1,623,932)
FY 2008-09	(842,421)	125,256	1,641,564	(2,358,729)
FY 2009-10	(757,596)	159,875	1,727,812	(2,325,533)
FY 2010-11	481,425	191,344	1,655,725	(982,956)
FY 2011-12	613,209	55,331	1,573,924	(905,384)
FY 2012-13	1,110,897	46,256	1,526,693	(369,540)
FY 2013-14	1,192,627	45,065	1,598,128	(360,436)
FY 2014-15	909,781	42,673	1,605,055	(652,601)
FY 2015-16	1,106,435	62,929	1,218,106	(48,742)
FY 2016-17	1,568,024	21,591	1,360,207	229,408
Cumulative Total	**$5,203,999**	**$913,525**	**$15,515,968**	**($9,398,444)**

*Less City Admin Fee expense

**Less City Contract revenue

Source: TAP International, Inc. analysis based on the SCCC and the CVB financial reports.

Other cities and counties dedicate a portion of the tax revenue generated by out-of-town visitors attending convention center events to fund their local convention and visitor's bureau. The sources of tax revenues and fees are from transient occupancy taxes (TOT), Tourism Improvement District (TID) fees, and sales taxes. Presently, the City does not allocate (TOT) revenue, sales tax revenue, or (TID) fees to the SCCC or to the CVB.

In the City of Santa Clara, hotel lodging expenses include a 9.5 percent transient occupancy tax (TOT) paid by hotel guests staying overnight. Eight hotels participating in the Tourism Improvement District at the time our review also pay $1 per lodging night to the City. Had the City allocated a portion of these taxes and fees been to the SCCC based on the number of hotel lodgings generated for SCCC and hotel events, the SCCC would have made a small profit of about $310,000, as shown in Figure 10 below. This analysis of fiscal health assumes that trends in operating revenues and expenses would continue with operating expenses growing much slower than operating revenues.

[8] Only years in which data was available.

Figure 10: SCCC and CVB Financial Value Analysis

	CONSOLIDATED SCCC and CVB NET INCOME	TOT REVENUE	TID FEES	CITY SALES TAX	GENERAL FUND CAPITAL EXPENSES	TOTAL FINANCIAL VALUE
FY 2008-09	(2,358,729)	571,716	49,930	60,181	222,065	(1,898,967)
FY 2009-10	(2,325,533)	568,589	49,297	59,851	59,629	(1,707,426)
FY 2010-11	(982,956)	719,750	56,071	75,763	202,642	(334,014)
FY 2011-12	(905,384)	842,820	60,299	88,718	222,508	(136,055)
FY 2012-13	(369,540)	1,089,660	69,398	129,039	165,059	753,498
FY 2013-14	(360,436)	1,241,427	70,260	163,346	573,225	541,372
FY 2014-15	(652,601)	1,547,325	76,457	203,595	431,966	742,810
FY 2015-16	(48,742)	1,244,804	59,791	163,790	7,426	1,412,217
FY 2016-17	229,408	995,760	45,640	131,021	464,687	937,142
Cumulative Total	**($7,774,513)**	**$8,821,851**	**$537,143**	**$1,075,304**	**$2,349,207**	**$310,578**

Source: TAP International, Inc. analysis based on the SCCC and the CVB financial reports.
Note: The time period of FY 2008-09 to 2016-17 was used as General Fund Capital Expense information was not available prior to FY 2008-09.

Under the fourth approach – forecasting the SCCC's future fiscal health – TAP International forecasted net income based on two different scenarios.

Under the first scenario, which forecasts net income based on the SCCC's own operating revenue and expenses, the projections forecast between $2.2M and $3.5M over the next four years, as shown Figure 11. Both operating revenues and expenses are expected to grow over the next four years with operating revenue projected to grow at 24 percent over the four years compared to 12 percent for expenses, if operations continue with the same level of service.

Under the second scenario, the analysis includes capital expenditure estimates and projections of potential allocations of TOT tax and TID revenues if the CVB continues its same level of bookings for hotel rooms. As shown in Figure 11 below, projections show an estimated net income between $1.5M and $2.2M across the four-year projections. A four-year time horizon was selected to provide a reasonable projection period without introducing unknown variables. The greater the projection period, the increased likelihood of a changing business economy and environment.

Figure 11: SCCC Fiscal Forecasts

Scenario 1	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Cumulative Four-Year Forecast
Convention Center Revenue	9,047,604	9,726,174	10,455,637	11,239,810	40,469,226
Convention Center Expenses	6,820,238	7,086,227	7,362,590	7,649,731	28,918,787
Projected Net Income	**$2,227,366**	**$2,639,947**	**$3,093,047**	**$3,590,079**	**$11,550,439**

Scenario 2	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Cumulative Four-Year Forecast
Convention Center Revenue	9,047,604	9,726,174	10,455,637	11,239,810	40,469,226
Convention Center Expenses	6,820,238	7,086,227	7,362,590	7,649,731	28,918,787
CVB Expenses	1,545,246	1,605,511	1,668,126	1,733,182	6,552,065
TOT Revenue	995,760	995,760	995,760	995,760	3,983,040
TID Revenue	45,640	45,640	45,640	45,640	182,560
City Sales Tax Revenue	131,021	131,021	131,021	131,021	524,084
Capital Expenditures-GF Expense	304,000	131,800	4,292,000	800,000	5,527,800
Projected Net Income	**$1,550,541**	**$2,075,057**	**($1,694,657)**	**$2,229,318**	**$4,160,259**

Source: TAP International, Inc. analysis based on SCCC financial data.

Table notes:

1. Projections for Convention Center revenue and expenses are based on ten-year averages, discounting the high and low values.
2. TAP International applied the same rate of expense increase by the SCCC to the CVB. The actual average CVB rate of expense increase was not applied because of the value variability and the overall decrease in expenses experienced over the past ten years.
3. TAP International applied the same forecast for TOT, TID, and sales tax revenue, which expect to remain constant. Actual rates of change varied between -20% to +45%.
4. Capital Expenditures are based on City budget forecasts. Projected capital project expenditure of $4.3M in FY 2019-20 is primarily for exhibit halls and grand ballroom air wall replacements and carpet replacement.

Contractor/CVB Fiscal Health is Satisfactory Although Cost Allocation Activities Need Attention

The CVB's revenues and expenses are captured in the Contractor's consolidated financial statement. The results of six fiscal health indicators show the Contractor/CVB meets industry benchmarks for five of them, as shown in Figure 12. Warning signs are present because the strength of Contractor's operating cash flow ratio fell below the benchmark between FYs 2015-16 and 2016-17 because of larger than expected spending by the Contractor's core organization. The Contractor/CVB also had declining financial performance across four other indicators. The Contractor/CVB did reduce the number of days its takes to pay bills to under the benchmark of 30 days.

Figure 12: Fiscal Health Indicators of the City's Contractor/CVB

	FY 2015-16	FY 2016-17	Benchmark	Performance
Ability to pay short term bills with available cash (Quick Ratio)	2.3	0.9	> 1.0	
Ability to pay short-term bills (Current Ratio)	2.8	0.9	> 1.0	
Number of days cash is available to pay bills (Cash on Hand)	123	110	60-90	
Number of days it takes to pay bills (Days Payable Outstanding)	31	22	< 30	
Ability to pay debt (Debt Service Coverage Ratio)	9.6	2.2	> 1.0	
Operating Cash Flow Ratio	1.8	0.03	> 1.0	

Source of Data: TAP International, Inc. analysis based on Contractor's audited financial statements.
Table Note:

1. Financial data required to calculate the fiscal ratios was not provided by the Contractor prior to FY 2015-16.

CVB's Year End Fiscal Performance Varied but Within Ten Percent of Total Budget

The Contractor had satisfactory performance in fiscally managing the CVB's total revenue, comprised of the City's contract, ticket sales, and other service fees. As shown in Figure 13, the Contractor's CVB operations had positive net income for four of the past ten years and incurred year-end losses for the remaining six years. None of these year-end deficits exceeded ten percent of the total budget.

Over the ten-year period, revenues for the CVB totaled about $15.8M and expenses totaled about $15.5M, showing that the Contractor was ultimately successful in accomplishing a $278K revenue surplus because the Contractor reduced the CVB's operating expenses at a rate greater than the reductions in its revenues.

Figure 13: Comparison of CVB Operating Revenues and Expenses

	CVB OPERATING REVENUES	CVB OPERATING EXPENSES	CVB NET INCOME
FY 2007-08	1,575,000	1,609,000	(34,000)
FY 2008- 09	1,572,000	1,642,000	(69,000)
FY 2009- 10	1,628,000	1,728,000	(99,000)
FY 2010- 11	1,648,000	1,656,000	(8,000)
FY 2011- 12	1,577,000	1,574,000	3,000
FY 2012- 13	1,568,000	1,527,000	41,000
FY 2013- 14	1,567,000	1,598,000	(32,000)
FY 2014- 15	1,564,000	1,605,000	(41,000)
FY 2015- 16	1,584,000	1,218,000	366,000
FY 2016- 17	1,511,000	1,360,000	151,000
Total for the ten year period*	**$15,794,000**	**$15,516,000**	**$278,000**
Percent Change**	**(4.1%)**	**(15.4%)**	**545%**

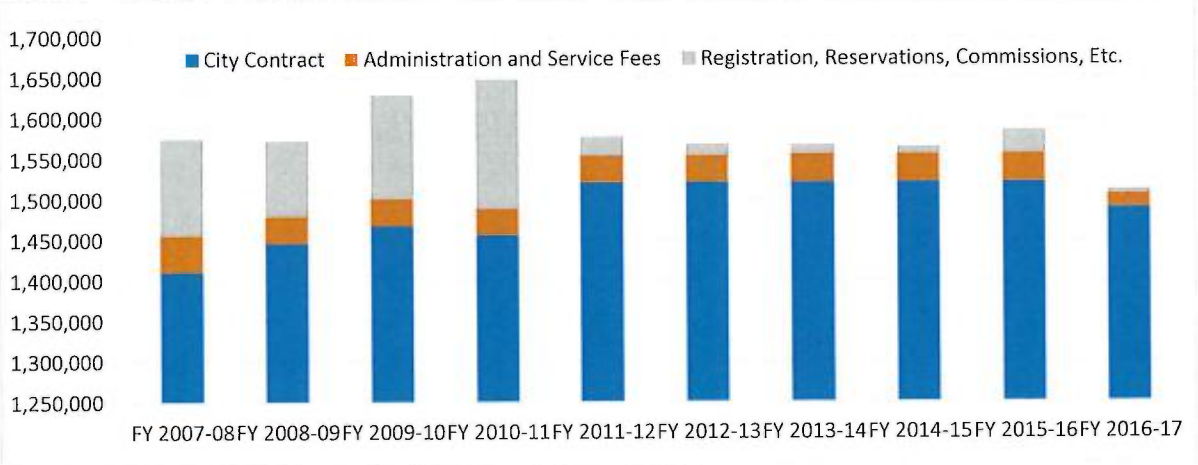
Note: *Revenue and expense amounts rounded to the nearest thousand. **Percent Change based on actual values from CVB financial statements.

Source: TAP International, Inc. analysis based on CVB financial data.

Contractor Opted Against Continuing Conference Registration Services

As illustrated in Figure 14, the CVB's primary source of revenue is the City's contract payments to support operations. Another large source of revenue was registration services. Allowing event sponsors to register their participants for conferences generated up to $149,000 for the CVB until FY 2010-11 when the CVB chose not to renew services. The City had offset the loss in revenue but not at an amount to fully compensate the loss. The SCCC did not assume event registration operations for its clients.

Figure 14. CVB Revenue Sources

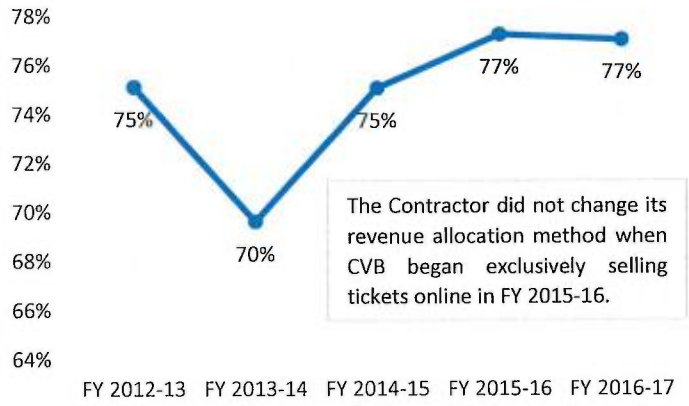


Source: TAP International, Inc. analysis based on CVB financial data.

The CVB's Revenue and Expense Allocations Need Reconciliation

Generally, when administrative services are shared among entities or different business functions, the expenses incurred from performing these services are allocated and charged to each entity or business function. The allocation of these expenses is usually based on a cost accounting study or a corporate policy that shows a reasonable basis for the allocations.

Figure 15: CVB Ticket Sales Allocation Percentage



Source of Data: TAP International, Inc. analysis based on the CVB financial data.

While the contractor does not have a written cost allocation policy, in practice, the allocations differed depending on the type of expense. The Contractor's SCCC and CVB staff reported that it has been a long-standing practice to allocate 80 percent of overhead expenses to the CVB and 20 percent to the Contractor. Our analysis, however, shows that the CVB paid between 70 and 85 percent of the expenses for office supplies and maintenance and between 79 and 86 percent of telephone expenses over the past five years. For accounting services, the Contractor reportedly allocates 85 percent of these expenses to the CVB. However, the Contractor's staff reported that the CVB's accounting activities require less time to complete than the accounting activities for the Contractor's own organization.

When the CVB generates revenue involving Contractor resources, then cost allocation policies can include methods for dividing revenue. Similarly, the contractor does not have a documented policy for revenue allocations, but the Contractor's CVB officials reported that prior to FY 2015-16, the CVB was to retain 70 percent of revenue from ticket sales for area attractions while the Contractor was to retain the remaining 30 percent. In practice, however, as shown in Figure 15, the Contractor allocated between 70 and 77 percent to the CVB. The Contractor's CVB officials explained that beginning in FY 2015-16 when the CVB began selling tickets online exclusively, the CVB should have received all $4,626 in fees collected, but the CVB received $3,569 from FYs 2015-16 to 2016-17.

The CVB's Value is Generating Tax Revenue for the City

One of the key's goals of the CVB is to promote the SCCC and the City as a destination area. These efforts result in generating several types of tax revenue when visitors use the SCCC, area hotels, businesses, and restaurants. These taxes include transient occupancy taxes that collect 9.5 percent on hotel lodgings; sales tax of nine percent when purchases are made; and other revenue

in the form of TID fees which assess $1 per room night among eight participating hotels in the Tourism Improvement District.

The CVB's marketing and promotion efforts on behalf of the City directly led to 441,716 hotel room nights between FYs 2010-11 and 2016-17, resulting in added tax revenue and fees for the City. Had the City allocated a performance-based portion of TOT tax, TID fees, and sales tax to the CVB, the CVB's net financial impact over ten years could have been an estimated $11.5M, as shown in Figure 16.

Figure 16: Net CVB Financial Impact

	TOTAL CVB REVENUES	TOTAL CVB EXPENSES	CVB NET INCOME (LOSS)	TOT REVENUE	TID REVENUE	CITY SALES TAX REVENUE	NET CVB IMPACT
FY 2007- 08	1,574,883	1,608,754	(33,871)	710,498	51,117	74,789	802,533
FY 2008- 09	1,572,218	1,641,564	(69,346)	571,716	49,930	60,181	612,481
FY 2009- 10	1,628,401	1,727,812	(99,411)	568,589	49,297	59,851	578,326
FY 2010- 11	1,647,870	1,655,725	(7,855)	719,750	56,071	75,763	843,729
FY 2011- 12	1,576,857	1,573,924	2,933	842,820	60,299	88,718	994,770
FY 2012- 13	1,567,782	1,526,693	41,089	1,089,660	69,398	129,039	1,329,186
FY 2013- 14	1,566,591	1,598,128	(31,537)	1,241,427	70,260	163,346	1,443,496
FY 2014- 15	1,564,199	1,605,055	(40,856)	1,547,325	76,457	203,595	1,786,521
FY 2015- 16	1,584,455	1,218,106	366,349	1,244,804	59,791	163,790	1,834,734
FY 2016- 17	1,510,906	1,360,207	150,699	995,760	45,640	131,021	1,323,120
Total for the ten year period	**$15,794,162**	**$15,515,968**	**$278,194**	**$9,532,349**	**$588,260**	**$1,150,093**	**$11,548,896**

Source: TAP International, Inc. analysis based on SCCC and CVB financial data. It is assumed that SCCC partner's sales tax is included in the City Sales Tax Revenue.

Section 1B: SCCC's and CVB's Revenue Sources and Spending Generally Align with Missions

The SCCC and the CVB Have Customary Revenue Sources

The SCCC generates income customary for their mission, collecting revenue from 23 general sources. As highlighted in Figure 17, the SCCC's largest revenue sources are:

- Space Rentals (Exhibit Halls, Ballrooms, Meeting Rooms, Great America, and Theater)
- Catering Commissions
- Audio-Visual Commissions
- Telecommunication Commissions.

Since FY 2007-08, 16 of the 23 revenue sources experienced an increase in revenue, ranging from 4 to 515 percent. Another six revenue sources experienced declines, ranging from -4 to -68 percent.

Figure 17: SCCC Revenue Sources

Revenue Source	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	% Change FY 2008-09 to 2016-17
Space-Exhibit Halls	1,265,660	1,194,129	1,113,905	1,090,620	1,142,031	1,352,496	1,261,166	1,337,354	1,416,000	1,353,372	7%
Space-Ballrooms	209,948	221,195	488,060	622,105	598,929	711,857	823,143	801,308	873,944	915,085	336%
Space-Meeting Rooms	207,984	194,893	180,207	219,685	207,900	239,957	237,630	237,580	262,125	275,466	32%
Space-Great America	286,623	271,593	220,997	214,889	274,632	291,742	360,661	385,969	358,770	404,850	41%
Space-Theater	193,640	189,026	151,590	208,620	203,376	211,483	218,644	200,892	208,720	201,000	4%
Space-Cancellation	63,650	163,594	76,138	24,641	15,899	111,523	72,799	77,641	95,995	60,810	(4%)
Merchant Fees			(25,191)	(34,347)	(38,468)	(54,177)	(60,668)	(58,205)	(63,372)	(79,196)	---
Labor-Miscellaneous	10,933	8,915	9,565	19,270	11,168	6,825	5,420	9,139	8,655	8,400	(23%)
Equipment Rental	64,854	58,374	55,466	99,048	55,400	92,744	76,773	120,308	106,638	123,897	91%
Electrical Comm.	107,391	159,844	105,585	140,410	192,214	222,042	184,879	222,373	203,486	277,045	158%
Electrical Services In-House	94,506	53,573	66,840	164,515	156,749	117,605	107,866	111,470	133,650	58,485	(38%)
Audio-Visual Comm.	270,992	271,929	362,512	395,825	411,300	462,273	605,755	594,217	609,736	638,611	136%
Services - Misc.	5,810	18,472	4,360	6,525	5,773	5,658	7,100	639	3,930	3,495	(40%)
Incoming Freight	3,690	3,675	3,175	6,065	9,543	3,764	3,314	2,631	3,423	6,649	80%
Cell Site Revenue	23,009	17,794	17,794	17,794	17,980	18,233	18,936	18,090	26,236	33,039	44%
Telecomm Commission	175,127	127,363	175,520	295,797	327,993	447,915	446,187	432,566	527,971	638,933	265%
Catering Commission	1,262,009	800,499	1,037,616	1,900,070	2,195,799	2,509,846	2,809,971	2,566,610	2,572,066	3,060,064	142%
Insurance Revenue	2,610	2,245	2,085	2,170	2,135	2,853	3,115	1,995	1,750	2,030	(22%)
Interest Revenue	72,998	65,877	57,670	42,934	43,423	20,004	14,025	10,752	7,175	23,689	(68%)
Advertising Comm.	25,154	26,015	15,976	26,009	32,254	32,536	30,449	26,983	29,658	35,644	42%
Sponsorship Revenue	2,300	1,600	1,800	5,550	5,700	16,500	10,950	4,000	2,800	14,150	515%
Business Center Comm.	5,324	4,123	4,481	5,220	5,645	6,710	12,502	14,802	12,682	10,088	89%
Other Income	11,057	2,204	8,874	8,629	4,134	18,771	3,572	3,702	4,629	28,158	155%
TOTAL	**4,365,268**	**3,856,929**	**4,135,023**	**5,482,042**	**5,881,508**	**6,849,158**	**7,254,188**	**7,122,815**	**7,406,668**	**8,093,763**	**85%**
TOTAL FY 2007-08 to 2016-17											**$60,447,362**

Source: TAP International, Inc. analysis based on CVB financial data.

The CVB also generates income customary for their mission, collecting revenue from nine general sources between FYs 2007-08 and 2016-17. Total revenues from these sources declined by four percent over a ten-year period, as shown in Figure 18. The CVB's Admin and Service Fees include TID revenue, which declined in FY 2016-17. TID revenues received should be reported under a separate income account for better transparency.

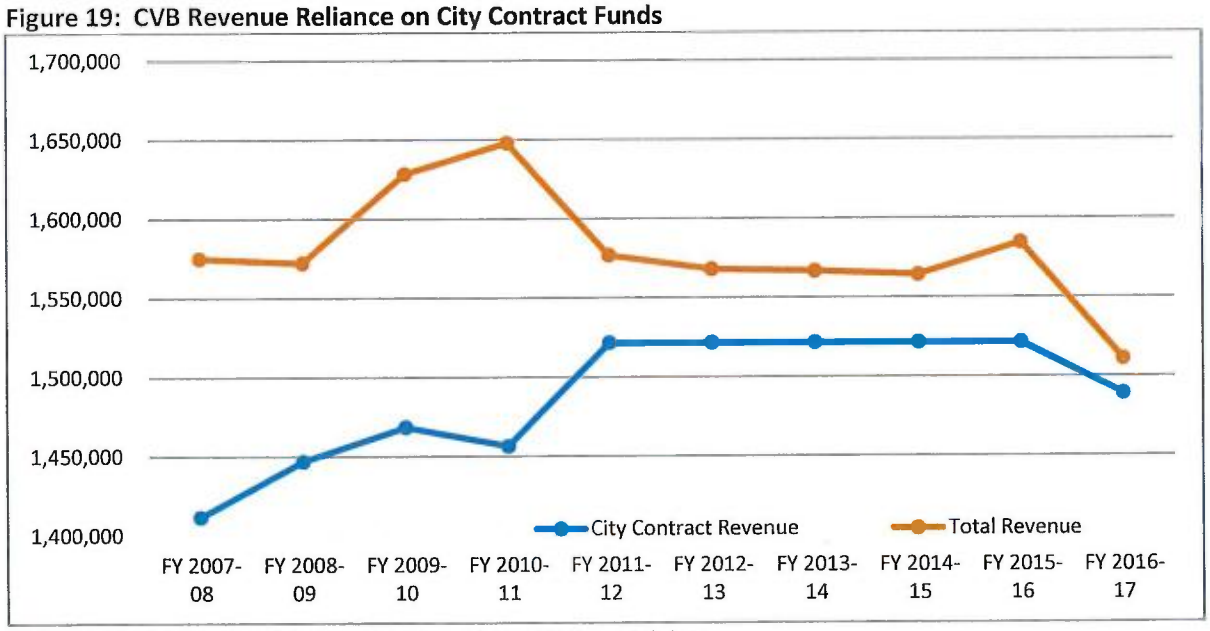
Figure 18: CVB Revenue Sources

Revenue Source	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	% Change FY 2008-09 to 2016-17
Admin and Service Fees	44,580	32,882	32,893	32,265	32,265	32,160	34,500	34,500	34,500	16,750	(62%)
Program Services									50	300	---
On-Line Hotel Reservations	8,111	6,467	2,071	2,261	2,443	2,284	2,625	1,856	1,987	1,047	(87%)
City Contract	1,411,678	1,446,962	1,468,526	1,456,526	1,521,526	1,521,526	1,521,526	1,521,526	1,521,526	1,489,315	5%
Discount Ticket Sales	2,099	3,529	1,983	7,195	13,049	11,274	7,149	5,812	2,114	1,455	(31%)
Registration Services	107,393	81,731	122,351	149,400	7,389	399	735	458			(100%)
Commission Revenue									22,431	1,946	---
Banner Ads									1,800		---
Interest Income	1,022	647	577	223	185	139	56	47	47	93	(91%)
TOTAL	**1,574,883**	**1,572,218**	**1,628,401**	**1,647,870**	**1,576,857**	**1,567,782**	**1,566,591**	**1,564,199**	**1,584,455**	**1,510,906**	**(4%)**
TOTAL FY 2007-08 to 2016-17											$15,794,162

Source: TAP International, Inc. analysis based on SCCC financial data.

Figure 19 highlights that the Contractor by FY 2016-17 became dependent on the contract funds to support operations.

Figure 19: CVB Revenue Reliance on City Contract Funds



Source: TAP International, Inc. analysis based on CVB financial data.

Nearly All SCCC and the CVB Expenses are Customary, Except for Bonuses and Commissions

The SCCC has customary expenses for its mission. As highlighted in Figure 20, the SCCC spent the most on salaries and benefits (reported under labor) at about $5M followed by utilities at $732,000. Labor and utility expenses rose the most in comparison to other expenses. The SCCC reduced its spending in four areas – professional association dues, advertising and promotion activities, telephone charges, and parking fees.

Figure 20: Changes in SCCC Spending

Convention Center Expenses	FY 2007-08	FY 2016-17	$ Increase (Decrease)	% Change
Labor Related	3,530,564	4,983,964	1,453,400	41%
Parking Fees	16,165	8,550	(7,615)	(47%)
City Admin Fee	45,000	136,699	91,699	204%
Other Operating	2,297	39,500	37,203	1620%
Professional Associations	9,525	9,152	(373)	(4%)
Advertising and Promotion	6,447	970	(5,477)	(85%)
Telephone	38,317	8,568	(29,749)	(78%)
Office Expense	55,708	111,525	55,817	100%
Insurance	86,365	169,206	82,841	96%
Employee Expenses (payroll, training, etc.)	41,998	72,780	30,782	73%
Maintenance	135,467	244,576	109,109	81%
Janitorial and Cleaning	90,082	144,713	54,631	61%
Utilities	530,715	732,235	201,520	38%
Total Expense	**$4,588,650**	**$6,662,438**	**$2,073,788**	**45%**

Source: TAP International, Inc. analysis based on the SCCC's financial data.

The CVB also has customary expenses for its mission. As highlighted in Figure 21, the CVB spent the most on salaries and wages at nearly $790,000 followed by advertising and marketing related expenses for the SCCC and the CVB totaling about $179,000 in FY 2016-17. Over time, the CVB reduced its spending in 17 areas with its largest declines in Salaries and Wages and Employee Benefits, respectively.

Figure 21: Changes in CVB Spending

CVB Expenses	FY 2007-08	FY 2016-17	$ Increase (Decrease)	% Change
Salaries and Wages	937,383	787,658	(149,725)	(16%)
Payroll Taxes	76,040	55,347	(20,693)	(27%)
Employee Benefits	174,188	102,194	(71,994)	(41%)
Depreciation/Amort.	10,300	5,093	(5,207)	(51%)
Office Supplies/Maintenance	27,639	17,143	(10,496)	(38%)
Computer Service/Maintenance	0	33,500	33,500	---
Accounting and Audit	27,845	35,320	7,475	27%
Legal Fees	0	10,174	10,174	---
Office Equipment.	1,228	1,356	128	10%
Rent	88,575	91,232	2,657	3%
Telephone	22,292	17,039	(5,253)	(24%)
Insurance and Taxes	7,874	3,448	(4,426)	(56%)
Administrative Meeting	2,893	1,981	(912)	(32%)
Postage	18,590	6,298	(12,292)	(66%)
Mileage	3,059	1,443	(1,616)	(53%)
Payroll Service fee	4,499	5,854	1,355	30%
Inside Santa Clara Newsletter	10,500	7,949	(2,551)	(24%)
Advertising-Convention Marketing	0	4,204	4,204	---
Advertising-Travel Marketing	19,709	17,914	(1,795)	(9%)
Marketing-Servicing	550	0	(550)	(100%)
Marketing-Convention Center Marketing/Sales	103,799	99,086	(4,713)	(5%)
Marketing-Visitors Bureau	52,571	49,620	(2,951)	(6%)
Outside Services	6,242	0	(6,242)	(100%)
Expense Reimbursement	11,015	0	(11,015)	(100%)
Miscellaneous	1,963	6,354	4,391	224%
Total Expense	**$1,608,754**	**$1,360,207**	**($248,547)**	**(15%)**

Source: TAP International, Inc. analysis based on the Contractor's audited financial statements.

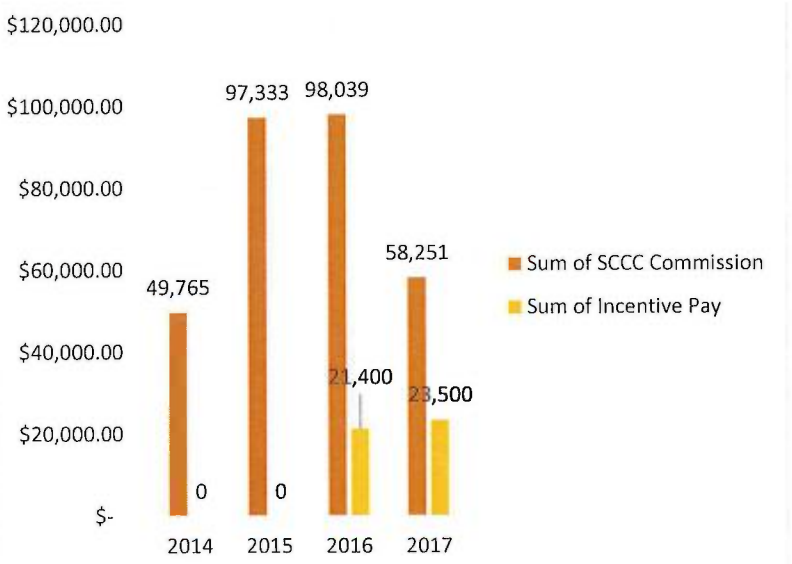
The Contractor Improperly Paid Commissions

Although the Management Agreement does not contain terms or conditions governing the payment of sales commissions, the SCCC Sales Director received commissions based on the number of events scheduled at the Convention Center, the services sold, and the level of new and repeat business that was brought to the facility. In two full calendar years and another two partial years between 2014 and 2017, the SCCC paid its Sales Director approximately $303,000 in commissions in addition to a low base annual salary. Generally, in a sale driven environment, sales staff are provided financial incentives to meet sales goals and targets that can be in the

form of commissions or bonuses. The added compensation can be viewed as opportunity costs for businesses if it leads to revenue growth. Because commissions are not offered in publicly funded operations, the commissions should have been included in the Contractor's formal agreement with the City for subsequent review and approval by the City Council. SCCC management explained that there was no direction by the City to submit employment-related decisions to City Management or City Council for approval.

SCCC management said that the use of commissions has been a long-time practice. The Contractor included the commissions in the SCCC's operating budget under a General Management category although the commission appropriations should have been presented as Commissions in a separate budget category. This absence of transparency led the City Council to inadvertently approve the appropriations for the commissions without policy deliberations. Moreover, offering commissions prevented the full coordination and cooperation between the SCCC and CVB sales staff. CVB sales staff reported that the scheduling of events with lower economic value by SCCC staff received preference over higher valued events. SCCC management disagrees with CVB's assertion. Event scheduling is later discussed in this report.

Figure 22: SCCC Commission and CVB Incentive Pay Expenses



Source of Date: TAP International, Inc. analysis based on SCCC salary reports and CVB incentive pay computation reports.
Table Note: Data was available only for the SCCC Commission payments for six months only for calendar year 2014 and for 2017

Bonus Payments Need Further Review

The Contractor's CVB staff was paid bonuses, referred to as incentive pay, that needs further review. The Contractor paid the CVB's sales staff incentive pay provided that the employees met individual quarterly sales goals and targets. The amount of incentive pay varied by sales manager. We did not have complete data to determine the full amount of incentive pay paid to the Contractor's CVB employees, but for calendar year 2017, incentive pay totaled $23,500. Included

in the payments were amounts for events scheduled in future years like in 2021, but offsets in incentive payments did not occur if events were cancelled. CVB staff explained that event sponsors are required to pay a deposit in the event of a future cancellation, and thus fees are available for the incentive payments.[9] The absence of pay offsets for cancelled events contradicts the purpose of giving performance bonuses. In FY 2016-17, the SCCC collected about $60,000 in cancellation fees.

How the Contractor paid for the incentive payments is of concern. The incentive payments were not paid for by the City's monthly contractual payments, but instead were paid for by funds from another public entity – the Santa Clara Tourism Improvement District (TID)[10] – without a formal contract or written legal agreement in place. Incentives payments could be appropriate if the TID competitively bid for marketing and promotion services and then entered into a formal agreement that contained provisions to pay performance incentives if goals were met. In the absence of a formal agreement, the funds appropriated to the Contractor by the TID need further examination by the City to determine if the TID was in violation of public law that prohibits the giving or lending of public to any person or entity, public or private organizations, except under certain circumstances.[11]

There were no disclosures about the use of incentive pay although the City had imposed oversight requirements on the TID that provided some accountability and transparency over operations. These requirements include submissions of annual reports and an annual financial audit. The TID's operating budget did contain funds for bonuses in its annual operating budget but no disclosure was evident that the bonuses were for another organization. As the City did not require the TID to submit budget documents for review, incentive pay provided to the Contractor's organization would have remained unknown unless direct communication occurred. None of the current City management staff were aware of the incentive pay or of the commission payments.

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[9] Incentive payments are actually paid by the TID. The point made by the CVB staff is that when events are cancelled, revenue is recovered, so there is no direct revenue loss to the City.

[10] The TID, established to promote tourism and enhance marketing activities, received $1 per room night from eight participating hotels that comprise the TID. In FY 2016-17, TID estimated fees totaled $759,009. The Contractor for the SCCC and CVB also managed the TID.

[11] California's Constitution Article XVI, Section 6.

Section 2: Structures, Systems, and Operations Need Strengthening

Contractor Does Not Implement Strong Financial Management Activities

This section describes the activities of the Contractor to administer financial management of the SCCC and CVB.

Financial Management Policies and Procedures Need to Address Content Gaps

Important to an effective financial management structure is the development of policies and procedures. Policies and procedures serve the purpose of:

- Protecting the assets of the organization
- Providing a framework for the organization's financial decision making
- Establishing operating standards and behavioral expectations
- Ensuring compliance with regulations.

In the two agreements between the Contractor and the City, the City required that the Contractor separate its accounting activities for the SCCC and CVB operations and perform other financial management related tasks. The City did not require the development of financial management policies. However, the Contractor had developed two sets of financial management policies. One set governs the CVB and the other governs the SCCC.

TAP International evaluated the content of the SCCC's financial management policies and procedures against guidance issued by the Government Finance Officers Association (GFOA) because SCCC is an enterprise operation and publicly owned. Of 11 financial management areas most applicable to the SCCC, the SCCC had gaps in content among six of them, as shown in Figure 23.

The five areas that need policy development include:

- Reserves
- Contract
- Risk Management and Internal Controls
- Long Term Financial Management Planning
- Capital Management Policies.

Figure 23: SCCC Financial Policies and Procedures Development

Policy Area	Policy Developed by SCCC
Reserves in other funds. Policies that set how much revenue to set aside for later use.	No
Contract: Policies that deal with the administration of contract revenue.	No
Accounting: Policies that address the basis of accounting, the process for implementing journal entries, requirements for bank reconciliation, monthly closing, and recordkeeping.	Partially[12]
Financial reporting: Address procedures and controls for internal financial reporting, tax compliance and tax returns, and payroll reporting.	Partially[13]
Risk management and internal controls: Policies that address risk management and internal control.	No
Procurement: Policies to encourage efficient, effective, and fair procurement.	Partially[14]
Long-term financial planning: A policy that commits the organization to taking a long-term approach to financial health.	No[15]
Capital: Policies that cover the lifecycle of capital assets, including capital improvement planning, capital budgeting, project management, and asset maintenance.	No
Revenues: Policy guidance through the designing of efficient and effective revenue systems that guarantee the generation of adequate public resources to meet expenses.	Partially[16]
Expenditures: Policies addressing a range of issues around how the money is expended, including personnel, outsourcing, and funding long-term liabilities.	Partially[17]
Operating budget: Policies that describe essential features of the budget development process and form, as well as principles that guide budgetary decision making.	Partially[18]

Source: TAP International, Inc. analysis of SCCC financial policies.

TAP International evaluated the content of the CVB's financial management policies and procedures against guidance issued by the National Council for Nonprofits for six key areas for

[12] SCCC policy does not define responsible parties to conduct activities and oversight controls.
[13] SCCC policy does not define procedures or controls to ensure accuracy and completeness of internal financial reports.
[14] SCCC policy does not address proposal and bid process that should ensure fair purchasing and contracting, only Purchase Orders
[15] SCCC policy address bi-annual budget process, but not long-term planning.
[16] SCCC policies have been developed for Revenue Recognition and Cash Receipting, but revenue generation systems and controls are not defined.
[17] SCCC policy address the cash disbursement process, but not management long term liabilities, which is currently not applicable to the SCCC because it does not have long term debt on its accountings records.
[18] SCCC policy does not include a description of budget assumptions to be used the preparation of the budget or the type of budgeting methodology to use.

nonprofit organizations, as described in Figure 24. The CVB's financial policies also had some gaps in each area.

Figure 24: Contractor development of Financial Policies for the CVB

Policy Area	Policy developed for CVB
Accounting: Address the basis of accounting, the process for implementing journal entries, requirements for bank reconciliations, monthly closing, and recordkeeping.	Partially[19]
Financial Planning & Reporting: Address procedures and controls for internal financial reporting, tax compliance and tax returns, and payroll reporting.	Partially[20]
Budgeting Process: Policies that describe essential features of the budget development process and form, as well as principles that guide budgetary decision making.	Partially[21]
Revenue and Accounts Receivable: Policies guiding invoice preparation, revenue recognition, cash receipts, and deposits.	Partially[22]
Expense and Accounts Payable: Policies describing Purchases & Procurement and the use of Independent Contractors.	Partially[23]
Invoice Approval and Processing: Procedures describing how cash will be disbursed, petty cash procedures and amounts, use of credit card, and employee reimbursements.	Partially[24]

Source: TAP International, Inc. analysis of CVB financial policies.

SCCC and CVB Could Benefit from an Integrated Financial Accounting System

An important financial management tool is the use of accounting systems to collect, store, and process financial and accounting data and produce informational reports for managerial review and decision-making. The Contractor uses two different accounting systems – one for the CVB and the other for the SCCC. Without an integrated accounting system, financial reports must be

[19] CVB policy does not define responsible parties to conduct activities and oversight controls.
[20] CVB policy does not define procedures or controls to ensure accuracy and completeness of internal financial reports.
[21] CVB policy does not include a description of budget assumptions to be used the preparation of the budget or the type of budgeting method to use.
[22] CVB policies defines payment types and bank deposits but does not address invoice preparation or how information is used to create journal entries.
[23] CVB cash disbursement policy provides overview of payment types and check processing but does not address use of independent contractors.
[24] CVB policy does not define spending limits and authorization for use of credit cards.

prepared and reviewed separately, and errors must be manually identified and corrected.[25] Our review found CVB financial reports did not include adequate detail about transaction history. For example, the CVB did not have explanations of gaps in check numbers or check numbers found out of sequence. The Contractor explained that the printer damaged the subject check numbers. In comparison, the SCCC's financial data system kept a detailed record of all voided checks even those destroyed by printing–a standard internal control activity. The SCCC's General Manager/CEO sought to integrate the two accounting systems in FY 2016-17 without success after a Board member of the Contractor's organization opted against system integration.

"Separate Accounting" Activities between the Contractor's Organization and the CVB Needs Stronger Internal Controls

The updated 2017 CVB agreement between the City and the Contractor requires "separate accounting" between the CVB and the Contractor. The agreement does not include a definition of "separate accounting" or clarifies the City's intent on whether the City intended to require separate accounting systems or separate bank accounts. The absence of specificity in the agreements has led the Contractor to deposit into the same bank account all revenues received for its own organization (including member dues and donations), the City's contract revenue, other CVB revenue, TID revenue, and SCCC payroll payments into one bank account. In FY 2016-17, the SCCC's General Manager/CEO, sought to appropriately establish separate checking accounts for the CVB and for the Tourism Improvement District. A former Board member of the Contractor's organization gave authorization only to set up a separate bank account for the Tourism Improvement District.

To comply with the requirement to provide "separate accounting", the Contractor records financial transactions on either the CVB's General Ledger or on the Contractor's own General Ledger depending on which entity incurred the expense. A general ledger holds account information on individual financial transactions and contains data on revenues, expenses, assets, liabilities, and equity for use in financial reporting. The recording of these transactions on the correct general ledger is vital to ensuring accounting financial reporting.

Our review of 49 financial transactions between FY 2006-2007 and FY 2017-2018 showed that the Contractor recorded about half (24) of the transactions correctly. Another 11 transactions had some type of exception. For these exceptions, the Contractor did not effectively implement internal controls. The exceptions we noted are as follows:

- The absence of an account code that would describe whether to post the expense on the CVB or the Contractor's ledger

[25] SCCC's financial reports and disbursements are provided to the City for the City to manually perform enterprise accounting activities. The accounting of fixed assets for the SCCC is captured separately on an MS Excel spreadsheet.

- Different expense amounts shown on the General Ledger in comparison to payment documentation and the invoice amount
- Approval of purchase orders after incurring the expense. A purchase order describes the purpose of the expected expense and the proposed vendor so that management can review and approve the expense prior to its occurrence.

For the remaining 14 transactions, it was not possible to determine whether the Contractor posted the expenses to the correct general ledger because of the unavailability of invoices and records that show accounting instructions. The weaknesses in internal controls did not materially affect the Contractor's audited financial statements because these statements combined the CVB's and the Contractor's financial position.

Our sample of SCCC financial transactions did not find exceptions to internal controls.

TAP International further examined the Contractor's controls governing the use of credit cards. The Contractor managed one credit card account for use by seven employees working for the Contractor, CVB staff, and SCCC staff. Using the same credit card account for three entities needs to have strong business processes to reconcile receipts to the expenses on a timely and accurate basis. However, the Contractor did not implement uniform credit card reconciliation processes or implement other internal controls, as follows.

- The SCCC requires receipts to be given to its accounting department immediately after the purchase but the Contractor does not consistently collect these receipts for the CVB. Missing receipts were clear across the three credit card statements selected for review. Without receipts, the Contractor cannot review the allowability of the expenses incurred.

An effective internal control requires submission of receipts or expense reports immediately after purchases or at month-end.

- Travel request forms that show the planned dates of the trip, the purpose of the trip, and expected expenditures can allow Contractor staff to cross-check dates of approved travel with corresponding credit card expenses. Neither the SCCC nor the CVB require travel requests to be prepared so that credit cards could be effectively reconciled. Without the approved travel requests, Contractor staff do not have a basis to determine whether executive management had given approval of the travel related charge prior to its

Another control is to prepare travel request forms for pre-approval of expected expenses.

A third control is to prepare purchase orders. A purchase order describes the purpose of the expense and the estimated costs for review and approval by management prior to incurring the expense.

occurrence. SCCC management explained that their employees do not perform out of town travel and would not need to prepare travel orders. However, travel to attend future training, seminars or conferences should be authorized through a travel order.

- While the SCCC requires purchase orders for internal needs such as printing, office supplies, and small equipment items; the CVB did not consistently use them. Without purchase orders, the CVB staff are making purchases without advance knowledge by management. The Contractor's financial policies do not comprehensively address credit card use or identify spending limits subject to purchase orders.

Information Management Could be Used More Effectively

This section describes how well the CVB and SCCC manage and uses the information it collects on performance.

The SCCC Has an Opportunity to Fully Leverage the Information it Collects

Information management is the planning, organizing, collecting, analyzing, evaluation, and reporting of information. Vital to information management is performance measurement, which allows development and reporting on key metrics using operational information collected by an organization. The information, when analyzed, can identify when work processes break down or where work processes can be improved for better service delivery. Performance measures can address the timeliness of program activities conducted (process), the direct products and services delivered by the process (outputs), or the results of those processes (outcomes).[26] Effective information management supports better and quicker managerial decisions that increase overall operating effectiveness.

Examples of the types of performance measures tracked by the CVB are primarily output measures, such as:

- Number of leads
- Number of leads lost
- Number of events booked
- Number of events cancelled
- Number of room nights
- Number of guests.

The CVB implements a satisfactory information management system in place. The CVB routinely tracks, collects, and reviews its progress at selling and marketing both the SCCC and area hotels. In addition, the CVB routinely reviews the accuracy of the data captured in its computer systems. The CVB management staff analyzes output measures to identify trends, compute performance bonuses, and to assess progress at meeting annual performance targets.

[26] MANAGING FOR RESULTS: Data-Driven Performance Reviews Show Promise but Agencies Should Explore How to Involve Other Relevant Agencies, February 2013. U.S. Government Accountability Office
PERFORMANCE MEASUREMENT AND EVALUATION, May 2011, US. Government Accountability Office.

The CVB also collects and monitors a key outcome measure – economic impact – to assess the effectiveness of its sales and marketing efforts. The CVB computes this metric using an industry formula that considers lodging revenue, TOT revenue, TID revenue, sales tax, and tourism activities among other things. In FY 2016-17, the total economic impact for SCCC events totaled $122.3M, exceeding its annual performance benchmark of $88M.[27]

The SCCC does not have same level of information management in comparison to the CVB.

The SCCC collects multiple types of data but could do more to analyze the information to assess overall performance. For example, the SCCC administers customer satisfaction surveys, but it does not collectively analyze the surveys to assess overall performance effectiveness and efficiency. In another area, the SCCC collects information on event bookings but does not routinely use the data to assess booking patterns and trends.

Neither the CVB nor the SCCC have developed benchmarks from which to assess their own annual performance. Benchmarks are a standard of performance using the SCCC's and the CVB's own information. Having this information available could allow the Contractor to align sales and promotion efforts with the SCCC rental needs.

Examples of benchmarks and performance measures include:

5-year Average Benchmark	Annual Performance Measure
Facility use rate	% of calendar days that the Convention Center facilities are used
Space utilization	% of SCCC square footage used
Revenue per event	Average direct revenue per event
Total events booked	Total events booked
# of same day bookings	Annual # of same day bookings
# of multi-day bookings	Annual # of multi-day bookings
Total events booked by partner	Average Total events booked by CVB Total events booked by SCCC Total events booked by SCCC partners

The Contractor could benefit from other information to measure business process efficiency. For example, the CVB implements business processes to work leads and to book events with its clients. The CVB staff said that the time required to complete these activities consume about three hours to prepare required forms; time that could be spent working other leads. Changes could be made with how their activities are administered, such as having support staff prepare required forms, but the CVB requests for support staff have been denied. Tracking the efficiency

[27] TAP International, Inc analysis of 10 years of CVB booking data.

or cost-effectiveness of the SCCC and the CVB operations can drive changes to increase productivity.

Another business process that could have better cost data and performance information is how the SCCC administers maintenance operations. Presently, tracking and monitoring of maintenance operations is a manual process that require supervisors to prepare a one-page log for each shift, describing all the items that need repair. For FY 2017-18, the logs contained 2,893 items across two shifts per day. The completion status of each items described on the log was unknown because the SCCC does not record when a work order is completed, or what was done to repair the item. Better information management, including implementation of a formal work order system that can track individual work items, the amount of time and resources spent on each work item, and the completion status of each item could facilitate effective management of maintenance operations.

Contractor's Governance and Other Activities Do Not Facilitate Public Trust

The National Council of Nonprofits states there is no cookie cutter approach to governance of nonprofit organizations, but there are basic activities that help nonprofit organizations accomplish good governance. Good governance in the nonprofit sector promotes the proper use of resources consistent with the organization's mission and applicable laws and it is about maintaining trust and confidence of those the organization serves. This section describes the activities of the Contractor to provide a compliant and accountable operations for the SCCC and the CVB.

The Contractor Had Not Developed Key Governance Policies and Procedures

The Contractor is organized as a 501(c)(6). The U.S. Internal Revenue Services (IRS) describe basic governance activities it desires for nonprofit organizations. Basic governance activities are those described on the IRS Form 990, which is subject to annual filing by nonprofit organizations. Six areas described on the Form 990 assess governance activities. TAP International found the Contractor implemented three of the six activities recommended, as shown in Figure 25.

Figure 25: Contractor Implementation of Basic Governance Activities

Requirements	Implemented
Maintain minutes of all board meetings (and committee meetings for committees that are authorized to act on behalf of the board, such as an executive committee). (See IRS Form 990, Part VI, Section A, line 8)	Yes
Complete a questionnaire about conflicts of interest. (See IRS Form 990, Part VI, Section B, Line 12)	Yes
Disclose to the public the nonprofit's three most recently filed annual returns with the IRS, as well as its application for tax-exemption and related correspondence and attachments.	Yes
Maintain a written whistleblower protection policy (Part VI, Section B, line 13)	No

Maintain a written document retention/destruction policy (Part VI, Section B, line 14)	No
Maintain a written gift acceptance policy to govern the receipt of "non-cash" gifts, such as gifts-in-kind, and unusual gifts (land, vehicles, artwork etc.)	No

Source: TAP International, Inc. analysis of Contractor Form 990 Filings

The Contractor Has Several Self-Disclosed Conflicts of Interests

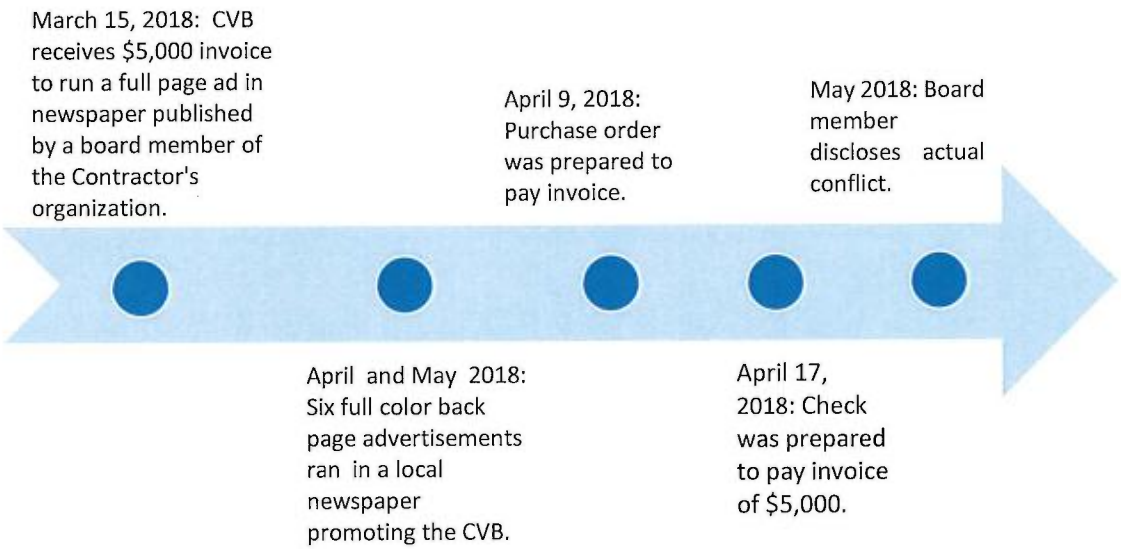
We further examined the effectiveness of the Contractor's efforts to implement one of the three basic governance activities – conflict of interest forms. For any organization, officials and employees are expected to use good judgment, to adhere to high ethical standards, and to act in such a manner as to avoid any actual or potential conflict of interest. A conflict of interest occurs when the personal, professional, or business interests of an employee or Board member conflict with the interests of the organization. Both the fact and the appearance of a conflict of interest should be avoided.

Our review of 19 conflict of interest forms submitted by Contractor officers and employees identified the following:

- The Contractor's employees working for the CVB and the SCCC, and who make decisions on behalf of the City, did not complete the forms because they were not requested to do so by the Contractor.
- Of the 19 forms submitted, three had contained disclosures of conflicts of interest. One of these forms, submitted by a Board Director who is also serving on the Contractor's committee overseeing the CVB, disclosed an actual conflict of interest regarding a business relationship between his company, a local newspaper, and the Contractor's organization. The disclosure occurred in May 2018, after a conflict had occurred, preventing the Contractor's Board or Executive Director from resolving the issue. As shown in Figure 26, the conflict was related to ads purchased in a local newspaper by the CVB.

> "A conflict of interest exists when officers, board members, and staff has a direct or indirect business, professional, or personal relationship that may influence or be perceived to influence the judgement or action of the Officer, Board member, or staff serving the Santa Clara Chamber of Commerce and Convention Visitors Bureau. Such conflict of interests include, but are not limited to, personal and professional affiliations, and business dealings. All real and perceived conflicts of interest will be disclosed to the appropriate level necessary for consideration, resolution, and direction."
>
> Source: Contractor Conflict of Interest Statement

Figure 26: Timeline on Conflict of Interest Disclosure



Although the CVB's National Advertising Manager raised concern about the value of running the ads in that particular local newspaper, the Contractor stated that the CVB staff, without influence from the Board of Directors, believed that it was better business decision to advertise in a more cost-effective media outlet that targets Santa Clara corporations.

In another example of a self-disclosed conflict of interest, a current Board member, reported in April 2018 of future plans to replace a current SCCC vendor responsible for mailing and shipping services. The SCCC General Manager/CEO explained that the current vendor did not comply with contract terms and conditions and the vendor contacted the Board member to serve a replacement, who was subsequently brought to the SCCC's attention.

The SCCC General Manager/CEO further reported the Board member is currently in the process of purchasing the contract from the current vendor. The SCCC did not issue a competitive bid and has not prepared a new contract, noting that it was important to resume business. The lack of an open and competitive bidding process puts SCCC at risk of not securing the lowest pricing for the services. In addition, this practice puts SCCC at cross purposes with public operated entities. The standard practice for publicly supported operations is to prepare new contracts upon changes in corporate ownership requiring a new vendor to complete tax forms, business requirements and insurance requirements.

The Management Agreement does not require the Contractor to follow City procurement policies. However, allowing a Board member of the Contractor's organization to assume mailing and shipping operations gives the appearance of financial self-dealing on a personal and organizational level. It also raises questions about the strength of the Contractor's contracting processes and related decision-making. Going forward, the Contractor's CEO reported that the Board member would have to abstain from any future decisions regarding the SCCC only and

disagreed with our assessment that allowing a Board member to assume the contract without a competitive bid gives the appearance of financial self-dealing.

Other members (and former members) of the Contractor's organization had key[28] contracts for services with the SCCC. One SCCC partner, who has not paid membership dues since 2016 but is still listed on the Contractor's membership directory, provides catering services. The caterer has been a partner for the SCCC since 2008. Another member of the Contractor's organizations provides audio-visual services. Catering and audio-visual are two of the revenue producing services for the SCCC. The SCCC bidding documents we reviewed did not contain any preference of vendors being members of the Contractor's organization, as appropriate. SCCC management explained that these businesses became a member of the Contractor's organization as a business choice on their behalf.

For a third disclosed conflict, an employee of the Contractor, which is not the current or former Executive Director, reported in May 2018 serving as an officer in a risk management association. There was no other information documented on the form that described the circumstances of the reported conflict.

Finally, one of the 19 forms reviewed and submitted by the (former) Chair of the Contractor's Board of Directors in April 2018 was partially completed, neither confirming or denying that a conflict of interest is present.

According to the National Council of Nonprofits, a key part in implementing conflict of interest activities is to manage the conflict. After the Board member and officer made the Contractor aware of their conflicts, consideration should be documented on what action, if any, was taken to resolve the conflict. The Contractor's (new) Executive Director had no prior knowledge if action was taken.

A goal of many organizations when addressing potential or actual conflicts of interests is to raise awareness of the types of situations that may be a conflict and the steps needed to encourage transparency with management when situations arise. The Contractor's CVB and SCCC employees had not received conflict of interest training although the Contractor's newly hired Executive Director began a training on basic governance for nonprofit organizations for the organization's Board of Directors.

The Contractor Appears to Have Misused Government Assets

Our review of the Contractor's conflict of interest activities led to the identification of other serious concerns about its management of the SCCC. The first concern is the Contractor's

[28] (As defined by largest generation of revenue at the SCCC from its vendors.)

frequency and extent of applying discounts on facility charges for use of the SCCC.[29] The Contractor's SCCC management staff explained that the use discounts largely serve to attract events and to be competitive with other convention centers. Offering discounts is common for the convention center industry.

As shown in Figure 27, from FY 2011-12 through April FY 2017-18, the SCCC discounted (i.e. adjusted fees) for more than half of all events that occurred at the SCCC. Throughout the six plus years, the value of the adjustments totaled $16.1M, about half of the $36M gross facility charges. The SCCC's Assistant General Manager approves of all financial adjustments given to event sponsors.

Figure 27: Number of SCCC events (aka bookings) with Fee Discounts (Adjustments)*

Year	Total Scheduled Events	# of Bookings with Discounts	% of Bookings with Discounts	Total Value of Discounts (Adjustments)
FY 2011-12	465	273	59%	(2,756,338.40)
FY 2012-13	513	294	58%	(3,031,425.75)
FY 2013-14	501	287	57%	(2,358,153.08)
FY 2014-15	464	227	49%	(2,385,939.00)
FY 2015-16	422	217	51%	(2,067,983.50)
FY 2016-17	447	228	51%	(2,051,815.12)
FY 2017-18 (April)	395	194	49%	(1,463,526.00)
Total	**3,207**	**1,720**		**($16,115,180.85)**

Source: TAP International, Inc. analysis of SCCC booking data.
*SCCC management explained that discounts are applied to some event sponsors if food and beverage sales or hotel room exceed a minimum level of purchases.

Per the SCCC's booking policy, discounts can be applied when charges from catering services reach a specified level. However, the SCCC did not fully comply with its own policy because the SCCC allowed use of the SCCC facilities to organizations that did not purchase catering services. For instance, in 2012, 2013, and 2015, the SCCC allowed a summer-long event sponsored by a faith-based organization that did not purchases catering services, or any other services offered by the SCCC, and therefore should not have been eligible for a discount. Across the three years, the gross charges totaled about $1.1M and discounts given to the faith-based organization totaled about $1.02M. The Contractor's SCCC staff explained that even though the organization did not purchase catering services, the event came with a substantial need for hotel rooms (450 rooms at the conference's peak) at a time when the hotel industry was suffering from an economic downturn. The TID paid the Contractor $51,000 in subsidies to help offset the facility

[29] When the SCCC facilities are used for events, the related charges are public revenues because the SCCC is a publicly owned facility.

rental charges lost by the SCCC. Further review is needed to determine the allowability of the TID payment. The City should assess legal compliance with laws governing prohibition of gifts of public funds.[30] SCCC management reported that coordination between the SCCC and the TID is an important component in booking future business.

The SCCC's booking policy does not state that the SCCC is prohibited from fully discounting facility rental charges. However, as shown in Figure 28, event sponsors hosting a total of 353 events (or 11 percent of all SCCC events) received a full adjustment on gross charges equaling $2.8M. Allowing full rental facility discounts on a publicly owned facility without official City authorization is potentially misusing government owned assets.

Figure 28: Number of SCCC Events Without Facility Rental Fees

Year	Number of Events with 100% Discount on Rental Fees	Total Discounts Applied
FY 2011-12	64	651,125
FY 2012-13	75	595,848
FY 2013-14	56	319,785
FY 2014-15	42	377,380
FY 2015-16	40	456,140
FY 2016-17	46	226,025
FY 2017-18 (April)	30	205,500
Total	**353**	**$2,831,803**

Source of Data: TAP International, Inc. analysis on SCCC booking data.

On average, the Contractor fully discounted facility charges about 50 times per year and over a long period of time which led to a direct financial loss to the City on facility rental charges. We could not determine the full loss of rental revenue because some organizations that received a full discount on rental facilities in any one year and used the facility the following year, had gross charges applied of $0; therefore, technically, no discount was applied. This happened 31 times in a six year plus period of our analysis.

The types of event sponsors that used the SCCC facilities with no facility charge include:

- City agencies[31]
- Contractor's employees
- Contractor's organization
- County agencies
- Local businesses

[30] There was no violation of the SCCC collective bargaining agreement in allowing the event sponsor to perform their own set up and cleaning of meeting facilities.

[31] City of Santa Clara should pay a fee or a service charge to use the SCCC's facilities given that the convention center is a public enterprise operation.

- Nonprofit organizations that are members of the Contractor's organization
- Individuals and organizations that are members of or who have business ties to the Contractor's organization
- Political action committee associated with the contractor's organization[32]
- SCCC contracted vendors.

The nature of events that took place were birthday parties, wedding receptions, general meetings, parties, and networking events. SCCC management also reported its contracted vendors sometimes use space for employee training.

Further legal analysis is needed to determine if the Contractor: (1) violated its 501(c)(6) tax exempt status when it provided full facility discounts to its members, and (2) engaged in self-dealing when it used its personal or organizational relationships to offer free use of publicly owned facilities, and allowed the Contractor's Board member to assume SCCC services without implementing a competitive bid.

Investigation is needed by the California Fair Political Practices Commission to determine if violation of state law occurred when the Contractor allowed the Santa Clara Chamber Political Action Committee to use SCCC facilities free of rental charges.

Finally, when the SCCC applied full discounts to the Contractor's members and member organizations, the SCCC did not comply with the Contractor's own policy of applying a 20 percent discount up to $1,000 per member. The SCCC management said that full discounts were applied to incentivize membership enrollment to the Contractor's organization and began at the direction of the Contractor's (former) Executive Director although TAP International could not verify this statement. The Contractor does not presently advertise or promote the discount on its website or other materials.

The Contractor's CVB Improperly Issued a Donation Check to a Political Action Committee

In 2012, the Contractor sponsored a web-based fundraising event for a political action committee. During the campaign, the Contractor received checks that totaled about $8,000 made payable to the CVB. Rather than returning the political donors' checks, the Contractor deposited the checks and recorded the deposit on the CVB's accounting records. The Contractor then recorded and issued a check on May 8, 2012 under the CVB accounting records for about $8,000 to the Political Action Committee. Contractor management attributed the problem to donor confusion about to whom to make the check payable. When the CVB sent the payment to the Political Action Committee, it provided a gift for political purposes that needs further review by the California Fair Political Practices Commissions for potential violation of State law. In addition,

[32] The SCCC reported that the Political Action Committee (PAC) received discounts for its food and beverage purchases. Our analysis shows that the PAC was a member of the Contractor's organization and per the Contractor's policy should have received a 20 percent discount on rental charges only.

because the Contractor facilitated the fundraising activity for the Political Action Committee, it may have jeopardized its 501(c)(6) tax exempt status.

The Contractor Misused Government Sponsored Resources

Under California Government Code 8314, using public resources for either personal or political purposes is illegal. Public resources can be classified as: money, staff time, equipment, technology, telephones, furniture, computers, and office supplies, if public funds were used in their purchase. The use of public resources would need to be enough to result in a gain for the user and a loss to the agency that can be estimated as a monetary value. As previously discussed in the report, the City virtually funds all of the operations of the CVB, paying about $1.5M annually to the Contractor.

The CVB shares the same web domain name–santaclara.org–with the Contractor's organization and the City pays for 80 percent of its share of costs although the Contractor does not provide detailed financial reporting on the costs for computer and related services. In early and mid-2018, the Contractor sent email blasts and newsletters (using the web domain name) to the surrounding community in support of its organization's core mission. The newsletters also contained promotional ads for fundraising events by the Santa Clara Chamber Political Action Committee. The shared use of the domain name sent mixed messages to the public because the Contractor is holding the CVB name out to the public as its own entity, thereby benefitting from the lack of distinction between the private and public supported resource.

The Contractor is primarily responsible for the issues described in this section, jeopardizing the level of trust that Contractor decisions are made in the City's best interest. The issues could have been prevented had the Contractor's Board members and Contractor employees received training on the governance, ethics, conflict of interest, use of public resources, and proper internal controls. In July 2018, the Contractor's new Executive Director, implemented a training program in place that is a good first step in conveying the basics of nonprofit governance.

Other Business and Marketing Structures Govern Local Convention Centers and Visitors Bureaus

In June 2018, the City Council directed the City Manager to develop options for the provision of convention and visitor services. Of the six convention and event centers located within a 250 miles range of the SCCC whose cities also have visitors' bureaus, none are managed by a Chamber of Commerce. These cities have used other types of business structures, such as a City formed nonprofit organization, third-party corporation, and formation of a district or authority to operate both the CVB and the convention center.

The fact that other convention centers and CVBs are not operated by a Chamber of Commerce does not necessarily mean that the City should change contractors because other considerations should be factored in, such as overall operating and financial performance, City satisfaction with services, and cost. Nevertheless, the CVB and the SCCC management said that alternative business structures could work well for their operations. The CVB Sales Director explained that the CVB has always operated as a separate entity even though it was under the umbrella of the Contractor's organizational structure and should be organized as a separate entity in the future to fully promote the City as a destination area. The SCCC management reported that integrating the CVB with the Convention Center would work well, promoting coordination between the CVB and the SCCC. Both the CVB and the SCCC management reported that the Contractor's role in their operations had no influence over their performance because of the separation by each from the Contractor's core business.

Contract Management Needs Reform by Both the City and the Contractor

This section describes the level of Contractor oversight by the City and the Contractor's use of the City's budget policies to increase its fees.

The City and the Contractor Share Responsibility for Contractor Issues

Cities routinely contract with vendors to provide services to its residents and taxpayers. The International City Manager's Association (ICMA) writes that public contract management should include key activities, such as the development of metrics to check, track and report on vendor performance.[33] When the City originally drafted the agreements with its Contractor, in the 1970's and 1980's, the agreements primarily addressed financial requirements.[34] The two agreements, however, do not have other key terms and conditions, such as:

- Accomplishment of clear financial and operating performance benchmarks. This information allows the City to monitor the Contractor's progress towards its financial and operational goals and to identify early warning signs of negative performance trends.
- Implementation of key internal controls. These internal controls include (1) prohibition on co-mingling of public and private funds; (2) City review of financial transactions; (3) safe data storage;[35] and (4) development of facility use policies.
- Implementation of financial disclosures rules. Presently, the City does not require the Contractor to submit financial disclosure forms that help identify and to avoid any potential or appearance of a conflict of interest.[36] The Contractor and its employees, who make decisions about on behalf of the City, have not been required to file the California

The two agreements between the City and the Contractor did not contain key terms and conditions. The absence of these requirements coupled with City's lack of past oversight of the Contractor allowed the Contractor to make questionable decision-making about the CVB's and the SCCC's operations.

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[33] Contract Management: A Risk-Based Approach for Local Governments, January 2018, by Kyle O'Rourke, Baker Tilly Virchow Krause, LLP, and Frank Girgenti.

[34] The two agreements have provisions for the Contractor to administer separate accounting activities between the CVB and the SCCC and from its core operations, proper documentation for reimbursements, budget submissions, and annual financial audits.

[35] Both the City's Management Agreement and the CVB Agreement state that the Contractor shall maintain accounting records for the life of the agreement and for three beyond the term of the agreement upon its expiration. However, the agreements do not include requirements for the safeguarding of information. Protecting financial records ensures that the information and data they hold is available any time for review and evaluation. The contractor's absence of strong controls over the maintenance of financial records pose a high risk for the City because the Contractor does not safely safeguard CVB accounting records, storing records below a water pipe that had previously leaked and damaged some of the accounting records. We did not determine the extent of the damage.

[36] The California Fair Political Practices Act requires that a city's conflict of interest code reflect the current structure of the organization and properly identify officials, consultants, and employees who should be filing Statements of Economic Interests (Form 700s). The Form 700 provides necessary information to the public about an officials or consultant's (contractor) personal financial interests to ensure that they are making decisions in the best interest of the public and not enhancing their personal finances. Consultants and contractors must file Form 700s if they make or participate in making governmental decisions.

Form 700 – Statement of Economic Interest – because the City did not identify in its conflict of interest policy that the Contractor would be subject to annual filing.

Without these requirements, the City does not have assurance of proper risk mitigation, which had partly led to the issues described in this report. The Contractor's lack of effective administration over operations discussed throughout this report is also a primary factor.

The absence of key contract requirements can be addressed, in part, by active contract monitoring. The City Manager's Office is responsible for contract oversight although there are no documents available to support any historical activities.[37] Without active contract oversight by the City, the City had historically placed too much reliance on the Contractor to deliver services efficiently and effectively, and in compliance with applicable laws and regulations.

In 2017 and 2018, the City's newly hired City Manager implemented efforts to strengthen the City's contract oversight activities, assigning the City's Finance Director as Contracts Manager, recruiting for a City-wide contracts manager, and implementing activities to enhance and assess the Contractor's performance. These activities include hiring a consultant to enhance marketing activities, implementing monthly oversight of the SCCC accounting activities, and requesting this audit.

Former City Officials Did Not Use the Contracting Process to Change Management Fees

Under the terms of the Management Agreement, the City is to provide an annual management fee to be included in the SCCC's annual operating budget. The payment amount ranged from $45,000 to $50,000 until 2016 when the management fee was increased to two percent of the SCCC's gross sales revenues. In FY 2016-17, these fees totaled $136,699.

Changes in payment terms, like the one requested by the Contractor, are typically subject to contract amendments. Contractor documents show that in March 2017, the City provided instructions to the Contractor to use the budgeting process to change its management fees. However, in April 2017, the City met with the Contractor in budget meetings and a decision was reached that a formal amendment was needed. The Contractor's Board of Directors was to draft an amendment/letter regarding the management fee and that the City would prepare a letter establishing the new payment term of two percent of gross sales. There was no information provided that either the Contractor or the City followed through on these tasks. Having a contract amendment would have allowed for proper discussion and deliberation by the City Council on the merit of the fee increase. The City Council, upon learning that it inadvertently approved the fee increase through the City's budgeting process, voted to suspend payment of the management fee.

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[37] The Contractor's CVB management said that City management had historically held frequent progress meetings with a former and long-time Executive Director. These weekly meetings reportedly stopped after the Contractor's Executive Director left the organization in 2015.

Section 3: Changes are Needed to Enhance SCCC Sustainability and Overall Performance

This section discusses three areas of the Convention Center and the CVB operations that have hampered the CVB efforts to enhance sustainability and overall performance. These areas are:

1. Event Scheduling
2. Marketing and Sales Operations
3. Facility Needs

New Strategies are Needed for Event Scheduling

More Multi-Day Events Should Fill Convention Center Calendar

An important measure to assess marketing effectiveness includes monitoring the number of available dates for potential events. In FY 2016-17, the SCCC event calendar was nearly filled, with few dates available throughout the year to book events. Only about ten percent of the SCCC's calendar was available for events, showing the popularity of the facility.

Another measure is the monitoring of facility space available for potential events. However, the SCCC does not maintain this data to determine the percentage of space available to potentially schedule other events. Monitoring these types of measures can allow the SCCC and the CVB staff to tailor their marketing activities to fully maximize the space offered by the SCCC.

The SCCC, nonetheless, collects other data to assess marketing effectiveness, such as the number of events scheduled, the duration and type of each scheduled event, and gross and net charges resulting from the event. However, as previously discussed in this report, the SCCC does not routinely analyze the information it collects to monitor performance. Our analysis, however, examined the presence of patterns in event scheduling. For instance, as shown in Figure 29, the number of events scheduled at the SCCC has not increased over time other than some fluctuations up and down. However, as shown in Figure 30, the total net financial value of the SCCC events scheduled increased over time.

Same day events average $1,865 in fees per event between FY 2011-12 and FY 2016-17.

Multi-day events averaged $12,000 in fees per event between FY 2011-12 and FY 2016-17.

Figure 29: Total Events Scheduled at the SCCC

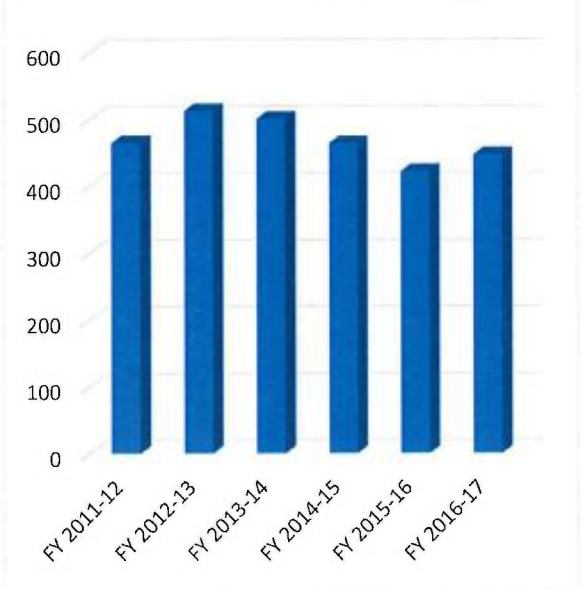
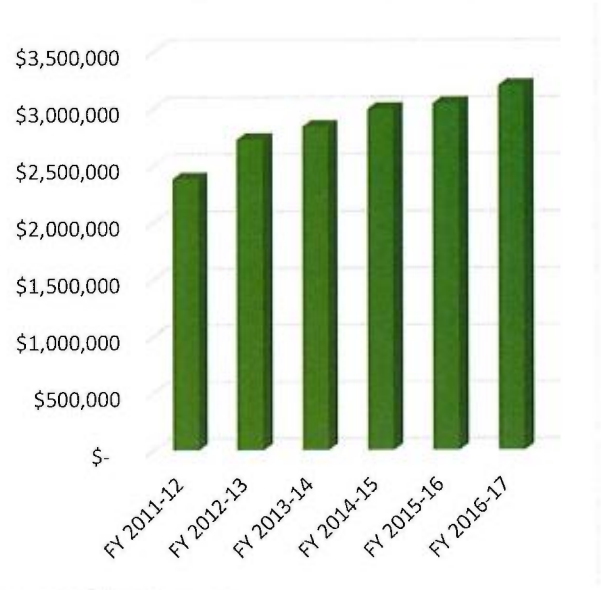


Figure 30: Net Financial Value of Events Scheduled at the SCCC

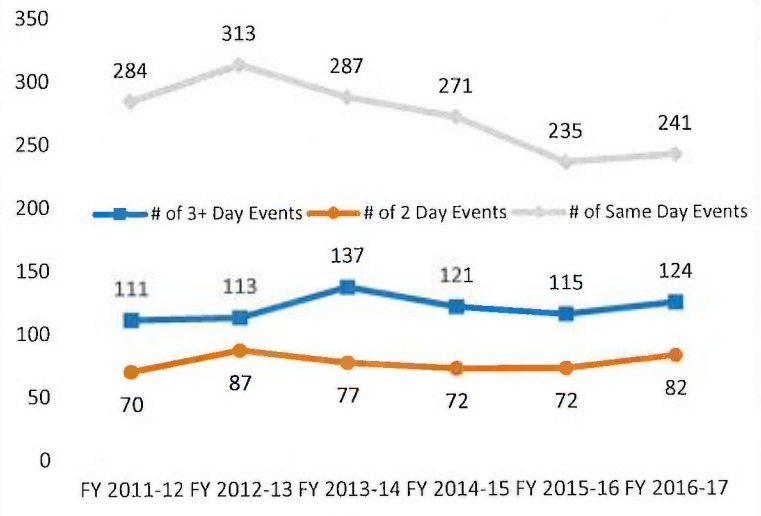


Source: TAP International, Inc. analysis of SCCC booking data

In addition, of the 2,812 total events hosted by the SCCC in the past six years, 58 percent of them began and ended on the same day (herein referred to as same day events). Same day events result in less revenue for the City in comparison to events that span several days.

Nearly 42 percent of the total events hosted over the past six years by the SCCC required two or more days (herein referred to as multi-day events). As shown in Figure 31, events that require three or more days occur more often than events that require two days. The CVB staff have primary responsibility for scheduling multi-day events at the SCCC because these types of events generally need hotel lodging.

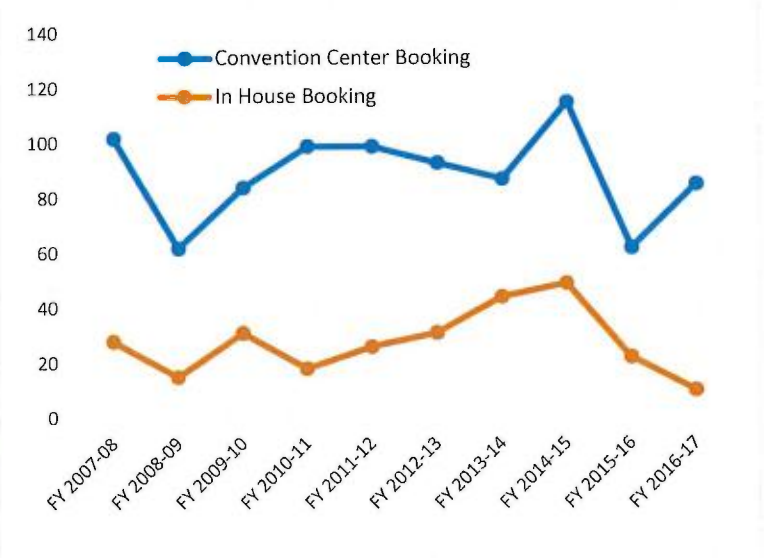
Figure 31: Total Convention Center Events by Event Length and Fiscal Year



Source of Data: TAP International, Inc. analysis of SCCC booking data.

Our analysis of data further shows the CVB has increased its activities to scheduled SCCC events while its scheduling of hotel meeting space (herein referred to as in-house bookings) has declined. Figure 32 suggests that hotels may have the space available to host one-day events that are generally scheduled at the SCCC.

Figure 32: Number of CVB Events Scheduled at the SCCC and at Area Hotels



Source of Data: TAP International, Inc. analysis of CVB booking data.

Better Guidance is Needed in Scheduling Events

The SCCC, SCCC partners, and the CVB are all responsible for scheduling events at the SCCC. With the involvement of multiple entities, guidance should be available to help in decision-making on the types of events to receive priority scheduling. Although the SCCC has available booking policies, the policies do not address event coordination. SCCC management explained that the practice is for CVB's multi-day events to receive priority scheduling and the SCCC to fill the gaps in the event calendar with same-day events. It is unclear whether the SCCC consistently applies this guidance because the SCCC can schedule same day events up to 18 months in advance. The SCCC also reserves the month of December for its clients because SCCC management explained it was a profitable time of year for them, but that it would accommodate if CVB presented a substantial piece of business. CVB staff reported multiple instances of multi-day events that were turned down by the SCCC over the years. In FY 2017-18, there were 32 potential multi-day events with over 55,000 participants (see Figure 33) that had to look elsewhere because proposed dates were unavailable at the SCCC, creating lost economic opportunities for the City (based on the assumption that at least three of 32 potential multi-day events could have been scheduled if the dates were available).

Figure 33: Top Reasons for Losing Multi-Day Events at the SCCC, FY 2017-18

	Meetings	Attendees	Requested Rooms
Convention Center dates unavailable	32	55,168	42,544
Convention Center too small	12	48,816	56,536
Better attendance in another city	45	42,065	40,291
Rates too high	50	36,776	39,178
Event postponed/cancelled	30	30,942	15,467

Source of Data: TAP International, Inc. analysis of CVB Lead and Booking Reports

In addition, the SCCC could develop policies that guide scheduling events requested by nonprofit organizations. For example, some convention centers set aside a limited number of dates to offer facilities at discounted rates or set aside dates that historically have had low facility utilization. Without established guidance, the City does not have assurance that the SCCC event space is leveraged to the maximum economic benefit possible.

In the absence of guidance for scheduling events by nonprofit organizations, the review and approval of potential events takes on greater importance. The review process could consider any number of factors all with the purpose of maximizing potential convention center revenue. For the CVB to successfully confirm a multi-day event, the Contractor's CVB employees prepare a multiple page letter of intent that describes the nature of the event, the services requested, and a preliminary financial analysis. The CVB staff reported that the approval process for each potential booking requires up to three hours. The Contractor's SCCC employees, however, are not subject to the same process even though same-day events have lower potential for revenue generation. The absence of implementing parallel processes raised questions by some CVB employees about whether the SCCC was effectively making decisions on event scheduling. Without documentation on why the SCCC or the CVB events were approved or denied, TAP International had no basis to determine if booking principles regarding allowing priority booking to the highest revenue generating events were consistently applied by the SCCC management. However, given that same-day bookings comprise over half of SCCC events, the City does not have assurance that the review process gives top priority to events with greater economic benefit.

Marketing and Sales Operations can be Enhanced

Marketing Plans Need to be Comprehensive and Integrated

The purpose of a comprehensive marketing plan is to give strategic direction for the success of the SCCC and the CVB. It serves to describe the leadership role for the marketing of meetings and conventions, leisure travelers, and business and cultural events that lead to economic growth for

the City and the surrounding region, including describing how the SCCC and the CVB can distinguish itself from its competitors.

The City hired an industry consultant to determine how best to shape the SCCC and the CVB for the future. The industry consultant, among other activities, held meetings with the CVB and the SCCC to establish new strategies for generating leads and sales goals. In addition, the Contractor had set up its own committee to offer leadership direction for marketing activities. In 2018, the Contractor's committee discussed the need for an updated marketing strategy, but a comprehensive and integrated marketing plan has not yet been prepared. In lieu of an integrated plan, the CVB had developed its own five-year strategic plan and other annual business plans to market and promote the city. These plans included analysis of strengths and weaknesses, development of sales goals, and description of action plans for each market sector. Without a marketing plan that addresses the sales and marketing activities of both the SCCC and the CVB, effective coordination was hampered. The Contractor allowed each entity to generally operate independent of each other.

Staffing Could Be Re-Structured

Staffing is an essential function in any organization. Hiring staff with the right skills, knowledge, and abilities for the role to be performed can contribute to the organization's success. At the CVB, the Contractor hired five sales managers with extensive experience in the tourism and hotel industry. The CVB's two Vice-Presidents also possess extensive experience in the Convention and Visitors Bureau industry. In comparison, the SCCC hired one Sales Director who does not have the same level of experience as the CVB staff at the time of hiring. Experience was developed on the job because the Contractor did not invest in continuous professional training to either the CVB or the SCCC sales staff nor did the City require professional development.

The differences in experience levels did not result in significant differences in performance levels relative to total event bookings by each entity. The CVB books about 42 percent of the events held at the SCCC while the SCCC staff book the remaining 58 percent of all events, on average. It takes the CVB more work and effort to book multi-day events, thus the need for more employees.

The Contractor for the CVB and the SCCC divided the supervision of sales activities. The SCCC's Assistant General Manager oversees its one Sales Director. Two CVB Vice-Presidents oversee five sales managers and six other support staff. The CVB and the SCCC staff reported the absence of effective communication and other information sharing activities because of the fragmented structures. As a result, none of the entities were fully aware of how well the others performed relative to meeting sales goals and targets.

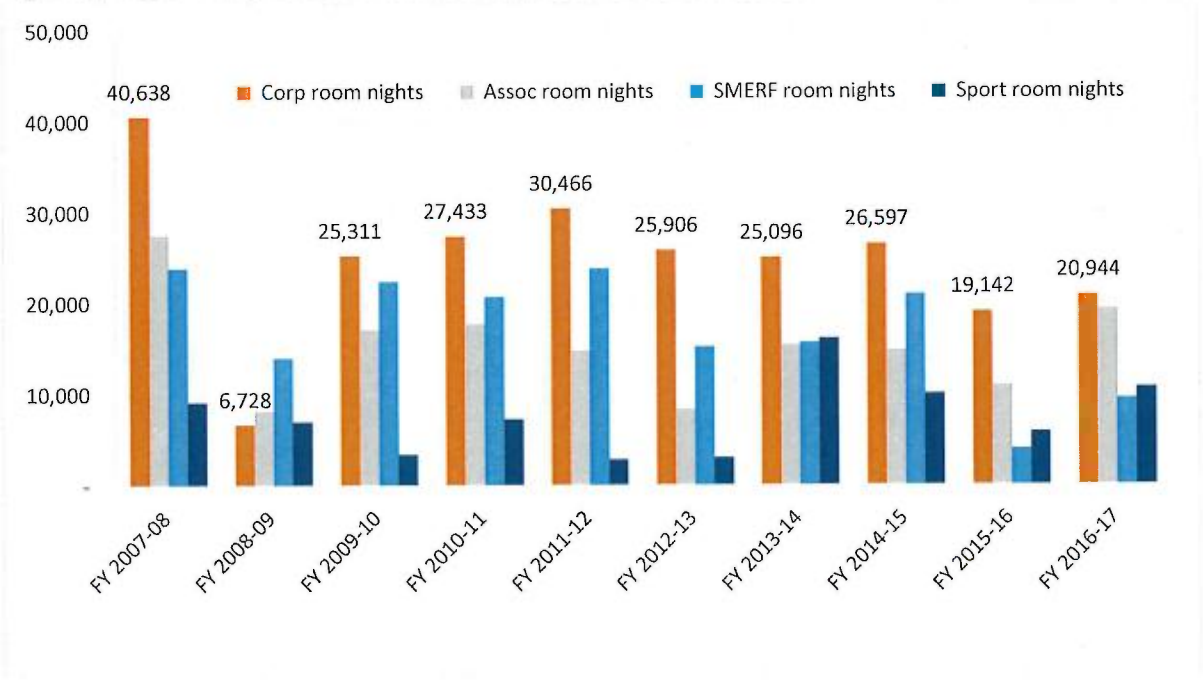
Given that the CVB employs five sales managers, we examined the extent that the CVB strategically utilizes these resources to maximize its performance. Each Sales Manager is

responsible for one of five market areas included in the Contractor's scope of work with the City. These market areas are:

- Corporations
- Social, military, education, religious, and fraternal associations (SMERFs)
- Sports
- Associations
- City-wide events

As illustrated in Figure 34, the CVB books more corporate events in comparison to its other market areas. Given that corporate scheduled events represent the most common type of multi-day event hosted at the SCCC, assigning more staff in this area to work leads could likely result in more events. The CVB could also assign a sales manager to more than one market area that have fewer potential leads and events, such as the Sports and SMERF areas. The CVB management explained that sales managers are reassigned when workloads increase among other managers, but that the CVB needs more support staff to generate and process leads, freeing sales manager to devote their attention to working with the potential client directly. While additional staff have been requested in the budget, the contractor's CVB management explained there was low likelihood the positions would be approved. In FY 2015-16 and FY 2016-17, the CVB did not spend all of its contract funds from the City, leaving up to $517,000 on the balance and enough to hire support personnel.

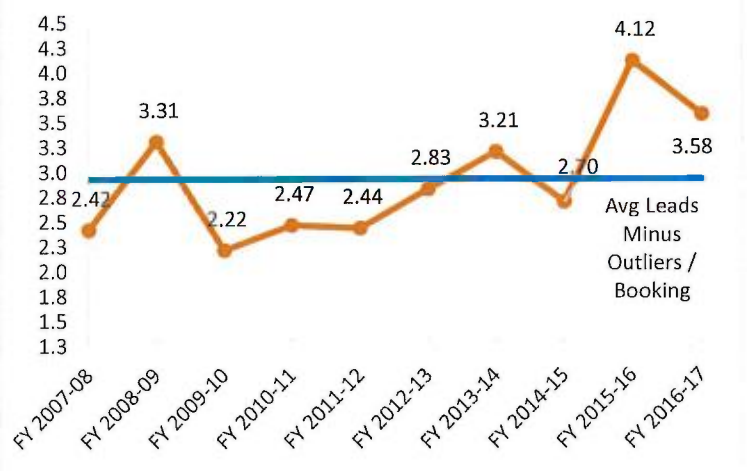
Figure 34: Type of Events and Hotel Room Nights Secured by the CVB



Source of Data: TAP International, Inc. analysis of CVB booking

More Leads are Needed to Successfully Book One Event

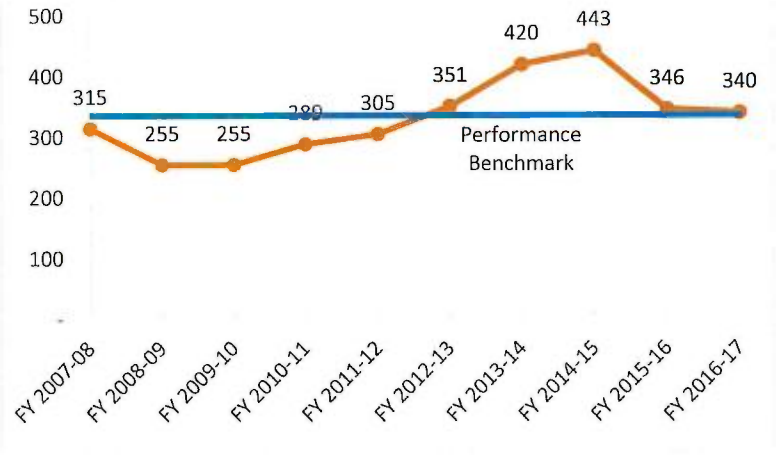
Figure 35: Number of Leads per CVB Booking, Ten-year History



Source of Data: TAP International, Inc. analysis of CVB booking

California has 20 Convention and Event Centers with seven of them located within a 200-mile radius of the SCCC, creating a competitive environment for the CVB to book multi-day events. A key success factor in scheduling the SCCC is generating enough interest, or leads, from potential clients that could result in a scheduled event. A large availability of leads provides ample opportunity for staff to promote the SCCC and area hotels to potential clients. The CVB's own benchmark over a ten-year history averages three leads to schedule one event, but recently, the CVB needs more leads to do so (See Figure 35). Complicating matters is the slight downward trend in total leads available for the CVB in recent years. (See Figure 36). The CVB management reported efforts to pursue other types of lead generation activities that could result in city-wide events, at the recommendation of a City consultant hired to develop enhancements to CVB operations. A city-wide event was originally defined by the CVB as a goal of scheduling events that need 600 room nights at the event's peak. CVB staff explained that this goal was ultimately adjusted to 750 room nights at the time of our review. Leads that involve a substantial amount of room nights require more time to identify and to pursue, said CVB management. At the time of our review, the CVB scheduled two of 22 "city-wide" events targeted.

Figure 36: Number of Total CVB Leads, Ten-Year History

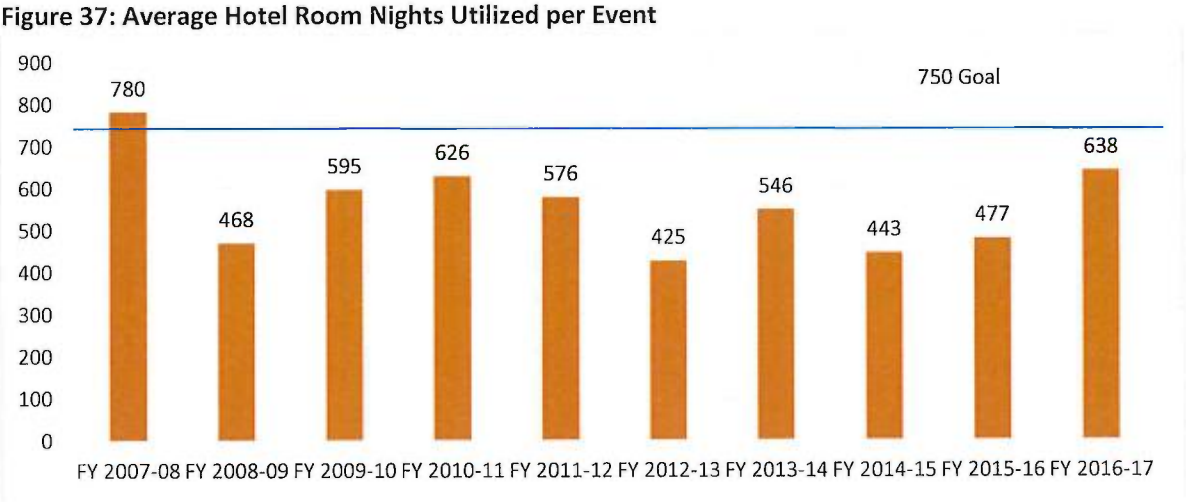


Source of Data: TAP International, Inc. analysis of CVB booking

It is uncertain as to whether the CVB can meet its "city-wide" event goal. Assuming that the SCCC and the CVB operations remain unchanged, three challenges are present. First, as shown in Figure 37, the CVB, historically exceeded its new city-wide goal of 750 room nights per event in one of the last ten years, suggesting that establishing 22 "city-wide" events with 750 room nights at its

peak may be an ambitious goal. Second, CVB employees reported that the surrounding area has a total of 3,800 hotel rooms. To have 750 of these rooms, or 20 percent of all City hotel rooms, available at the same time for any one event, is challenging. Third, the SCCC calendar is nearly full and may not have available dates for these very large events.

Figure 37: Average Hotel Room Nights Utilized per Event



Source of Data: TAP International, Inc. analysis of CVB financial data.

The CVB may not have to focus efforts on scheduling city-wide events. Our analysis of Figure 31 and 32, the SCCC could work towards shifting its one-day events to area hotels resulting in more available dates to schedule multi-day events. The SCCC could also schedule one-day events when needed at the SCCC six months in advance versus 18 months. Had at least three of the 32 potential events that were lost due to unavailable dates (See Figure 33) been successfully scheduled, it could have led up to an additional 4,000 room nights that could have (1) increased the annual overall average per booking for the SCCC; (2) helped the CVB meets its city-wide goal; and, (3) increased the economic impact to the City.

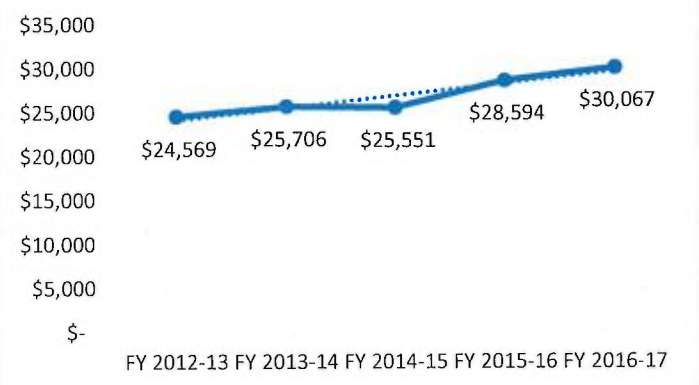
Robust and Strategic Advertising Is Needed

The International Association of Venue Planners state that event planners and attendees are looking for centers that offer unique features, reporting that differentiation is key to attracting more business and larger events. The CVB is implementing current industry marketing strategies to promote the surrounding areas by highlighting restaurants and nightlife, local tours, museums, shops, and outdoor activities, largely through its website. Technology is also leading the way for the SCCC to market itself on the web, by incorporating an interactive map and virtual tour platform, providing useful resources to help in the planning process, making the selection process experience easier for potential clients. Through interactive digital mapping, potential guests can familiarize themselves with the center, as well as the surrounding area, before they arrive.

The CVB also implements direct advertising. While no benchmarks have been established on suggested advertising budgets, the CVB's advertising expenditures ranged between $24,569 to $30,067, as illustrated in Figure 38.[38] Having a small budget for advertising and marketing requires strategic decision-making to leverage limited resources. CVB management explained that it had two goals for advertising and marketing activities: (1) to make the CVB known as a local resource for area businesses to handle its event needs, and (2) to promote the area as a destination for local businesses. At the time of our review, the CVB had:

- Subscribed to various publications and trade tools as well as enrolled in trade and industry associations to help receive leads on prospective clients.
- Performed its own online marketing of the City as a destination area, providing vast information on potential tourist attractions in the local area.
- Received local news coverage to promote its activities.
- Dedicated some of its limited budget to direct advertising and promotion.[39]

Figure 38: Advertising Dollars of the CVB Expenditures



Source of Data: TAP International, Inc. analysis of CVB financial data.

A potential outcome from these activities would be the generation of leads and/or scheduling of events at area hotels or the SCCC. Figure 29 and Figure 36 largely shows an unchanged performed in bookings and in lead generation over time with some fluctuation between the years, suggesting are needed in marketing and advertising strategies.

SCCC Needs Modernizing

The International Association of Venue Planners report that planners do a lot of research before deciding on the best venue, considering factors such as catering services, technology, facility size, and building modernization. As evidenced by Figure 33, the CVB has lost potential clients because the SCCC is too small and both the SCCC and the CVB staff said that condition of the facility needs attention.[40] Figure 39 shows the condition of SCCC's carpeting in place throughout the facility.

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[38] TAP International, Inc. could not develop an apples to apples comparison of CVB's advertising budget with other convention centers.

[39] In the Spring 2018, the CVB spent $5,000 to run six full-page ads in a local newspaper that we discussed earlier in this report as a self-reported conflict of interest.

[40] The Management Agreement states the Contractor is to maintain the Convention Center, the equipment and furniture situated therein, and related facilities in good order and repair and to request such repairs in the SCCC's annual budget or separate City Council action.

The SCCC management explained that the carpeting needs replacement and the kitchen in the Mission City Ballroom requires repair and updating.

The City recognized the need for facility modernization and commissioned a facility assessment in 2017. The facility assessment identified 11 areas that require immediate replacement or modernization. These areas are:

1. Redesign location of Mission City Ballroom, HVAC equipment so that the MCG kitchen becomes functional
2. Replace carpets (Main Building and Great America)
3. Replace tile at base of columns
4. Replace acoustic tile ceiling finishes (Main Building and Great America)
5. Replace fabric faced interior finished (Main Building and Great America)
6. Redesign functionality and replace "air walls"
7. Install reflective coating on flat roofs
8. Provide weather protection for south facing MCG exterior doors
9. Complete replacement of HVAC system
10. Modernization of elevators
11. Provide safety railing at roof perimeters

Figure 39: SCCC Carpet Condition



Photograph by TAP International, Inc.

The 2017 study estimated replacement and modernization costs for these short-term repairs at $5.3M and other long-term repair costs at $57.7M over the next ten years. The City and the SCCC budgeted over $1M to replace the carpeting and budgeted over $4M to update the kitchen in FY 2020-21. Updating the kitchen will likely lead to deficit spending for that year if the SCCC cannot better leverage its bookings. However, in the absence of modernizing the facility, the CVB would be hampered in its ability to attract large events that would require at least 750 room nights.

Appendix A: CVB Revenue, Expenses and Net Income

Figure A1. CVB Revenue, Expenses and Net Income

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
CVB Revenue										
Admin and Service Fees	44,580	32,882	32,893	32,265	32,265	32,160	34,500	34,500	34,500	16,750
Program Services									50	300
On-Line Hotel Reservations	8,111	6,467	2,071	2,261	2,443	2,284	2,625	1,856	1,987	1,047
City Contract	1,411,678	1,446,962	1,468,526	1,456,526	1,521,526	1,521,526	1,521,526	1,521,526	1,521,526	1,489,315
Discount Ticket Sales	2,099	3,529	1,983	7,195	13,049	11,274	7,149	5,812	2,114	1,455
Registration Services	107,393	81,731	122,351	149,400	7,389	399	735	458		
Commission Revenue									22,431	1,946
Banner Ads									1,800	
Interest Income	1,022	647	577	223	185	139	56	47	47	93
All Other Program Services										
CVB TOTAL REVENUE	**1,574,883**	**1,572,218**	**1,628,401**	**1,647,870**	**1,576,857**	**1,567,782**	**1,566,591**	**1,564,199**	**1,584,455**	**1,510,906**
CVB Expenses										
Salaries and Wages	937,383	945,167	1,006,243	1,018,335	900,904	888,877	937,577	918,150	651,150	787,658
Payroll Taxes	76,040	76,234	81,779	83,422	72,967	69,595	70,925	74,100	51,603	55,347
Employee Benefits	174,188	194,517	207,536	202,165	200,299	194,472	208,035	220,383	126,274	102,194
Depreciation/Amort.	10,300	14,994	16,043	9,213	5,963	5,093	5,900	5,093	5,093	5,093
Office Supplies/Maint.	27,639	25,756	24,035	26,104	27,268	26,036	28,207	29,911	25,168	17,143
Computer Service/Maint			1,750	1,094	1,269	958	240	21,810	41,575	33,500
Accounting and Audit	27,845	30,640	31,520	31,150	31,520	32,815	32,656	33,430	34,395	35,320
Legal Fees								35,080	42,894	10,174
Office Equip.	1,228	885	95	722	1,807	360	1,050	1,063		1,356
Rent	88,575	91,232	91,232	91,232	91,232	91,232	91,232	91,232	91,232	91,232
Telephone	22,292	18,899	21,147	21,879	20,079	18,391	17,994	18,634	18,591	17,039

Insurance and Taxes	7,874	10,572	10,904	14,949	17,275	7,994	14,444	11,776	4,633	3,448
Administrative Meeting	2,893	1,952	1,809	1,307	2,479	2,345	1,482	1,739	2,500	1,981
Postage	18,590	15,284	16,660	11,445	13,043	13,283	12,169	14,128	8,176	6,298
Mileage	3,059	3,021	3,102	2,915	2,997	3,192	2,719	2,593	2,332	1,443
Payroll Service fee	4,499	4,347	3,673	7,047	5,896	5,408	6,472	7,091	12,194	5,854
Inside Santa Clara Newsletter	10,500	10,500	10,500	8,000	8,000	8,000	8,000	8,000	6,275	7,949
Advertising-Convention Marketing		17,150	13,177	9,664	3,557	450	3,309	2,951	3,813	4,204
Advertising-Travel Marketing	19,709	17,007	17,461	14,883	15,833	16,119	14,397	14,600	18,506	17,914
Marketing-Servicing	550	330			250					
Marketing-CC Marketing/Sales	103,799	112,744	100,916	50,009	97,735	85,416	90,808	48,895	35,046	99,086
Marketing-Visitors Bureau	52,571	47,626	52,610	48,421	49,102	53,435	47,932	40,335	32,912	49,620
Loss on Disposal of Equipment			8,117							
Outside Services	6,242	200	6,849							
Expense Reimbursements	11,015									
Miscellaneous	1,963	2,507	654	1,769	4,449	3,222	2,580	4,061	3,744	6,354
CVB TOTAL EXPENSES	**1,608,754**	**1,641,564**	**1,727,812**	**1,655,725**	**1,573,924**	**1,526,693**	**1,598,128**	**1,605,055**	**1,218,106**	**1,360,207**
CVB TOTAL NET INCOME (LOSS)	**(33,871)**	**(69,346)**	**(99,411)**	**(7,855)**	**2,933**	**41,089**	**(31,537)**	**(40,856)**	**366,349**	**150,699**
TOTAL FY 2007-08 TO 2016-17										**$278,194**

Appendix B: SCCC Revenue, Expenses and Net Income

Figure B1. SCCC Revenue, Expenses and Net Income

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
SCCC Revenue										
Space-Exhibit Halls	1,265,660	1,194,129	1,113,905	1,090,620	1,142,031	1,352,496	1,261,166	1,337,354	1,416,000	1,353,372
Space-Ballrooms	209,948	221,195	488,060	622,105	598,929	711,857	823,143	801,308	873,944	915,085
Space-Meeting Rooms	207,984	194,893	180,207	219,685	207,900	239,957	237,630	237,580	262,125	275,466
Space-Great America	286,623	271,593	220,997	214,889	274,632	291,742	360,661	385,969	358,770	404,850
Space-Theater	193,640	189,026	151,590	208,620	203,376	211,483	218,644	200,892	208,720	201,000
Space-Cancellation	63,650	163,594	76,138	24,641	15,899	111,523	72,799	77,641	95,995	60,810
Merchant Fees			(25,191)	(34,347)	(38,468)	(54,177)	(60,668)	(58,205)	(63,372)	(79,196)
Labor-Miscellaneous	10,933	8,915	9,565	19,270	11,168	6,825	5,420	9,139	8,655	8,400
Equipment Rental	64,854	58,374	55,466	99,048	55,400	92,744	76,773	120,308	106,638	123,897
Electrical Comm.	107,391	159,844	105,585	140,410	192,214	222,042	184,879	222,373	203,486	277,045
Electrical Services In-House	94,506	53,573	66,840	164,515	156,749	117,605	107,866	111,470	133,650	58,485
Audio-Visual Comm.	270,992	271,929	362,512	395,825	411,300	462,273	605,755	594,217	609,736	638,611
Services - Misc.	5,810	18,472	4,360	6,525	5,773	5,658	7,100	639	3,930	3,495
Incoming Freight	3,690	3,675	3,175	6,065	9,543	3,764	3,314	2,631	3,423	6,649
Cell Site Revenue	23,009	17,794	17,794	17,794	17,980	18,233	18,936	18,090	26,236	33,039
Telecomm Commission	175,127	127,363	175,520	295,797	327,993	447,915	446,187	432,566	527,971	638,933
Catering Commission	1,262,009	800,499	1,037,616	1,900,070	2,195,799	2,509,846	2,809,971	2,566,610	2,572,066	3,060,064
Insurance Revenue	2,610	2,245	2,085	2,170	2,135	2,853	3,115	1,995	1,750	2,030
Interest Revenue	72,998	65,877	57,670	42,934	43,423	20,004	14,025	10,752	7,175	23,689
Advertising Comm.	25,154	26,015	15,976	26,009	32,254	32,536	30,449	26,983	29,658	35,644
Sponsorship Revenue	2,300	1,600	1,800	5,550	5,700	16,500	10,950	4,000	2,800	14,150
Business Center Comm.	5,324	4,123	4,481	5,220	5,645	6,710	12,502	14,802	12,682	10,088
Other Income	11,057	2,204	8,874	8,629	4,134	18,771	3,572	3,702	4,629	28,158

SCCC TOTAL REVENUE	**4,365,268**	**3,856,929**	**4,135,023**	**5,482,042**	**5,881,508**	**6,849,158**	**7,254,188**	**7,122,815**	**7,406,668**	**8,093,763**
SCCC Expenses										
Labor Related	3,530,564	3,659,221	3,766,957	3,866,593	4,059,755	4,408,338	4,595,404	4,778,024	4,818,759	4,983,964
Parking Fees	16,165	8,925	15,720	26,145	38,865	25,320		6,901	36,982	8,550
City Admin Fee	45,000	45,000	45,000	45,000	45,000	45,000	45,000	47,250	50,000	136,699
Other Operating	2,297	196	2,220	8,546	12,463	25,823	10,490	76	3,760	39,500
Professional Associations	9,525	9,884	10,450	7,522	6,555	8,854	6,945	8,846	8,364	9,152
Advertising and Promotion	6,447	6,677	1,593	3,959	2,520	1,844	1,245	1,567	998	970
Telephone	38,317	37,901	29,812	21,706	19,905	5,693	5,072	4,799	6,951	8,568
Office Expense	55,708	79,755	107,015	78,843	61,358	87,511	169,619	146,692	89,810	111,525
Insurance	86,365	98,905	110,509	106,457	122,635	138,012	163,734	169,868	166,849	169,206
Employee Expenses (payroll, training, etc.)	41,998	39,188	39,856	45,346	40,836	45,244	51,004	53,715	57,088	72,780
Maintenance	135,467	143,632	134,231	135,042	158,071	177,577	247,704	209,468	237,890	244,576
Janitorial and Cleaning	90,082	83,373	83,326	89,032	108,849	146,616	133,914	138,593	152,630	144,713
Utilities	530,715	531,693	590,929	611,426	636,488	667,429	676,428	694,485	720,152	732,235
SCCC TOTAL EXPENSES	**4,588,650**	**4,744,350**	**4,937,619**	**5,045,617**	**5,313,299**	**5,783,261**	**6,106,561**	**6,260,284**	**6,350,233**	**6,662,438**
SCCC TOTAL NET INCOME (LOSS)	**(223,383)**	**(887,421)**	**(802,597)**	**436,425**	**568,209**	**1,065,897**	**1,147,627**	**862,531**	**1,056,435**	**1,431,325**
TOTAL FY 2007-08 TO 2016-17										**$4,655,050**

Figure B2. SCCC Revenue, Expenses and Net Income for FY 2017-18

The SCCC provided the full FY 2017-18 Income Statement after our financial analysis was completed. It is included here to show the SCCC ended the year with $2.2M in revenue.

	FY 2017-18
SCCC Revenue	
Space Rental	3,718,344
Event Revenue	592,910
Audio-Visual	853,587
Catering	2,874,957
Telecommunications	559,546
Other	448,259
SCCC TOTAL REVENUE	**$9,047,603**
SCCC Expenses	
Labor Related	5,020,837
Insurance	174,206
JLL Evaluation	89,375
Maintenance & Supplies	234,521
Management Fee	133,184
Monthly Service Contracts	146,575
Office & Legal	268,886
Parking Fees & Rentals	6,000
Utilities	746,653
TOTAL SCCC EXPENSES	**6,820,237**
SCCC TOTAL NET INCOME	**$2,227,366**

2011-2012

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Event Days
1205055	370,155.00	(343,155.00)	27,000.00	5/31/2012	9/2/2012	Christian Congregation of Jehovah's Witnesses	Christian Congregation of Jehovah's Witnesses	94
1203015	154,670.00	(146,670.00)	8,000.00	3/5/2012	3/15/2012	Pycon 2012/Conference Technology Enhancement	Python Software Foundation	10
1110044	89,780.00	(60,160.00)	29,620.00	10/28/2011	11/5/2011	Sprint Open Developer's Conference	Sprint	8
1107035	12,640.00	(12,640.00)	0.00	7/14/2011	7/21/2011	Hyatt/Most Worshipful	Hyatt Santa Clara	7
1204008	93,430.00	(75,160.00)	18,270.00	4/26/2012	5/3/2012	Society of Vacuum Coaters	Society of Vacuum Coaters	7
1205065	95,520.00	(69,520.00)	26,000.00	5/10/2012	5/17/2012	Uptime Institute	Uptime Institute LLC	7
1202001	77,160.00	(37,669.00)	39,491.00	2/21/2012	2/28/2012	XRX/Stitches	XRX Inc.	7
1108002	9,800.00	(9,800.00)	0.00	8/30/2011	9/5/2011	American Contract Bridge League	American Contract Bridge League	6
1204033	43,870.00	(35,990.00)	7,880.00	4/13/2012	4/19/2012	IDG Spring DEMO	IDG Enterprise	6
1206001	21,375.00	(5,855.00)	15,520.00	6/8/2012	6/14/2012	California Health Information Association	CA Health Information Assn	6
1108031	89,950.00	(52,000.00)	37,950.00	8/25/2011	8/31/2011	Global Foundries	Global Foundries	6
1202034	82,500.00	(36,180.00)	46,320.00	2/12/2012	2/18/2012	UBM/Cloud Connect	UBM, LLC	6
1110070	92,205.00	(41,985.00)	50,220.00	10/11/2011	10/17/2011	Pacific International Quilt Festival	Pacific International Quilt Festival	6
1111097	57,125.00	(57,125.00)	0.00	11/6/2011	11/11/2011	Cisco Security Sales Event	Cisco	5
1205015	47,905.00	(47,555.00)	350.00	5/5/2012	5/10/2012	Technology Services Industry Association	Technology Services Industry Assn., Inc.	5
1110141	23,020.00	(19,420.00)	3,600.00	10/2/2011	10/7/2011	Access Outcome Communications	Depomed, Inc.	5
1106015	95,830.00	(92,130.00)	3,700.00	6/30/2011	7/5/2011	TANA 2011	TANA 2011	5
1206014	104,840.00	(88,840.00)	16,000.00	6/16/2012	6/21/2012	NanoScience Technology	Nano Science and Technology Institute	5
1111058	24,000.00	0.00	24,000.00	11/16/2011	11/21/2011	Expos Ultd.	Long Beach Expo LLC	5
1111030	60,150.00	(33,390.00)	26,760.00	11/13/2011	11/18/2011	UBM/Enterprise 2.0	UBM, LLC	5
1201011	36,000.00	0.00	36,000.00	1/18/2012	1/23/2012	Home Show	Nor Cal Events LLC	5
1109095	48,000.00	0.00	48,000.00	9/7/2011	9/12/2011	Home Show	Nor Cal Events LLC	5
1201017	80,005.00	(27,945.00)	52,060.00	1/29/2012	2/3/2012	DesignCon	UBM, LLC	5
1109020	41,210.00	(41,210.00)	0.00	9/10/2011	9/14/2011	Network World DEMO Fall Conference	IDG Enterprise	4
1110058	33,370.00	(33,370.00)	0.00	10/17/2011	10/21/2011	Tech Awards	The Tech Museum of Innovation	4
1111121	3,770.00	0.00	3,770.00	11/18/2011	11/22/2011	Prometric	Prometric	4
1111091	6,075.00	(1,895.00)	4,180.00	11/13/2011	11/17/2011	Hyatt Hotel/UBM	Hyatt Santa Clara	4
1110155	7,900.00	(200.00)	7,700.00	10/3/2011	10/7/2011	Hyatt Hotel/Depomed	Hyatt Santa Clara	4
1206020	10,900.00	(1,760.00)	9,140.00	6/13/2012	6/17/2012	Dance Academy USA	Dance Academy USA	4
1110073	46,805.00	(35,970.90)	10,834.10	10/16/2011	10/20/2011	ZendCon 2011	S & S Media Inc.	4
1111019	22,280.00	(11,160.00)	11,120.00	11/28/2011	12/2/2011	Printed Electronics	IDTechEx, Inc.	4
1109025	20,875.00	(8,000.00)	12,875.00	9/26/2011	9/30/2011	UP Media Group	UP Media Group, Inc.	4
1107022	16,650.00	(3,330.00)	13,320.00	7/13/2011	7/17/2011	Palo Alto Bridge Club	Palo Alto Bridge Club	4
1206046	16,650.00	(3,330.00)	13,320.00	6/27/2012	7/1/2012	Palo Alto Bridge Club	Palo Alto Bridge Club	4
1205025	87,490.00	(72,220.00)	15,270.00	5/16/2012	5/20/2012	TiE-con	TiE	4

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Event Days
1201042	22,465.00	(6,858.00)	15,607.00	1/5/2012	1/9/2012	Wedding Fair	Trade Shows West, LLC	4
1203046	24,700.00	(4,000.00)	20,700.00	3/19/2012	3/23/2012	Job Shop	The Job Shop Company, Inc.	4
1202035	24,000.00	0.00	24,000.00	2/29/2012	3/4/2012	Varsity Communications, Inc.	Varsity Communications, Inc.	4
1109002	30,820.00	0.00	30,820.00	9/19/2011	9/23/2011	Northern California Facilities Expo	Cygnus Publishing, LLC	4
1205020	51,955.00	(20,000.00)	31,955.00	5/20/2012	5/24/2012	Clasma Events, Inc.	Clasma Events, Inc.	4
1110042	44,760.00	(12,410.00)	32,350.00	10/24/2011	10/28/2011	ARM Technology Conference	UBM, LLC	4
1111036	70,320.00	(24,000.00)	46,320.00	11/6/2011	11/10/2011	Sys-Con	Sys-Con Media	4
1111084	6,210.00	(6,210.00)	0.00	11/7/2011	11/10/2011	RightScale	RightScale, Inc.	3
1203034	106,250.00	(106,250.00)	0.00	3/25/2012	3/28/2012	Synopsys SNUG Conference	Synopsys	3
1204063	12,000.00	(12,000.00)	0.00	4/9/2012	4/12/2012	Percona 2012 Users Conference	Percona	3
1204006	65,380.00	(65,380.00)	0.00	4/12/2012	4/15/2012	Cal-Nev-Ha Key Club Convention	Cal-Nev-Ha District of Kiwanis International	3
1206004	4,740.00	(1,590.00)	3,150.00	6/10/2012	6/13/2012	Hyatt Hotel/CHIA	Hyatt Santa Clara	3
1205005	6,320.00	(720.00)	5,600.00	5/25/2012	5/28/2012	Hyatt/Artistic Solution	Hyatt Santa Clara	3
1205014	24,000.00	(18,000.00)	6,000.00	4/23/2012	4/26/2012	National Venture Capital Association	National Venture Capital Association	3
1204065	6,320.00	(160.00)	6,160.00	4/9/2012	4/12/2012	Hyatt/Percona	Hyatt Santa Clara	3
1204011	7,090.00	(630.00)	6,460.00	4/2/2012	4/5/2012	Hyatt/American Water Works Assoc. CA/NV Section	Hyatt Santa Clara	3
1204070	18,850.00	(12,000.00)	6,850.00	4/9/2012	4/12/2012	Supplier Recognition Event	Intel Corporation	3
1111049	24,000.00	(16,000.00)	8,000.00	11/29/2011	12/2/2011	Media Innovations Summit	Broadband Information Resources	3
1108012	12,000.00	(2,000.00)	10,000.00	8/25/2011	8/28/2011	PrimeXpo, LLC	PrimeXpo, LLC	3
1204034	11,920.00	0.00	11,920.00	5/10/2012	5/13/2012	Dive News Network	Dive News Network	3
1108037	24,700.00	(12,300.00)	12,400.00	10/17/2011	10/20/2011	Idema/Diskcon	IDEMA	3
1112003	33,810.00	(19,848.00)	13,962.00	12/27/2011	12/30/2011	California Southern Baptist Convention	California Southern Baptist Convention	3
1202020	42,320.00	(24,440.00)	17,880.00	2/27/2012	3/1/2012	Hyatt Hotel/O'Reilly Strata Event	Hyatt Santa Clara	3
1206016	50,320.00	(32,440.00)	17,880.00	6/24/2012	6/27/2012	Hyatt Hotel/O'Reilly - Velocity	Hyatt Santa Clara	3
1110076	22,420.00	(4,200.00)	18,220.00	10/9/2011	10/12/2011	Localization World	Localization World	3
1202061	29,180.00	(9,340.00)	19,840.00	2/27/2012	3/1/2012	O'Reilly - Strata	O'Reilly Media, Inc.	3
1108005	49,720.00	(28,200.00)	21,520.00	8/8/2011	8/11/2011	Conference Concepts	Conference Concepts, Inc.	3
1202021	25,820.00	(4,220.00)	21,600.00	2/16/2012	2/19/2012	Travel & Adventure Show	Unicomm, LLC	3
1206029	25,200.00	0.00	25,200.00	6/24/2012	6/27/2012	O'Reilly Velocity	O'Reilly Media, Inc.	3
1108016	30,900.00	(3,920.00)	26,980.00	8/10/2011	8/13/2011	Scrapbook Expo	Scrapbook Expo	3
1107014	42,860.00	(12,260.00)	30,600.00	7/25/2011	7/28/2011	State Bar of California 2011	The State Bar of California	3
1109065	57,190.00	(16,000.00)	41,190.00	10/20/2011	10/23/2011	Silicon Valley Information Business Alliance	UCTIA/99 People, Inc.	3
1108019	62,460.00	(17,200.00)	45,260.00	8/18/2011	8/21/2011	Bay Area Christian Church	Bay Area Christian Church	3
1202007	73,165.00	(24,000.00)	49,165.00	2/6/2012	2/9/2012	PennWell Corporation/Strategies in Lights	PennWell Corporation	3
1109156	7,560.00	(7,560.00)	0.00	9/19/2011	9/21/2011	Kaiser Permanente Santa Clara	Kaiser Permanente Santa Clara	2

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Event Days
1203092	18,900.00	(18,900.00)	0.00	3/19/2012	3/21/2012	X Media Research, Inc.	X Media Research, Inc.	2
1202102	510.00	0.00	510.00	2/7/2012	2/9/2012	Topanga Technologies	Topanga Technologies	2
1205087	6,050.00	(4,740.00)	1,310.00	5/30/2012	6/1/2012	Intel Corporation	Intel Corporation	2
1107015	2,370.00	(720.00)	1,650.00	7/8/2011	7/10/2011	Hyatt Hotel/CA Extreme	Hyatt Santa Clara	2
1112001	6,075.00	(4,275.00)	1,800.00	12/9/2011	12/11/2011	Santa Clara Ballet	Santa Clara Ballet Company	2
1111031	2,370.00	(165.00)	2,205.00	11/4/2011	11/6/2011	Hyatt Hotel/Advanced Imaging	Hyatt Santa Clara	2
1205016	4,740.00	(1,590.00)	3,150.00	5/7/2012	5/9/2012	Hyatt Hotel/TSIA	Hyatt Santa Clara	2
1206005	4,740.00	(1,590.00)	3,150.00	6/4/2012	6/6/2012	Hyatt Hotel/CALA	Hyatt Santa Clara	2
1203099	3,500.00	0.00	3,500.00	3/16/2012	3/18/2012	Bricks by the Bay	Bricks by the Bay	2
1206022	20,070.00	(16,030.00)	4,040.00	6/8/2012	6/10/2012	CTA	California Tamil Academy	2
1205093	5,880.00	(1,700.00)	4,180.00	5/22/2012	5/24/2012	NVIDIA		2
1201008	4,740.00	(540.00)	4,200.00	1/20/2012	1/22/2012	Hyatt Hotel/LA Dance	Hyatt Hotel	2
1111046	5,280.00	(880.00)	4,400.00	11/25/2011	11/27/2011	Sterling Dance	Sterling Dance Theatre	2
1206024	5,280.00	(880.00)	4,400.00	5/4/2012	5/6/2012	San Juan School of Dance	San Juan Dance	2
1201021	4,740.00	(330.00)	4,410.00	1/6/2012	1/8/2012	Hyatt Hotel/Hollywood Connection	Hyatt Santa Clara	2
1202018	4,740.00	(330.00)	4,410.00	2/9/2012	2/11/2012	Hyatt Hotel/O'Scale West	Hyatt Santa Clara	2
1203024	4,740.00	(330.00)	4,410.00	3/30/2012	4/1/2012	Hyatt Hotel/Monsters of Hip Hop	Hyatt Santa Clara	2
1204029	4,740.00	(330.00)	4,410.00	4/20/2012	4/22/2012	Hyatt Hotel/Break the Floor	Hyatt Santa Clara	2
1201105	4,740.00	(120.00)	4,620.00	1/10/2012	1/12/2012	Hyatt Hotel/PayPal	Hyatt Santa Clara	2
1202044	4,740.00	(120.00)	4,620.00	2/3/2012	2/5/2012	Hyatt Hotel/Pulse Tour	Hyatt Santa Clara	2
1203054	4,740.00	(120.00)	4,620.00	3/16/2012	3/18/2012	Hyatt Hotel/Bricks by the Bay	Hyatt Hotel	2
1204148	7,790.00	(980.00)	6,810.00	4/16/2012	4/18/2012	Amazon	Amazon.com	2
1204137	7,140.00	0.00	7,140.00	4/27/2012	4/29/2012	Armando Montelongo Company	Armando Montelongo Company	2
1110060	18,000.00	(10,000.00)	8,000.00	10/4/2011	10/6/2011	GSA	GSA	2
1201061	16,000.00	(8,000.00)	8,000.00	1/13/2012	1/15/2012	Trinity Motivation	Trinity Motivation	2
1203133	8,000.00	0.00	8,000.00	3/9/2012	3/11/2012	GT Sports & Marketing	GT Sports Marketing	2
1206053	16,000.00	(8,000.00)	8,000.00	6/29/2012	7/1/2012	Trinity Motivation	Trinity Motivation	2
1204018	10,800.00	0.00	10,800.00	4/20/2012	4/22/2012	Bay Area Chess	Bay Area Chess	2
1201027	51,580.00	(40,000.00)	11,580.00	3/12/2012	3/14/2012	IBM	IBM Systems & Technology Group	2
1203052	15,180.00	(3,300.00)	11,880.00	3/19/2012	3/21/2012	Hewlett-Packard	TMG, LLC	2
1112090	15,920.00	(4,000.00)	11,920.00	12/12/2011	12/14/2011	Synopsys	Synopsys	2
1203022	16,910.00	(4,910.00)	12,000.00	3/2/2012	3/4/2012	No CA Train - Cal Stewart	Northern California Train Collectors Assn.	2
1110096	14,660.00	(2,000.00)	12,660.00	10/25/2011	10/27/2011	Show Initiative, LLC	Engage Digital Media, Show Initiative LLC	2
1206019	26,475.00	(13,475.00)	13,000.00	6/12/2012	6/14/2012	IDG Cloud Conference	IDG Enterprise	2
1109013	16,020.00	(1,560.00)	14,460.00	9/20/2011	9/22/2011	SecureWorld	SecureWorld Expo	2
1205012	24,640.00	(7,110.00)	17,530.00	5/25/2012	5/27/2012	Catholic Charismatic	Northern California Catholic Charismatic Conventio	2
1205039	20,920.00	(3,370.00)	17,550.00	5/7/2012	5/9/2012	Augmented Reality Event	AugmentedReality.org	2
1201060	18,100.00	0.00	18,100.00	1/20/2012	1/22/2012	GEK International	GEK International	2

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Event Days
1204031	19,245.00	0.00	19,245.00	4/27/2012	4/29/2012	Move Productions	Move Productions LLC	2
1111045	27,520.00	(880.00)	26,640.00	11/11/2011	11/13/2011	San Francisco Ski and Snowboard Festival LLC	SF Ski and Snowboard Festival LLC	2
1111043	33,780.00	(4,000.00)	29,780.00	11/17/2011	11/19/2011	Faith Formation	Archdiocese of San Francisco	2
1108028	25,960.00	(25,960.00)	0.00	8/8/2011	8/9/2011	49ers Pasta Bowl	49ers Foundation	1
1110135	6,660.00	(6,660.00)	0.00	10/6/2011	10/7/2011	PMI Silicon Valley	PMI-Silicon Valley Chapter	1
1111099	22,700.00	(22,700.00)	0.00	11/14/2011	11/15/2011	Jack Morton Worldwide	Jack Morton Worldwide	1
1112006	0.00	0.00	0.00	12/7/2011	12/8/2011	GSA	GSA	1
1202085	3,920.00	(3,920.00)	0.00	2/3/2012	2/4/2012	City of Santa Clara SCFD Testing	City of Santa Clara	1
1204030	16,265.00	(16,265.00)	0.00	3/22/2012	3/23/2012	Presentation High School	Presentation High School	1
1204121	18,415.00	(18,415.00)	0.00	4/25/2012	4/26/2012	San Francisco 49ers Draft Day Party	San Francisco 49ers	1
1206073	10,200.00	(10,200.00)	0.00	6/5/2012	6/6/2012	Tax Executive Institute, SC Chapter	Tax Executives Institute, Inc.	1
1109115	340.00	0.00	340.00	9/20/2011	9/21/2011	IDT/Hyatt	Hyatt Santa Clara	1
1202108	340.00	0.00	340.00	2/29/2012	3/1/2012	Cloudera	Cloudera	1
1205121	780.00	(390.00)	390.00	5/30/2012	5/31/2012	Aramark	Aramark Business Dining	1
1107057	530.00	0.00	530.00	7/12/2011	7/13/2011	Memory Technologies LLC	Memory Technologies LLC	1
1112034	680.00	0.00	680.00	12/3/2011	12/4/2011	Bay Area Chess	Bay Area Chess	1
1109162	1,100.00	0.00	1,100.00	9/20/2011	9/21/2011	Tim's Tech Tours	Tim's Tech Tours	1
1204122	1,365.00	0.00	1,365.00	4/28/2012	4/29/2012	Wun Enterprise	Wun Enterprise	1
1110054	13,370.00	(12,000.00)	1,370.00	10/3/2011	10/4/2011	YWCA	YWCA of Silicon Valley	1
1110160	2,800.00	(1,400.00)	1,400.00	10/26/2011	10/27/2011	Applied Micro	Applied Micro	1
1109062	1,580.00	(110.00)	1,470.00	9/15/2011	9/16/2011	Hyatt Hotel	Hyatt Hotel	1
1201043	2,040.00	(510.00)	1,530.00	1/13/2012	1/14/2012	VietET	Viet ET	1
1109139	1,580.00	(40.00)	1,540.00	9/6/2011	9/7/2011	Hyatt Hotel	Hyatt Hotel	1
1107008	9,580.00	(8,000.00)	1,580.00	7/29/2011	7/30/2011	Peterson High School Reunion	Peterson High School	1
1203118	1,825.00	0.00	1,825.00	3/24/2012	3/25/2012	Wun Enterprise	Wun Enterprise	1
1204106	8,000.00	(6,000.00)	2,000.00	4/3/2012	4/4/2012	Kaiser Permanente	Kaiser Permanente	1
1111013	2,040.00	0.00	2,040.00	11/5/2011	11/6/2011	Dance Masters	Jensen School of Performing Arts	1
1108013	3,160.00	(1,060.00)	2,100.00	8/4/2011	8/5/2011	Hyatt Hotel/Apostolic	Hyatt Santa Clara	1
1203139	2,225.00	0.00	2,225.00	3/17/2012	3/18/2012	SEG Eventos, Inc.	SEG Eventos, Inc.	1
1107019	2,305.00	0.00	2,305.00	7/15/2011	7/16/2011	Jensen Performing Arts	Jensen School of Performing Arts	1
1204118	2,350.00	0.00	2,350.00	4/7/2012	4/8/2012	SEG Eventos, Inc.	SEG Eventos, Inc.	1
1204111	2,585.00	0.00	2,585.00	4/5/2012	4/6/2012	San Franciso 49ers Gold Rush Auditions	San Francisco 49ers	1
1110144	3,520.00	(880.00)	2,640.00	10/1/2011	10/2/2011	Silicon Valley Conference & Film Festival	Silicon Valley Waves, LLC	1
1112044	6,000.00	(3,360.00)	2,640.00	12/6/2011	12/7/2011	Cisco Systems Shareholders Meeting	Cisco Systems	1
1206047	3,520.00	(880.00)	2,640.00	6/1/2012	6/2/2012	California Sports Center	California Sports Center	1
1109101	5,680.00	(2,940.00)	2,740.00	9/23/2011	9/24/2011	H&L Productions	H&L Productions	1
1203076	2,740.00	0.00	2,740.00	3/17/2012	3/18/2012	College Admissions Assistance	College Admissions Assistance	1
1107053	3,785.00	(880.00)	2,905.00	7/8/2011	7/9/2011	Jung SuWon Corporation	Jung SuWon Corporation	1
1111054	3,160.00	(220.00)	2,940.00	11/11/2011	11/12/2011	Hyatt Hotel/BACC	Hyatt Santa Clara	1

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Event Days
1202037	3,160.00	(220.00)	2,940.00	2/18/2012	2/19/2012	Hyatt Hotel/NUVO	Hyatt Santa Clara	1
1206030	4,050.00	(880.00)	3,170.00	6/22/2012	6/23/2012	Liberty Dance	Liberty Dance Company	1
1206080	5,080.00	(1,560.00)	3,520.00	6/4/2012	6/5/2012	Radio Ink	Streamline Publications, Inc.	1
1203079	16,000.00	(12,000.00)	4,000.00	3/29/2012	3/30/2012	Junior League of San Jose	Junior League of San Jose Inc.	1
1205042	9,900.00	(5,900.00)	4,000.00	5/3/2012	5/4/2012	JobTrain Women of Champions Breakfast	JobTrain	1
1203048	6,130.00	(1,960.00)	4,170.00	3/23/2012	3/24/2012	No. CA Society of Gastroenterology Nurses & Assoc	NCSGNA	1
1112055	12,385.00	(8,000.00)	4,385.00	12/8/2011	12/9/2011	10gen	10gen, Inc.	1
1201083	16,000.00	(11,500.00)	4,500.00	1/17/2012	1/18/2012	State Farm Bamma Sales Rally	State Farm Mutual Automobile Insurance Company	1
1201106	4,700.00	0.00	4,700.00	1/11/2012	1/12/2012	Tupperware US	Tupperware US	1
1110111	12,880.00	(8,000.00)	4,880.00	10/1/2011	10/2/2011	HYSTA	HYSTA	1
1111082	16,000.00	(11,000.00)	5,000.00	11/1/2011	11/2/2011	Intelligent Enterprise Solutions Expo	Intelligent Enterprise Solutions, Inc.	1
1201026	9,130.00	(4,000.00)	5,130.00	1/16/2012	1/17/2012	RTC Group	RTC Group, Concept Development, Inc.	1
1111075	5,760.00	0.00	5,760.00	11/5/2011	11/6/2011	Help Them Grow, Inc.	Help Them Grow, Inc.	1
1108040	7,580.00	(1,580.00)	6,000.00	8/1/2011	8/2/2011	Northern California Minority Supplier Development	Western Regional Minority Supplier Development Cou	1
1206070	16,000.00	(10,000.00)	6,000.00	6/3/2012	6/4/2012	Cisco Systems/ Borderless Network	Cisco Systems	1
1110103	6,400.00	0.00	6,400.00	10/29/2011	10/30/2011	Bay Area Chess	Bay Area Chess	1
1202051	6,530.00	0.00	6,530.00	2/3/2012	2/4/2012	San Jose Mercury News	San Jose Mercury News	1
1109048	9,400.00	(2,000.00)	7,400.00	9/29/2011	9/30/2011	NurseWeek/Gannett Healthcare Group	Gannett Healthcare Group	1
1112020	13,940.00	(6,085.00)	7,855.00	12/6/2011	12/7/2011	Ivy Associates	Ivy Associates	1
1202036	16,000.00	(8,000.00)	8,000.00	2/1/2012	2/2/2012	Teladata	Teladata	1
1205074	8,455.00	(455.00)	8,000.00	5/24/2012	5/25/2012	Marvell	Marvell Semiconductor, Inc.	1
1109104	8,560.00	0.00	8,560.00	9/17/2011	9/18/2011	World Journal	World Journal	1
1202082	12,300.00	(3,700.00)	8,600.00	2/22/2012	2/23/2012	Business Matchmaking Inc.	Business Matchmaking Inc.	1
1206013	17,120.00	(7,960.00)	9,160.00	6/22/2012	6/23/2012	Executive Council of Homeowners	Executive Community for Homeowners	1
1205064	16,000.00	(6,400.00)	9,600.00	5/1/2012	5/2/2012	Hope Services	Hope Services	1
1205081	9,960.00	0.00	9,960.00	5/26/2012	5/27/2012	SEG Eventos, Inc.	SEG Eventos, Inc.	1
1204077	11,800.00	0.00	11,800.00	4/14/2012	4/15/2012	World Journal	World Journal	1
1203081	12,000.00	0.00	12,000.00	3/31/2012	4/1/2012	National Performance Warehouse Car Show	National Performance Warehouse	1
1205094	16,000.00	(3,360.00)	12,640.00	5/26/2012	5/27/2012	Assyrian State Convention	46th Annual AUOC State Convention	1
1109053	13,215.00	0.00	13,215.00	9/14/2011	9/15/2011	Cisco Systems	Cisco Systems	1
1204045	17,820.00	(3,231.00)	14,589.00	4/20/2012	4/21/2012	CHEA	Christian Home Educators of California	1

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1204040	15,920.00	0.00	15,920.00	4/24/2012	4/25/2012	CAA EXPO	California Apartment Association	1
1201036	16,340.00	0.00	16,340.00	1/27/2012	1/28/2012	The Pampered Chef	The Pampered Chef	1
1112022	19,945.00	(2,000.00)	17,945.00	12/10/2011	12/11/2011	Bay Area Christian Church	Bay Area Christian Church	1
1108022	3,000.00	(3,000.00)	0.00	8/27/2011	8/27/2011	Tarigagay Organization	Tarigagay Organization	0
1109086	5,900.00	(5,900.00)	0.00	9/4/2011	9/4/2011	Vietnamese Navy Reunion		0
1109067	4,000.00	(4,000.00)	0.00	9/13/2011	9/13/2011	Silicon Valley Leadership Group	Silicon Valley Leadership Group	0
1109118	470.00	(470.00)	0.00	9/13/2011	9/13/2011	Opus Solution/Cisco	Opus Solution	0
1109142	780.00	(780.00)	0.00	9/13/2011	9/13/2011	Cisco Systems	Cisco Systems	0
1109136	780.00	(780.00)	0.00	9/14/2011	9/14/2011	Santa Clara University	Santa Clara University Leavey School of Business	0
1109143	780.00	(780.00)	0.00	9/16/2011	9/16/2011	Cisco Systems	Cisco Systems	0
1109116	390.00	(390.00)	0.00	9/29/2011	9/29/2011	City of Santa Clara Silicon Valley Power	City of Santa Clara/Silicon Valley Power	0
1110092	1,370.00	(1,370.00)	0.00	10/21/2011	10/21/2011	25th Annivesary Sister City Event	City of Santa Clara	0
1111038	5,900.00	(5,900.00)	0.00	11/3/2011	11/3/2011	SJ Business Journal	Silicon Valley / San Jose Business Journal	0
1111044	9,370.00	(9,370.00)	0.00	11/4/2011	11/4/2011	Silicon Valley Leadership Group	Silicon Valley Leadership Group	0
1111047	8,000.00	(8,000.00)	0.00	11/5/2011	11/5/2011	MCCF Dinner	Mission City Community Fund	0
1111087	0.00	0.00	0.00	11/5/2011	11/5/2011	Viet Hope	Viet Hope	0
1111059	5,100.00	(5,100.00)	0.00	11/11/2011	11/11/2011	Tran Wedding		0
1111102	5,900.00	(5,900.00)	0.00	11/17/2011	11/17/2011	Boy Scouts of America Distinguished Citizen Dinner	Boy Scouts of America	0
1112035	16,000.00	(16,000.00)	0.00	12/3/2011	12/3/2011	Maxim Holiday Party	Maxim Integrated Products	0
1112095	1,370.00	(1,370.00)	0.00	12/3/2011	12/3/2011	SC Valley Medical Center-TCNM	Santa Clara Valley Medical Center - TCNM	0
1112069	5,000.00	(5,000.00)	0.00	12/8/2011	12/8/2011	MedImmune Holiday Party	MedImmune, LLC	0
1112048	4,000.00	(4,000.00)	0.00	12/10/2011	12/10/2011	Sandisk	Any Event	0
1112084	14,415.00	(14,415.00)	0.00	12/10/2011	12/10/2011	Intel	Intel Corporation	0
1112066	8,000.00	(8,000.00)	0.00	12/12/2011	12/12/2011	Ericsson	Ericsson	0
1112036	18,415.00	(18,415.00)	0.00	12/17/2011	12/17/2011	Super Micro Holiday Party	Super Micro Computer, Inc.	0
1201073	0.00	0.00	0.00	1/12/2012	1/12/2012	Silicon Valley Business Journal	Silicon Valley / San Jose Business Journal	0
1201092	265.00	(265.00)	0.00	1/26/2012	1/26/2012	HCCA	HCCA	0
1202045	8,000.00	(8,000.00)	0.00	2/3/2012	2/3/2012	Boy Scouts of America	Boy Scouts of America	0
1202072	170.00	(170.00)	0.00	2/8/2012	2/8/2012	Light-Based Technologies Incorporated	Light-Based Technologies Incorporated	0
1202099	170.00	(170.00)	0.00	2/10/2012	2/10/2012	Intel	Intel Corporation	0
1202090	0.00	0.00	0.00	2/18/2012	2/18/2012	Vietnamese Physician Association N. CA	Vietnamese Physician Association N. CA	0
1203130	2,350.00	(2,350.00)	0.00	3/4/2012	3/4/2012	Reeder/Sleeter Wedding		0
1203131	910.00	(910.00)	0.00	3/21/2012	3/21/2012	manex Consulting	manex	0

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Event Days
1204087	0.00	0.00	0.00	4/5/2012	4/5/2012	Boy Scouts of America Community Leadership Bkfst	Boy Scouts of America	0
1204128	2,100.00	(2,100.00)	0.00	4/12/2012	4/12/2012	Santa Clara Chamber PAC	Santa Clara Chamber PAC	0
1204147	455.00	(455.00)	0.00	4/12/2012	4/12/2012	NEF	NEF	0
1204041	4,000.00	(4,000.00)	0.00	4/18/2012	4/18/2012	Bill Wilson Center	Bill Wilson Center	0
1204105	0.00	0.00	0.00	4/21/2012	4/21/2012	Asian American Women's Alliance	Asian American Women's Alliance	0
1204127	2,200.00	(2,200.00)	0.00	4/22/2012	4/22/2012	CARITS INC.	Carits Inc.	0
1204079	4,000.00	(4,000.00)	0.00	4/26/2012	4/26/2012	City of Santa Clara Sevice Pin Luncheon	City of Santa Clara	0
1205091	8,000.00	(8,000.00)	0.00	5/11/2012	5/11/2012	California Forward	California Forward	0
1205104	2,415.00	(2,415.00)	0.00	5/16/2012	5/16/2012	ChuTian Group Inc.	ChuTian Group Inc.	0
1206075	8,000.00	(8,000.00)	0.00	6/1/2012	6/1/2012	Applied Materials	Applied Materials	0
1206050	1,960.00	(1,960.00)	0.00	6/14/2012	6/14/2012	Pyramid Awards Dinner	Santa Clara Chamber of Commerce	0
1206085	0.00	0.00	0.00	6/16/2012	6/16/2012	Fabian Castaneda Graduation	Santa Clara Convention and Visitors Bureau	0
1206057	4,000.00	(4,000.00)	0.00	6/23/2012	6/23/2012	Vasquez Wedding		0
1204159	455.00	(455.00)	0.00	6/26/2012	6/26/2012	City of Santa Clara/Silicon Valley Power	City of Santa Clara	0
1207013	8,170.00	(8,170.00)	0.00	6/30/2012	6/30/2012	Jimson Tharayil and Michelle Johnson Wedding	Jimson Tharayil	0
1111126	265.00	(132.50)	132.50	11/8/2011	11/8/2011	Ocean Tomo		0
1206110	265.00	(132.50)	132.50	6/28/2012	6/28/2012	HSMAI Luncheon	HSMAI NorCal Chapter	0
1108065	170.00	0.00	170.00	8/2/2011	8/2/2011	AT&T	AT&T	0
1201121	170.00	0.00	170.00	1/13/2012	1/13/2012	Preschool California	Preschool California	0
1205100	170.00	0.00	170.00	5/10/2012	5/10/2012	Symantec Corporation	Symantec Corporation	0
1205096	455.00	(227.50)	227.50	5/16/2012	5/16/2012	SageView	SageView	0
1109148	265.00	0.00	265.00	9/22/2011	9/22/2011	Triacta Power Technologies, Inc.	Triacta Power Technologies, Inc.	0
1111119	265.00	0.00	265.00	11/22/2011	11/22/2011	NetLogic Microsystems, Inc.	NetLogic Microsystems, Inc.	0
1206103	315.00	0.00	315.00	6/10/2012	6/10/2012	Modern Group USA	Modern Group USA	0
1201071	4,340.00	(4,000.00)	340.00	2/6/2012	2/6/2012	Fisher Investments	Fisher Investments	0
1107066	390.00	0.00	390.00	7/18/2011	7/18/2011	Optionetics	Optionetics	0
1107027	390.00	0.00	390.00	7/20/2011	7/20/2011	Equity Happens Institute	Equity Happens Institute	0
1108027	390.00	0.00	390.00	8/17/2011	8/17/2011	Equity Happens Institute	Equity Happens Institute	0
1108062	390.00	0.00	390.00	8/17/2011	8/17/2011	Xponential Growth Solutions	Xponential Growth Solutions	0
1109134	390.00	0.00	390.00	9/30/2011	9/30/2011	NEI Global Relocation	NEI Global Relocation	0
1112017	390.00	0.00	390.00	12/14/2011	12/14/2011	Equity Happens Institute	Equity Happens Institute	0
1204146	390.00	0.00	390.00	4/26/2012	4/26/2012	MVP Golf Lessons		0
1111052	4,435.00	(4,000.00)	435.00	11/5/2011	11/5/2011	Friends of Children	Friends of Children with Special Needs	0

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1201072	4,435.00	(4,000.00)	435.00	1/25/2012	1/25/2012	Fujitsu Laboratories of America	Fujitsu Laboratories of America, Inc	0
1109107	455.00	0.00	455.00	9/21/2011	9/21/2011	Equity Happens Institute	Equity Happens Institute	0
1110193	455.00	0.00	455.00	10/12/2011	10/12/2011	Cisco Systems	Cisco	0
1110049	455.00	0.00	455.00	10/19/2011	10/19/2011	Equity Happens Institute	Equity Happens Institute	0
1111042	455.00	0.00	455.00	11/16/2011	11/16/2011	Equity Happens Institute	Equity Happens Institute	0
1201070	455.00	0.00	455.00	1/22/2012	1/22/2012	Chilel Qigong	Chilel Qigong	0
1201107	980.00	(490.00)	490.00	1/12/2012	1/12/2012	CCCMHA	California Council of Community Mental Health Agen	0
1204081	1,020.00	(510.00)	510.00	4/5/2012	4/5/2012	Jehovah's Witnesses	Jehovah's Witness	0
1204124	1,020.00	(510.00)	510.00	4/15/2012	4/15/2012	International Association of Youth	International Association of Youth	0
1107076	790.00	(240.00)	550.00	7/30/2011	7/30/2011	Hyatt Hotel/National Miss	Hyatt Santa Clara	0
1110207	655.00	0.00	655.00	10/24/2011	10/24/2011	Auction.com	Auction.com, LLC	0
1205102	655.00	0.00	655.00	5/1/2012	5/1/2012	MDC Vacuum Products	MDC Vacuum Products	0
1110172	1,370.00	(685.00)	685.00	11/1/2011	11/1/2011	Novellus	Novellus Systems, Inc.	0
1110050	790.00	(20.00)	770.00	10/11/2011	10/11/2011	Hyatt Hotel/CA Hotel Lodging Assn	Hyatt Regency Santa Clara	0
1201099	790.00	(20.00)	770.00	1/9/2012	1/9/2012	Hyatt Hotel/PayPal	Hyatt Santa Clara	0
1203142	790.00	(20.00)	770.00	3/23/2012	3/23/2012	Hyatt Hotel	Hyatt Hotel	0
1204154	790.00	(20.00)	770.00	4/26/2012	4/26/2012	Hyatt Hotel/ASI	Hyatt Hotel	0
1201024	8,780.00	(8,000.00)	780.00	1/8/2012	1/8/2012	US-China Association of High-Level Professionals	UCAHP	0
1111093	1,020.00	(204.00)	816.00	11/4/2011	11/4/2011	Potmax LLC	Potmax LLC	0
1110184	840.00	0.00	840.00	10/5/2011	10/5/2011	Hyatt Hotel/IBM	Hyatt Hotel	0
1109085	1,760.00	(880.00)	880.00	9/23/2011	9/23/2011	The Art Institute of California Sunnyvale	The Art Institute of CA Sunnyvale	0
1111114	1,760.00	(880.00)	880.00	11/3/2011	11/3/2011	Tellabs	Tellabs	0
1112105	1,760.00	(880.00)	880.00	12/16/2011	12/16/2011	Accuray	Accuray Inc.	0
1201025	1,760.00	(880.00)	880.00	1/24/2012	1/24/2012	Cornish and Carey	Cornish & Carey	0
1203075	1,760.00	(880.00)	880.00	3/9/2012	3/9/2012	Palmer College	Palmer College of Chiropractic	0
1203122	1,760.00	(880.00)	880.00	3/9/2012	3/9/2012	Accuray Inc.	Accuray Inc.	0
1203119	1,760.00	(880.00)	880.00	3/23/2012	3/23/2012	The Art Institute of CA Sunnyvale	The Art Institute of CA Sunnyvale	0
1205114	1,760.00	(880.00)	880.00	5/28/2012	5/28/2012	CTA	California Tamil Academy	0
1206060	1,760.00	(880.00)	880.00	6/3/2012	6/3/2012	California Conservatory of Guitar	The California Conservatory of Guitar	0
1109140	940.00	0.00	940.00	9/24/2011	9/24/2011	DC Trainings	DC Trainings	0
1107060	980.00	0.00	980.00	7/11/2011	7/11/2011	Auction.com, LLC.	Auction.com, LLC	0
1107061	980.00	0.00	980.00	7/25/2011	7/25/2011	Auction.com, LLC.	Auction.com, LLC	0
1108054	980.00	0.00	980.00	8/11/2011	8/11/2011	Auction.com, LLC.	Auction.com, LLC	0
1109091	980.00	0.00	980.00	9/6/2011	9/6/2011	Auction.com, LLC.	Auction.com, LLC	0
1109092	980.00	0.00	980.00	9/19/2011	9/19/2011	Auction.com, LLC.	Auction.com, LLC	0
1110121	980.00	0.00	980.00	10/3/2011	10/3/2011	Auction.com, LLC.	Auction.com, LLC	0

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Event Days
1110175	980.00	0.00	980.00	10/11/2011	10/11/2011	San Jose Mercury News	San Jose Mercury News	0
1110122	980.00	0.00	980.00	10/17/2011	10/17/2011	Auction.com, LLC.	Auction.com, LLC	0
1111079	980.00	0.00	980.00	11/14/2011	11/14/2011	Auction.com, LLC.	Auction.com, LLC	0
1111080	980.00	0.00	980.00	11/28/2011	11/28/2011	Auction.com, LLC.	Auction.com, LLC	0
1112075	1,960.00	(980.00)	980.00	12/1/2011	12/1/2011	Fresh Lifelines for Youth, Inc.	Fresh Lifelines for Youth, Inc	0
1112056	980.00	0.00	980.00	12/9/2011	12/9/2011	Auction.com, LLC.	Auction.com, LLC	0
1112057	980.00	0.00	980.00	12/27/2011	12/27/2011	Auction.com, LLC.	Auction.com, LLC	0
1112059	1,960.00	(980.00)	980.00	12/31/2011	12/31/2011	H&L Productions	H&L Productions	0
1201055	980.00	0.00	980.00	1/10/2012	1/10/2012	Auction.com	Auction.com, LLC	0
1201063	980.00	0.00	980.00	1/24/2012	1/24/2012	Auction.com	Auction.com, LLC	0
1202059	980.00	0.00	980.00	2/14/2012	2/14/2012	Auction.com	Auction.com, LLC	0
1202060	980.00	0.00	980.00	2/21/2012	2/21/2012	Auction.com	Auction.com, LLC	0
1203090	980.00	0.00	980.00	3/2/2012	3/2/2012	Auction.com	Auction.com, LLC	0
1203091	980.00	0.00	980.00	3/20/2012	3/20/2012	Auction.com	Auction.com, LLC	0
1204083	980.00	0.00	980.00	4/4/2012	4/4/2012	Auction.com	Auction.com, LLC	0
1204095	980.00	0.00	980.00	4/19/2012	4/19/2012	Auction.com	Auction.com, LLC	0
1205068	980.00	0.00	980.00	5/1/2012	5/1/2012	Auction.com	Auction.com, LLC	0
1205060	980.00	0.00	980.00	5/15/2012	5/15/2012	Auction.com	Auction.com, LLC	0
1205069	980.00	0.00	980.00	5/29/2012	5/29/2012	Auction.com	Auction.com, LLC	0
1206058	980.00	0.00	980.00	6/8/2012	6/8/2012	Auction.com	Auction.com, LLC	0
1206059	980.00	0.00	980.00	6/22/2012	6/22/2012	Auction.com	Auction.com, LLC	0
1110167	5,000.00	(4,000.00)	1,000.00	10/15/2011	10/15/2011	Indians for Collective Action	Indians for Collective Action	0
1112065	2,000.00	(1,000.00)	1,000.00	12/31/2011	12/31/2011	The Rising Sun	The Rising Sun	0
1108051	1,020.00	0.00	1,020.00	8/21/2011	8/21/2011	ICA	ICA	0
1107063	1,020.00	0.00	1,020.00	9/10/2011	9/10/2011	San Jose Art and Cultural Society	Nima Entertainment Inc.	0
1109082	1,020.00	0.00	1,020.00	9/25/2011	9/25/2011	San Jose Art and Cultural Society	Nima Entertainment Inc.	0
1110086	1,020.00	0.00	1,020.00	10/15/2011	10/15/2011	VN Help	VN Help	0
1110142	1,020.00	0.00	1,020.00	10/29/2011	10/29/2011	Silicon Valley Chorus	Silicon Valley Chorus	0
1111104	1,020.00	0.00	1,020.00	11/13/2011	11/13/2011	St. Thomas Syro Malabar Catholic Church	St. Thomas Syro Malabar Catholic Church	0
1111086	1,020.00	0.00	1,020.00	11/20/2011	11/20/2011	Viet Music Club	Viet Music Club	0
1203117	1,020.00	0.00	1,020.00	3/18/2012	3/18/2012	Rumi Records	Rumi Records	0
1204132	1,020.00	0.00	1,020.00	4/26/2012	4/26/2012	North Valley Baptist Chuch	North Valley Baptist Church	0
1204075	1,020.00	0.00	1,020.00	4/29/2012	4/29/2012	Dance Masters	Jensen School of Performing Arts	0
1206045	1,020.00	0.00	1,020.00	6/28/2012	6/28/2012	St. Francis Career College	St. Francis Career College	0
1108038	1,580.00	(480.00)	1,100.00	8/26/2011	8/26/2011	Hyatt Hotel	Hyatt Regency Santa Clara	0
1109127	3,060.00	(1,960.00)	1,100.00	9/26/2011	9/26/2011	Magma	Magma Design Automation, Inc.	0
1205101	2,200.00	(1,100.00)	1,100.00	5/5/2012	5/5/2012	Carits	Carits Inc.	0
1110099	1,170.00	0.00	1,170.00	10/11/2011	10/11/2011	California Hotel & Lodging Association	California Hotel and Lodging Association	0
1202104	1,305.00	0.00	1,305.00	2/18/2012	2/18/2012	Penney Enterprise	Penney Enterprise	0

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Event Days
1202091	1,370.00	0.00	1,370.00	2/11/2012	2/11/2012	CA Youth Advocacy Network	California Youth Advocacy Network	0
1111089	1,400.00	0.00	1,400.00	11/21/2011	11/21/2011	Commonwealth Club	Commonwealth Club Silicon Valley	0
1112012	1,410.00	0.00	1,410.00	12/3/2011	12/3/2011	Harmony	Voices in Harmony	0
1112032	1,580.00	(110.00)	1,470.00	12/3/2011	12/3/2011	Hyatt Hotel	Hyatt Hotel	0
1112045	1,580.00	(110.00)	1,470.00	12/8/2011	12/8/2011	Hyatt Hotel	Hyatt Hotel	0
1112046	1,580.00	(110.00)	1,470.00	12/10/2011	12/10/2011	Hyatt Hotel	Hyatt Hotel	0
1112030	1,580.00	(110.00)	1,470.00	12/31/2011	12/31/2011	Hyatt Hotel	Hyatt Hotel	0
1202038	1,580.00	(110.00)	1,470.00	2/17/2012	2/17/2012	Hyatt Hotel/NUVO	Hyatt Santa Clara	0
1204107	3,000.00	(1,500.00)	1,500.00	4/21/2012	4/21/2012	Bay Area Christian Church	Bay Area Christian Church	0
1204073	1,530.00	0.00	1,530.00	4/8/2012	4/8/2012	Grace Presbyterian Church	Grace Presbyterian Church	0
1109117	1,580.00	(40.00)	1,540.00	9/24/2011	9/24/2011	Hyatt Hotel	Hyatt Hotel	0
1110154	1,580.00	(40.00)	1,540.00	10/28/2011	10/28/2011	Hyatt Hotel/Lockheed Martin	Hyatt Santa Clara	0
1112028	1,580.00	(40.00)	1,540.00	12/9/2011	12/9/2011	Hyatt Hotel	Hyatt Hotel	0
1112103	1,580.00	(40.00)	1,540.00	12/16/2011	12/16/2011	Hyatt Hotel/Holiday Party	Hyatt Hotel	0
1112029	1,580.00	(40.00)	1,540.00	12/17/2011	12/17/2011	Hyatt Hotel	Hyatt Hotel	0
1205099	1,580.00	(40.00)	1,540.00	5/12/2012	5/12/2012	Hyatt Hotel	Hyatt Hotel	0
1112053	1,550.00	0.00	1,550.00	12/17/2011	12/17/2011	WestMed College	WestMed College	0
1203060	9,560.00	(8,000.00)	1,560.00	5/20/2012	5/20/2012	Monte Jade Science and Technology Association	Monte Jade Science and Technology Association	0
1109110	1,580.00	0.00	1,580.00	9/10/2011	9/10/2011	World Wide Dreambuilders	World Wide Group, LLC	0
1109161	1,580.00	0.00	1,580.00	9/26/2011	9/26/2011	Accuray	Accuray Inc.	0
1112096	1,580.00	0.00	1,580.00	12/15/2011	12/15/2011	The Art Institute of California-Sunnyvale	The Art Institute of CA Sunnyvale	0
1206098	1,580.00	0.00	1,580.00	6/16/2012	6/16/2012	World Wide Dream Builders	World Wide Group, LLC	0
1109103	1,645.00	0.00	1,645.00	9/9/2011	9/9/2011	Institute for Natural Resources	Institute for Natural Resources	0
1110176	1,645.00	0.00	1,645.00	10/22/2011	10/22/2011	Matchplay	MatchPlay	0
1111092	1,645.00	0.00	1,645.00	11/26/2011	11/26/2011	Matchplay	MatchPlay	0
1112077	1,645.00	0.00	1,645.00	12/15/2011	12/15/2011	Bartlett Network of Champions	Bartlett Network of Champions	0
1201076	1,645.00	0.00	1,645.00	1/13/2012	1/13/2012	INR	Institute for Natural Resources	0
1203107	1,645.00	0.00	1,645.00	3/1/2012	3/1/2012	Institute for Natural Resources	Institute for Natural Resources	0
1107021	1,760.00	0.00	1,760.00	7/30/2011	7/30/2011	Dance Arts Academy	Dance Arts Academy	0
1107065	1,760.00	0.00	1,760.00	7/31/2011	7/31/2011	Persian Cultural Foundation	Persian Cultural Foundation	0
1108063	1,760.00	0.00	1,760.00	8/14/2011	8/14/2011	Catanh Entertainment		0
1108060	1,760.00	0.00	1,760.00	8/28/2011	8/28/2011	ThinkTank Learning	ThinkTank Learning Inc.	0
1109031	1,760.00	0.00	1,760.00	9/9/2011	9/9/2011	Palmer College	Palmer College of Chiropractic	0
1109074	1,760.00	0.00	1,760.00	9/16/2011	9/16/2011	South India Fine Arts	South India Fine Arts	0
1109129	1,760.00	0.00	1,760.00	9/17/2011	9/17/2011	National Consumer Advocates	National Consumer Advocates	0
1109079	1,760.00	0.00	1,760.00	9/18/2011	9/18/2011	Sankritilaya	Sankritilaya	0
1110125	1,760.00	0.00	1,760.00	10/9/2011	10/9/2011	IRCC, Inc.	IRCC, Inc.	0
1110117	1,760.00	0.00	1,760.00	10/16/2011	10/16/2011	Sankritilaya	Sankritilaya	0

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Event Days
1110158	1,760.00	0.00	1,760.00	10/22/2011	10/22/2011	Kenny King Smith Entertainment	Kenny "King" Smith Entertainment	0
1110113	1,760.00	0.00	1,760.00	10/30/2011	10/30/2011	South India Fine Arts	South India Fine Arts	0
1111108	1,760.00	0.00	1,760.00	11/16/2011	11/16/2011	Future Wei	FutureWei, dba Huawei Technologies USA	0
1112023	1,760.00	0.00	1,760.00	12/2/2011	12/2/2011	Palmer College	Palmer College of Chiropractic	0
1112015	1,760.00	0.00	1,760.00	12/4/2011	12/4/2011	Dance USA	Dance Academy USA	0
1201066	1,760.00	0.00	1,760.00	1/9/2012	1/9/2012	Chinese Restaurant News	Chinese Restaurant News	0
1201029	1,760.00	0.00	1,760.00	1/26/2012	1/26/2012	Comerica	Comerica Bank	0
1202075	1,760.00	0.00	1,760.00	2/11/2012	2/11/2012	TEAM	TEAM	0
1203147	1,760.00	0.00	1,760.00	3/4/2012	3/4/2012	Ravensa Systems Inc.	Ravensa Systems Inc.	0
1203105	1,760.00	0.00	1,760.00	3/10/2012	3/10/2012	TEAM	TEAM	0
1203108	1,760.00	0.00	1,760.00	3/24/2012	3/24/2012	Eastern Winds		0
1203101	1,760.00	0.00	1,760.00	3/25/2012	3/25/2012	South India Fine Arts	South India Fine Arts	0
1203087	1,760.00	0.00	1,760.00	3/31/2012	3/31/2012	M Production Company	M Production Company	0
1204131	1,760.00	0.00	1,760.00	4/1/2012	4/1/2012	H&L Productions	H&L Productions	0
1204082	1,760.00	0.00	1,760.00	4/7/2012	4/7/2012	D&D Entertainment	D&D Entertainment	0
1204086	1,760.00	0.00	1,760.00	4/22/2012	4/22/2012	South India Fine Arts	South India Fine Arts	0
1204066	1,760.00	0.00	1,760.00	4/28/2012	4/28/2012	Dance USA	Dance USA, Inc.	0
1205105	1,760.00	0.00	1,760.00	5/2/2012	5/2/2012	Futurewei Technologies, Inc.	Futurewei Technologies, Inc.	0
1205031	5,760.00	(4,000.00)	1,760.00	5/3/2012	5/3/2012	HR Symposium	HR Symposium	0
1205058	1,760.00	0.00	1,760.00	5/20/2012	5/20/2012	Xpressions	Xpressions	0
1206032	1,760.00	0.00	1,760.00	6/8/2012	6/8/2012	Palmer College	Palmer College of Chiropractic	0
1206092	1,760.00	0.00	1,760.00	6/24/2012	6/24/2012	H&L Productions	H&L Productions	0
1110202	3,330.00	(1,450.00)	1,880.00	10/23/2011	10/23/2011	Bay Area Christian Church	Bay Area Christian Church	0
1111115	3,330.00	(1,450.00)	1,880.00	11/6/2011	11/6/2011	Bay Area Christian Church	Bay Area Christian Church	0
1112092	3,330.00	(1,450.00)	1,880.00	12/4/2011	12/4/2011	Bay Area Christian Church	Bay Area Christian Church	0
1204141	3,330.00	(1,450.00)	1,880.00	4/15/2012	4/15/2012	Bay Area Christian Church	Bay Area Christian Church	0
1204142	3,330.00	(1,450.00)	1,880.00	4/22/2012	4/22/2012	Bay Area Christian Church	Bay Area Christian Church	0
1205106	3,330.00	(1,450.00)	1,880.00	5/6/2012	5/6/2012	Bay Area Christian Church	Bay Area Christian Church	0
1205107	3,330.00	(1,450.00)	1,880.00	5/20/2012	5/20/2012	Bay Area Christian Church	Bay Area Christian Church	0
1206095	3,330.00	(1,450.00)	1,880.00	6/17/2012	6/17/2012	Bay Area Christian Church	Bay Area Christian Church	0
1206096	3,330.00	(1,450.00)	1,880.00	6/24/2012	6/24/2012	Bay Area Chirstian Church	Bay Area Christian Church	0
1107047	1,900.00	0.00	1,900.00	7/23/2011	7/23/2011	Match Play	MatchPlay	0
1108055	1,960.00	0.00	1,960.00	8/22/2011	8/22/2011	Auction.com, LLC.	Auction.com, LLC	0
1108057	1,960.00	0.00	1,960.00	8/27/2011	8/27/2011	Independent Business Owners Benefits Association	Independent Business Owners Benefits Association	0
1107062	1,960.00	0.00	1,960.00	9/11/2011	9/11/2011	Dr. Rath Health Foundation	Dr. Rath USA, Inc.	0
1110185	1,960.00	0.00	1,960.00	10/22/2011	10/22/2011	Titan Global, LLC.	Titan Global, LLC	0
1111105	1,960.00	0.00	1,960.00	11/12/2011	11/12/2011	Independent Business Owners Benefits Association	Independent Business Owners Benefits Association	0

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Event Days
1202071	1,960.00	0.00	1,960.00	2/11/2012	2/11/2012	Independent Business Owners Benefits Association	Independent Business Owners Benefits Association	0
1204130	1,960.00	0.00	1,960.00	4/7/2012	4/7/2012	Penney Enterprise	Penney Enterprise	0
1204102	1,960.00	0.00	1,960.00	4/12/2012	4/12/2012	CapRate Events, LLC	CapRate Events, LLC	0
1205092	3,330.00	(1,370.00)	1,960.00	5/3/2012	5/3/2012	Magnachip Semiconductor	Magnachip Semiconductor, Inc.	0
1205041	1,960.00	0.00	1,960.00	5/4/2012	5/4/2012	Golden State Baptist College	Golden State Baptist College	0
1111116	2,255.00	(270.00)	1,985.00	11/20/2011	11/20/2011	Bay Area Christian Church	Bay Area Christian Church	0
1111117	2,255.00	(270.00)	1,985.00	11/27/2011	11/27/2011	Bay Area Christian Church	Bay Area Christian Church	0
1112093	2,495.00	(510.00)	1,985.00	12/18/2011	12/18/2011	Bay Area Christian	Bay Area Christian Church	0
1201097	3,235.00	(1,250.00)	1,985.00	1/1/2012	1/1/2012	Bay Area Christian Church	Bay Area Christian Church	0
1201080	2,495.00	(510.00)	1,985.00	1/8/2012	1/8/2012	Bay Area Christian Church	Bay Area Christian Church	0
1201081	2,495.00	(510.00)	1,985.00	1/15/2012	1/15/2012	Bay Area Christian Church	Bay Area Christian Church	0
1201082	2,495.00	(510.00)	1,985.00	1/22/2012	1/22/2012	Bay Area Christian	Bay Area Christian Church	0
1202086	2,495.00	(510.00)	1,985.00	2/5/2012	2/5/2012	Bay Area Christian Church	Bay Area Christian Church	0
1202088	2,495.00	(510.00)	1,985.00	2/19/2012	2/19/2012	Bay Area Christian Church	Bay Area Christian Church	0
1106089	2,000.00	0.00	2,000.00	7/16/2011	7/16/2011	JAACUC	Taiwan Club of San Francisco	0
1109121	2,000.00	0.00	2,000.00	9/10/2011	9/10/2011	People to People	People to People	0
1205118	0.00	2,000.00	2,000.00	5/22/2012	5/22/2012	San Francisco 49ers	San Francisco 49ers	0
1206091	2,000.00	0.00	2,000.00	6/7/2012	6/7/2012	Commonwealth Club	Commonwealth Club Silicon Valley	0
1206066	2,000.00	0.00	2,000.00	6/9/2012	6/9/2012	The Rising Sun	The Rising Sun	0
1110203	2,350.00	(270.00)	2,080.00	10/30/2011	10/30/2011	Bay Area Christian Church	Bay Area Christian Church	0
1109126	2,100.00	0.00	2,100.00	9/10/2011	9/10/2011	TEAM	TEAM	0
1202087	2,670.00	(510.00)	2,160.00	2/12/2012	2/12/2012	Bay Area Christian Church	Bay Area Christian Church	0
1206094	3,320.00	(1,070.00)	2,250.00	6/3/2012	6/3/2012	Bay Area Christian Church	Bay Area Christian Church	0
1204140	2,255.00	0.00	2,255.00	4/1/2012	4/1/2012	Bay Area Christian Church	Bay Area Christian Church	0
1109135	2,350.00	0.00	2,350.00	9/8/2011	9/8/2011	Microsemi	Microsemi	0
1202066	2,350.00	0.00	2,350.00	3/17/2012	3/17/2012	CPS Human Resource Services	CPS Human Resource Services	0
1203102	2,350.00	0.00	2,350.00	3/20/2012	3/20/2012	BNI	BNI Bay Area	0
1107059	2,415.00	0.00	2,415.00	7/20/2011	7/20/2011	Targeted Job Fairs	Targeted Job Fairs	0
1110145	2,415.00	0.00	2,415.00	9/20/2011	9/20/2011	Targeted Job Fairs	Targeted Job Fairs	0
1111088	2,415.00	0.00	2,415.00	11/16/2011	11/16/2011	Targeted Job Fairs	Targeted Job Fairs	0
1201068	2,415.00	0.00	2,415.00	1/19/2012	1/19/2012	Targeted Job Fairs	Targeted Job Fairs	0
1205059	2,415.00	0.00	2,415.00	5/30/2012	5/30/2012	Targeted Job Fairs	Targeted Job Fairs	0
1112070	5,000.00	(2,500.00)	2,500.00	12/14/2011	12/14/2011	KPMG LLP	KPMG LLP	0
1204136	3,590.00	(1,070.00)	2,520.00	4/8/2012	4/8/2012	Bay Area Christian Church	Bay Area Christian Church	0
1110164	1,760.00	880.00	2,640.00	10/23/2011	10/23/2011	Buddhist Tzu Chi Foundation	Buddhist Tsu Chi Foundation	0
1109119	2,860.00	0.00	2,860.00	9/17/2011	9/17/2011	CPS Consulting	CPS Human Resource Services	0
1203097	5,290.00	(2,370.00)	2,920.00	3/22/2012	3/22/2012	Invent Your Future	Invent Your Future Enterprises	0
1107026	3,000.00	0.00	3,000.00	7/23/2011	7/23/2011	Bartlett Network of Champions	Bartlett Network of Champions	0
1111062	3,000.00	0.00	3,000.00	11/12/2011	11/12/2011	Bartlett Network of Champions	Bartlett Network of Champions	0
1203096	3,000.00	0.00	3,000.00	3/17/2012	3/17/2012	Bartlett Network of Champions	Bartlett Network of Champions	0

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Event Days
1203151	3,000.00	0.00	3,000.00	3/31/2012	3/31/2012	99 People, Inc.	99 People, Inc.	0
1204134	3,000.00	0.00	3,000.00	4/29/2012	4/29/2012	ThinkTank Learning	ThinkTank Learning Inc.	0
1205056	3,000.00	0.00	3,000.00	6/2/2012	6/2/2012	Bartlett Network of Champions	Bartlett Network of Champions	0
1202069	4,000.00	(800.00)	3,200.00	2/11/2012	2/11/2012	Baby Boomer's Expo	Aguilera & Associates	0
1203158	4,000.00	(800.00)	3,200.00	3/30/2012	3/30/2012	Be Your Own Boss Expo	Aguilera & Associates	0
1203110	6,500.00	(2,900.00)	3,600.00	3/2/2012	3/2/2012	Daughters of Charity Health System	Daughters of Charity Health System	0
1108008	8,000.00	(4,000.00)	4,000.00	8/13/2011	8/13/2011	H&L Productions	H&L Productions	0
1111074	4,000.00	0.00	4,000.00	9/17/2011	9/17/2011	Double Portion Ministry	Double Portion Ministries	0
1110034	4,000.00	0.00	4,000.00	10/22/2011	10/22/2011	Choi's Institute of Tae Kwon Do	Choi's Institute of Tae Kwon Do	0
1111053	4,000.00	0.00	4,000.00	11/20/2011	11/20/2011	IMS	IMS	0
1201057	4,000.00	0.00	4,000.00	1/7/2012	1/7/2012	Bartlett Network of Champions	Bartlett Network of Champions	0
1202026	4,000.00	0.00	4,000.00	2/11/2012	2/11/2012	NNL West	National Nameless Luminaries West	0
1203043	4,000.00	0.00	4,000.00	3/24/2012	3/24/2012	Scale Modelers	Silicon Valley Scale Modelers	0
1203069	8,000.00	(4,000.00)	4,000.00	3/24/2012	3/24/2012	South Asian Heart Center	South Asian Heart Center	0
1204043	8,000.00	(4,000.00)	4,000.00	4/7/2012	4/7/2012	Independence High School	Independence High School	0
1204117	6,600.00	(2,600.00)	4,000.00	4/13/2012	4/13/2012	Tupperware US	Tupperware US	0
1205038	8,000.00	(4,000.00)	4,000.00	5/12/2012	5/12/2012	Presentation High School	Presentation High School	0
1206082	4,000.00	0.00	4,000.00	6/10/2012	6/10/2012	Futton, Inc.	Futton, Inc.	0
1109075	8,530.00	(4,000.00)	4,530.00	9/28/2011	9/28/2011	County of Santa Clara	County of Santa Clara	0
1110084	7,660.00	(2,950.00)	4,710.00	10/8/2011	10/8/2011	CASPA	CASPA	0
1206074	5,000.00	0.00	5,000.00	6/2/2012	6/2/2012	JAACUC	JAACUC	0
1205033	13,420.00	(8,000.00)	5,420.00	5/10/2012	5/10/2012	Anita Borg Institute for Women and Technology	Anita Borg Institute for Women and Technology	0
1109030	5,900.00	0.00	5,900.00	9/24/2011	9/24/2011	Bartlett Network of Champions	Bartlett Network of Champions	0
1203037	10,415.00	(4,000.00)	6,415.00	3/31/2012	3/31/2012	CA Junior Classic League	c/o Menlo School	0
1107028	8,000.00	0.00	8,000.00	7/31/2011	7/31/2011	Colleges That Change Lives	Colleges That Change Lives	0
1109108	8,000.00	0.00	8,000.00	12/13/2011	12/13/2011	Wells Fargo	Wells Fargo	0
1112067	8,000.00	0.00	8,000.00	12/15/2011	12/15/2011	Marvell	Marvell Semiconductor, Inc.	0
1105063	8,600.00	0.00	8,600.00	10/21/2011	10/21/2011	Mental Health Department of Santa Clara County	Mental Health Department of Santa Clara County	0
1109018	16,000.00	0.00	16,000.00	9/24/2011	9/24/2011	Sankara Eye Foundation	Sankara Eye Foundation, USA	0
1110017	16,000.00	0.00	16,000.00	10/1/2011	10/1/2011	Sankara Eye Foundation	Sankara Eye Foundation, USA	0
1110018	16,000.00	0.00	16,000.00	10/8/2011	10/8/2011	Sankara Eye Foundation	Sankara Eye Foundation, USA	0

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Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person

2012-2013

# of days

2013-2014

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Days
1406003	17,375.00	-3,055.00	14,320.00	6/6/2014	6/14/2014	California Health Information Association	CA Health Information Assn	8
1308004	11,060.00	-11,060.00	0	8/27/2013	9/2/2013	American Contract Bridge League	American Contract Bridge League	6
1406002	55,180.00	-44,380.00	10,800.00	6/16/2014	6/22/2014	American Legion	Department of California American Legion	6
1405033	83,520.00	-59,520.00	24,000.00	5/18/2014	5/24/2014	Uptime Inst.	Uptime Institute LLC	6
1310007	92,630.00	-67,190.00	25,440.00	10/26/2013	11/1/2013	ARM Techcon	UBM, LLC	6
1311017	50,265.00	-24,280.00	25,985.00	11/16/2013	11/22/2013	Printed Electronics	IDTechEx, Inc.	6
1310003	85,375.00	-20,495.00	64,880.00	10/15/2013	10/21/2013	Pacific International Quilt Festival	Pacific International Quilt Festival	6
1309047	84,100.00	-83,389.00	711	9/28/2013	10/3/2013	Health 2.0Con	Health 2.0	5
1406090	12,510.00	-10,000.00	2,510.00	6/1/2014	6/6/2014	Cisco Systems	Cisco Systems, Global Procurement Services	5
1306045	5,280.00	-1,760.00	3,520.00	12/2/2013	12/7/2013	Dance Academy USA	Dance Academy USA	5
1307002	9,480.00	-3,180.00	6,300.00	7/25/2013	7/30/2013	Hyatt Hotel/Christ Holiness USA	Hyatt Santa Clara	5
1405011	50,750.00	-42,350.00	8,400.00	5/3/2014	5/8/2014	Technology Services Industry Association	Technology Services Industry Assn., Inc.	5
1310019	42,435.00	-30,435.00	12,000.00	10/5/2013	10/10/2013	Zend	Zend Technologies	5
1309068	22,695.00	-8,910.00	13,785.00	9/23/2013	9/28/2013	Up Media Group, Inc.	UP Media Group, Inc.	5
1404003	76,260.00	-52,460.00	23,800.00	4/28/2014	5/3/2014	California Water Environment Association	California Water Environment Association	5
1310086	30,270.00	-3,675.00	26,595.00	10/27/2013	11/1/2013	Linaro	Linaro Limited	5
1309050	36,000.00	0	36,000.00	9/11/2013	9/16/2013	Home Show	World Class Shows	5
1401004	36,000.00	0	36,000.00	1/8/2014	1/13/2014	Home Show	World Class Shows	5
1312020	88,020.00	-48,740.00	39,280.00	11/30/2013	12/5/2013	Jack Morton Worldwide	Jack Morton Worldwide	5
1406107	51,175.00	-2,000.00	49,175.00	6/26/2014	7/1/2014	Ved Vignan Maha Vidya Peeth	VVM	5
1402002	87,880.00	-27,896.00	59,984.00	2/18/2014	2/23/2014	XRX/Stitches	XRX Inc.	5
1311030	100,820.00	-36,900.00	63,920.00	11/3/2013	11/8/2013	Sys-Con	Sys-Con Media	5
1308025	113,595.00	-27,099.00	86,496.00	8/21/2013	8/26/2013	Japan Expo	Japan Expo	5
1401040	17,580.00	-17,580.00	0	1/21/2014	1/25/2014	Ruckus	Ruckus	4
1403025	36,395.00	-36,395.00	0	3/31/2014	4/4/2014	Percona/Live My SQL Conference & Expo/	Percona LLC	4
1406129	2,275.00	-1,425.00	850	6/2/2014	6/6/2014	Elite	Elite	4
1404160	1,325.00	0	1,325.00	4/15/2014	4/19/2014	Elite	Elite	4
1406132	1,480.00	0	1,480.00	6/9/2014	6/13/2014	Elite	Elite	4
1405004	73,930.00	-71,260.00	2,670.00	5/14/2014	5/18/2014	Tie-Con/The Indus Entrepreneurs	TiE Foundation	4
1404137	3,535.00	0	3,535.00	4/7/2014	4/11/2014	San Francisco Forty Niners Gold Rush	San Francisco 49ers	4
1403109	9,035.00	-5,195.00	3,840.00	3/17/2014	3/21/2014	UC Berkeley	University of California, Berkeley	4
1401067	23,560.00	-17,680.00	5,880.00	1/12/2014	1/16/2014	Genesys	Genesys	4
1309090	7,900.00	105	8,005.00	9/8/2013	9/12/2013	Hyatt Hotel/Corluka and Associates	Hyatt Santa Clara	4
1403009	137,850.00	-128,885.00	8,965.00	3/22/2014	3/26/2014	Synopsys	Synopsys	4
1406029	10,900.00	-1,760.00	9,140.00	6/11/2014	6/15/2014	Dance Academy USA	Dance Academy USA	4

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Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Days
1309070	12,000.00	0	12,000.00	9/4/2013	9/8/2013	Portsmouth	Portsmouth Square Coin & Bourse Company, LLC	4
1404028	12,000.00	0	12,000.00	4/23/2014	4/27/2014	Portsmouth	Portsmouth Square Coin & Bourse Company, LLC	4
1401005	16,000.00	-3,200.00	12,800.00	1/16/2014	1/20/2014	Wedding Fair	Flare Enterprises, Inc.	4
1406048	14,690.00	-1,370.00	13,320.00	6/25/2014	6/29/2014	Palo Alto Bridge Club	Palo Alto Bridge Club	4
1403097	78,020.00	-63,750.00	14,270.00	3/1/2014	3/5/2014	Open Networking Summit	The Linux Foundation	4
1402017	103,360.00	-81,360.00	22,000.00	2/9/2014	2/13/2014	O'Reilly - Strata	O'Reilly Media Inc.	4
1307006	43,840.00	-13,240.00	30,600.00	7/29/2013	8/2/2013	State Bar of California 2013	The State Bar of California	4
1309064	34,830.00	0	34,830.00	9/23/2013	9/27/2013	Northern California Facility Expo	Cygnus Publishing, LLC	4
1405032	40,510.00	-4,510.00	36,000.00	5/8/2014	5/12/2014	No Ca Volleyball	No. CA Volleyball Assn.	4
1401003	120,620.00	-76,400.00	44,220.00	1/27/2014	1/31/2014	UBM-DesignCon	UBM, LLC	4
1312012	63,665.00	-19,400.00	44,265.00	12/8/2013	12/12/2013	Yahoo! Tech Pulse	Oath	4
1311079	51,725.00	-73,845.00	-22,120.00	11/11/2013	11/14/2013	PSS Summit		3
1308040	27,000.00	-27,000.00	0	8/18/2013	8/21/2013	Palo Alto Networks	Palo Alto Networks	3
1406007	4,740.00	-1,590.00	3,150.00	6/8/2014	6/11/2014	Hyatt Hotel/CHIA	Hyatt Santa Clara	3
1308057	6,320.00	-1,480.00	4,840.00	8/18/2013	8/21/2013	Hyatt Hotel/Palo Alto Networks	Hyatt Hotel	3
1405104	6,320.00	-1,240.00	5,080.00	5/11/2014	5/14/2014	Hyatt Hotel/Intel	Hyatt Hotel	3
1406139	6,740.00	-1,348.00	5,392.00	6/17/2014	6/20/2014	San Francisco 49ers		3
1309078	25,720.00	-18,680.00	7,040.00	9/9/2013	9/12/2013	Big Sky Technology	Big Sky Technology	3
1403114	10,735.00	-3,290.00	7,445.00	3/3/2014	3/6/2014	International Society for Quality Electronic Desig	ISQED	3
1310028	26,800.00	-17,760.00	9,040.00	10/22/2013	10/25/2013	RoboBusiness Leadership Summit	EH Publishing	3
1312016	18,460.00	-8,000.00	10,460.00	12/3/2013	12/6/2013	Ivy Associates	Ivy Associates	3
1310025	34,885.00	-24,000.00	10,885.00	10/14/2013	10/17/2013	IDG Fall DEMO	IDG ComputerWorld	3
1401054	19,680.00	-8,180.00	11,500.00	1/13/2014	1/16/2014	eBay CIO Global All Manager Offsite	Red Chair Events	3
1406014	20,900.00	-6,000.00	14,900.00	6/2/2014	6/5/2014	PCI-SIG Devcon	PCI -SIG	3
1404045	21,990.00	-4,310.00	17,680.00	4/28/2014	5/1/2014	Conference Concepts./Ethernet Tech.	Conference Concepts, Inc.	3
1311036	45,960.00	-28,045.50	17,914.50	11/12/2013	11/15/2013	2013 Tech Awards Gala	The Tech Museum of Innovation	3
1406065	19,110.00	0	19,110.00	6/12/2014	6/15/2014	Better Living Show	Better Living Show/ BMSE	3
1403031	51,920.00	-32,000.00	19,920.00	3/9/2014	3/12/2014	CDN Live	Cadence	3
1406009	87,440.00	-67,520.00	19,920.00	6/23/2014	6/26/2014	O'Reilly Velocity	O'Reilly Media Inc.	3
1405013	21,810.00	0	21,810.00	5/19/2014	5/22/2014	Job Shops	The Job Shop Company, Inc.	3
1406039	27,135.00	-4,880.00	22,255.00	5/26/2014	5/29/2014	Augmented Reality	AR.org	3
1311064	44,775.00	-22,222.50	22,552.50	11/18/2013	11/21/2013	WebRTC	TMC	3
1308031	44,150.00	-20,434.08	23,715.92	8/7/2013	8/10/2013	Scrapbook Expo	Scrapbook Expo	3
1401012	29,965.00	-5,965.00	24,000.00	1/23/2014	1/26/2014	Travel & Adventure Show	Unicomm, LLC	3
1402043	32,510.00	-510	32,000.00	2/14/2014	2/17/2014	No Ca Volleyball	No. CA Volleyball Assn.	3
1402033	43,690.00	-10,000.00	33,690.00	2/3/2014	2/6/2014	Avaya	Avaya Inc.	3
1403032	48,720.00	-14,304.00	34,416.00	3/17/2014	3/20/2014	HP Shareholder's	Enterprise Events Group	3
1308024	75,255.00	-29,135.00	46,120.00	8/12/2013	8/15/2013	Conference Concepts/Flash Server Summit	Conference Concepts, Inc.	3

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Event Id	Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Days
1402010	86,640.00	-33,520.00	53,120.00	2/24/2014	2/27/2014	Pennwell Corporation/Strategies in Lights	PennWell Corporation	3
1307028	25,960.00	-25,960.00	0	7/23/2013	7/25/2013	SF 49er Pasta Bowl	49ers Foundation	2
1312082	0	0	0	12/13/2013	12/15/2013	HWE Holiday Party	Apple, Inc.	2
1405131	1,365.00	-273	1,092.00	5/20/2014	5/22/2014	SF Forty Niners	SF Forty Niners	2
1405130	1,890.00	-378	1,512.00	5/13/2014	5/15/2014	SF Forty Niners	SF Forty Niners	2
1405076	10,735.00	-9,180.00	1,555.00	5/27/2014	5/29/2014	Berkeley Design Technology, Inc.	Berkeley Design Technology, Inc.	2
1404141	1,965.00	-393	1,572.00	4/1/2014	4/3/2014	SF Forty Niners	SF Forty Niners	2
1405105	1,965.00	-393	1,572.00	5/5/2014	5/7/2014	SF Forty Niners	SF Forty Niners	2
1309107	21,920.00	-20,160.00	1,760.00	9/18/2013	9/20/2013	Russian Innovation Week 2013		2
1406062	17,270.00	-15,510.00	1,760.00	6/16/2014	6/18/2014	Flextronics	Flextronics	2
1312001	7,120.00	-5,320.00	1,800.00	12/13/2013	12/15/2013	Santa Clara Ballet	Santa Clara Ballet Company	2
1404142	2,340.00	-468	1,872.00	4/7/2014	4/9/2014	SF Forty Niners	SF Forty Niners	2
1401086	2,040.00	0	2,040.00	1/24/2014	1/26/2014	BM Soft Systems	BMSOFT Systems Inc.	2
1404130	2,040.00	0	2,040.00	4/23/2014	4/25/2014	BM Soft Systems	BMSOFT Systems Inc.	2
1404143	2,730.00	-546	2,184.00	4/15/2014	4/17/2014	SF Forty Niners	SF Forty Niners	2
1307059	2,355.00	0	2,355.00	7/12/2013	7/14/2013	BM Soft Systems	BMSOFT Systems Inc.	2
1405093	5,675.00	-3,035.00	2,640.00	5/6/2014	5/8/2014	Information Forecast, Inc.	Information Forecast, Inc.	2
1405072	3,520.00	-880	2,640.00	5/16/2014	5/18/2014	Xpressions	Xpressions	2
1310134	2,765.00	0	2,765.00	10/11/2013	10/13/2013	BM Soft Systems	BMSOFT Systems Inc.	2
1404123	3,910.00	-880	3,030.00	4/24/2014	4/26/2014	The Career Compass	The Career Compass	2
1307019	4,740.00	-1,290.00	3,450.00	7/12/2013	7/14/2013	Hyatt Hotel/CA Extreme	Hyatt Hotel	2
1308027	4,740.00	-1,290.00	3,450.00	8/9/2013	8/11/2013	Hyatt Hotel/Bricks by the Bay	Hyatt Hotel	2
1405010	4,740.00	-1,290.00	3,450.00	5/5/2014	5/7/2014	Hyatt/TSIA	Hyatt Santa Clara	2
1308042	4,740.00	-1,110.00	3,630.00	8/1/2013	8/3/2013	Hyatt Hotel/AAIP	Hyatt Santa Clara	2
1405061	4,740.00	-930	3,810.00	5/23/2014	5/25/2014	Hyatt Hotel/BayCon	Hyatt Hotel	2
1406076	4,740.00	-930	3,810.00	6/12/2014	6/14/2014	Hyatt Hotel	Hyatt Hotel	2
1308049	12,800.00	-8,790.00	4,010.00	8/5/2013	8/7/2013	Social Media.org	Social Media.org	2
1402059	4,110.00	0	4,110.00	2/15/2014	2/17/2014	Bay Area Chess	Bay Area Chess	2
1403135	4,110.00	0	4,110.00	3/14/2014	3/16/2014	Universal Soul Service, LLC.	Universal Soul Service, LLC.	2
1311047	5,280.00	-880	4,400.00	11/15/2013	11/17/2013	Sterling Dance Theatre	Sterling Dance Theatre	2
1405030	5,280.00	-880	4,400.00	5/30/2014	6/1/2014	San Juan Dance	San Juan Dance	2
1401006	4,740.00	-330	4,410.00	1/24/2014	1/26/2014	Hyatt Hotel/Dance Magic	Hyatt Santa Clara	2
1402007	4,740.00	-330	4,410.00	2/14/2014	2/16/2014	Hyatt Hotel/NUVO	Hyatt Santa Clara	2
1404005	4,740.00	-330	4,410.00	4/25/2014	4/27/2014	Hyatt Hotel/Break the Floor	Hyatt Santa Clara	2
1309058	4,740.00	-120	4,620.00	9/20/2013	9/22/2013	Hyatt Hotel/Federation of Chinese Medicine	Hyatt Santa Clara	2
1310022	4,740.00	-120	4,620.00	10/11/2013	10/13/2013	Hyatt Hotel/Advanced Imaging	Hyatt Hotel	2
1402016	4,740.00	-120	4,620.00	2/28/2014	3/2/2014	Hyatt Hotel/PTC	Hyatt Hotel	2
1403016	4,740.00	-120	4,620.00	3/28/2014	3/30/2014	Hyatt Hotel/Monsters of Hip Hop	Hyatt Santa Clara	2
1404008	4,740.00	-120	4,620.00	4/11/2014	4/13/2014	Hyatt Hotel/Co. Dance	Hyatt Hotel	2
1402015	4,740.00	90	4,830.00	2/6/2014	2/8/2014	Hyatt Hotel/O"scale	Hyatt Hotel	2
1401015	4,740.00	330	5,070.00	1/10/2014	1/12/2014	Hyatt Hotel/Hollywood Connect	Hyatt Hotel	2

2013-2014 **Rental**

Event Id	Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Days
1403040	5,080.00	0	5,080.00	2/28/2014	3/2/2014	Dance Masters of California	Jensen School of Performing Arts	2
1308030	5,160.00	0	5,160.00	8/9/2013	8/11/2013	Bricks by the Bay	Bricks by the Bay	2
1406120	12,000.00	-6,000.00	6,000.00	6/27/2014	6/29/2014	Art of Living	Art of Living	2
1402055	8,185.00	-1,365.00	6,820.00	2/11/2014	2/13/2014	Information Forecast, Inc.	Information Forecast, Inc.	2
1404053	31,080.00	-23,210.00	7,870.00	4/8/2014	4/10/2014	Intel Supplier Recognition Event	Intel Corporation	2
1312003	16,000.00	-8,000.00	8,000.00	12/26/2013	12/28/2013	CA So Baptist Convention	California Southern Baptist Convention	2
1402041	8,000.00	0	8,000.00	3/14/2014	3/16/2014	GT Sports Marketing	GT Sports Marketing	2
1405056	8,000.00	0	8,000.00	5/23/2014	5/25/2014	Springtime Tumbling and Trampoline	Springtime Tumbling and Trampoline	2
1310084	16,000.00	-5,600.00	10,400.00	10/25/2013	10/27/2013	Trinity Motivation	Trinity Motivation	2
1404077	14,260.00	-3,620.00	10,640.00	4/8/2014	4/10/2014	Big Data Innovation Summit	The Innovation Enterprise	2
1404027	11,620.00	0	11,620.00	4/25/2014	4/27/2014	Bay Area Chess	Bay Area Chess	2
1406060	18,900.00	-6,380.00	12,520.00	6/10/2014	6/12/2014	InvenSense	InvenSense, Inc.	2
1310068	17,990.00	-4,980.00	13,010.00	10/22/2013	10/24/2013	Conf Concepts Open Server Summit	Conference Concepts, Inc.	2
1405001	20,560.00	-7,110.00	13,450.00	5/23/2014	5/25/2014	Catholic Charismatic	Northern California Catholic Charismatic Conventio	2
1309032	16,610.00	-2,370.00	14,240.00	9/24/2013	9/26/2013	SecureWorld	SecureWorld Expo	2
1406052	18,280.00	-4,000.00	14,280.00	6/6/2014	6/8/2014	CFA Institutue	CFA Institute	2
1310042	22,515.00	-7,287.00	15,228.00	10/9/2013	10/11/2013	Localization World	Localization World	2
1406079	24,000.00	-8,200.00	15,800.00	6/2/2014	6/4/2014	X Media Research, Inc.	X Media Research, Inc.	2
1402046	16,000.00	0	16,000.00	2/28/2014	3/2/2014	No CA Train - Cal Stewart	Northern California Train Collectors Assn.	2
1406068	24,530.00	-8,000.00	16,530.00	6/15/2014	6/17/2014	Facebook, Inc.	Facebook, Inc.	2
1402008	20,095.00	-1,365.00	18,730.00	2/28/2014	3/2/2014	Spirit of the Flame	Spirt of the Flame LLC	2
1309103	29,880.00	-9,140.00	20,740.00	9/10/2013	9/12/2013	DBC Pri-Med, LLC	DBC Pri-Med	2
1308016	58,460.00	-14,380.00	44,080.00	8/16/2013	8/18/2013	Bay Area Christian Church	Bay Area Christian Church	2
1310039	13,960.00	-13,960.00	0	10/9/2013	10/10/2013	YWCA	YWCA of Silicon Valley	1
1312083	0	0	0	12/9/2013	12/10/2013	Forty Niners Stadium Management Company LLC	San Francisco 49ers	1
1312002	30,660.00	-30,660.00	0	12/11/2013	12/12/2013	GSA	GSA	1
1311142	340	0	340	11/20/2013	11/21/2013	Thinfilm Electronics Inc.,	Thinfilm Electronics Inc.,	1
1403131	940	-470	470	3/15/2014	3/16/2014	Luca Investor Meeting	Luca International Group	1
1309176	910	0	910	9/24/2013	9/25/2013	Sourcewise	Sourcewise, Options Counseling Training	1
1401091	1,100.00	0	1,100.00	1/4/2014	1/5/2014	Bay Area Chess	Bay Area Chess	1
1404144	1,820.00	-364	1,456.00	4/23/2014	4/24/2014	SF Forty Niners	SF Forty Niners	1
1308038	13,580.00	-12,000.00	1,580.00	8/5/2013	8/6/2013	Cadence Design System	Cadence Design Systems, Inc.	1
1311128	1,580.00	0	1,580.00	11/9/2013	11/10/2013	Risa Realty	Risa Realty	1
1401026	1,580.00	110	1,690.00	1/18/2014	1/19/2014	Hyatt Hotel/CA Kindergarten	Hyatt Santa Clara	1
1405102	2,740.00	-780	1,960.00	5/3/2014	5/4/2014	e2k Events		1
1406063	3,920.00	-1,960.00	1,960.00	6/20/2014	6/21/2014	Heenle Vyas Wedding		1
1307039	1,970.00	0	1,970.00	7/20/2013	7/21/2013	SEG Eventos	SEG Eventos, Inc.	1

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Event Id	Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Days
1307020	2,040.00	0	2,040.00	7/19/2013	7/20/2013	Jensen Performing Arts	Jensen School of Performing Arts	1
1311090	2,200.00	0	2,200.00	11/9/2013	11/10/2013	College Admissions Assistance	College Admissions Assistance	1
1406112	4,500.00	-2,250.00	2,250.00	6/9/2014	6/10/2014	Bio- Rad Continuing Education Seminar	Bio-Rad Laboratories, Inc.	1
1406011	3,160.00	-860	2,300.00	6/2/2014	6/3/2014	Hyatt Hotel/CALA	Hyatt Santa Clara	1
1311084	2,350.00	0	2,350.00	11/9/2013	11/10/2013	SEG Eventos, Inc.	SEG Eventos, Inc.	1
1403091	2,350.00	0	2,350.00	3/8/2014	3/9/2014	SEG Eventos Inc.	SEG Eventos, Inc.	1
1404081	2,350.00	0	2,350.00	4/12/2014	4/13/2014	SEG Eventos Inc.	SEG Eventos, Inc.	1
1309189	3,435.00	-980	2,455.00	9/27/2013	9/28/2013	BACC Professionals Retreat	Bay Area Christian Church	1
1406148	3,290.00	-658	2,632.00	6/23/2014	6/24/2014	San Francisco 49ers		1
1401070	3,520.00	-880	2,640.00	1/10/2014	1/11/2014	TEAM	TEAM	1
1403117	3,520.00	-880	2,640.00	3/7/2014	3/8/2014	TEAM	TEAM	1
1406038	3,520.00	-880	2,640.00	6/6/2014	6/7/2014	California Sports Center	California Sports Center	1
1406037	3,520.00	-880	2,640.00	6/20/2014	6/21/2014	Liberty Dance	Liberty Dance Company	1
1406040	3,520.00	-880	2,640.00	6/27/2014	6/28/2014	Jensen School of Performing Arts	Jensen School of Performing Arts	1
1310148	2,740.00	0	2,740.00	10/12/2013	10/13/2013	India Property Online Pvt Ltd	India Property Online Pvt Ltd	1
1309072	3,160.00	60	3,220.00	9/5/2013	9/6/2013	Hyatt Hotel/Apostolic	Hyatt Hotel	1
1401039	3,160.00	60	3,220.00	1/22/2014	1/23/2014	Hyatt Hotel/Ruckus	Hyatt Hotel	1
1402029	3,160.00	60	3,220.00	2/18/2014	2/19/2014	Hyatt Hotel/Usenix	Hyatt Santa Clara	1
1312028	3,160.00	220	3,380.00	12/30/2013	12/31/2013	Hyatt Hotel	Hyatt Santa Clara	1
1405050	5,430.00	-1,960.00	3,470.00	5/12/2014	5/13/2014	Ivy Associates	Ivy Associates	1
1404132	4,735.00	-1,215.00	3,520.00	4/22/2014	4/23/2014	ABS-CBN International	ABS-CBN International	1
1402071	3,800.00	0	3,800.00	4/21/2014	4/22/2014	Gestalt IT Media	Gestalt IT Media	1
1307033	4,300.00	-390	3,910.00	7/25/2013	7/26/2013	Youth Focus, Inc.	Youth Focus, Inc.	1
1309096	3,920.00	0	3,920.00	9/18/2013	9/19/2013	Delson Group	Delson Group	1
1310056	6,660.00	-2,740.00	3,920.00	10/7/2013	10/8/2013	PMI Silicon Valley	PMI Silicon Valley	1
1401028	15,920.00	-12,000.00	3,920.00	2/6/2014	2/7/2014	Joint Venture Silicon Valley	Joint Venture	1
1404106	3,920.00	0	3,920.00	4/5/2014	4/6/2014	INDIA PROPERTY ONLINE PVT. LTD	India Property Online Pvt Ltd	1
1404090	3,920.00	0	3,920.00	4/26/2014	4/27/2014	Business NJ LLC	Business NJ LLC.	1
1405062	7,270.00	-2,950.00	4,320.00	5/24/2014	5/25/2014	LTQD School Reunion		1
1401018	8,620.00	-4,000.00	4,620.00	1/22/2014	1/23/2014	RTC Group	RTC Group, Concept Development, Inc.	1
1403093	4,700.00	0	4,700.00	3/1/2014	3/2/2014	Superstars of Sports Inc. dba Channel Fireball	Superstars of Sports Inc. dba Channel Fireball	1
1404072	4,910.00	0	4,910.00	4/11/2014	4/12/2014	Bartlett Network of Champions	Bartlett Network of Champions	1
1404091	13,580.00	-8,000.00	5,580.00	4/23/2014	4/24/2014	The Law Foundation of Silicon Valley	The Law Foundation of Silicon Valley	1
1311116	6,000.00	0	6,000.00	11/16/2013	11/17/2013	San Jose Bird Mart	San Jose Bird Mart	1
1406093	18,660.00	-12,000.00	6,660.00	6/16/2014	6/17/2014	Data Center Dynamics, Inc	Data Center Dynamics, Inc	1
1309125	8,000.00	0	8,000.00	9/21/2013	9/22/2013	SEG Eventos, Inc.	SEG Eventos, Inc.	1
1312061	8,000.00	0	8,000.00	12/21/2013	12/22/2013	SEG Eventos, Inc.	SEG Eventos, Inc.	1
1401049	8,000.00	0	8,000.00	1/25/2014	1/26/2014	SEG Eventos	SEG Eventos, Inc.	1
1402030	16,000.00	-8,000.00	8,000.00	2/17/2014	2/18/2014	Teladata	Teladata	1
1405073	8,000.00	0	8,000.00	5/31/2014	6/1/2014	SEG Eventos, Inc.	SEG Eventos, Inc.	1
1403027	16,530.00	-8,000.00	8,530.00	3/27/2014	3/28/2014	Presentation High School	Presentation High School	1

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Event Id	Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Days
1309112	29,850.00	-20,880.00	8,970.00	9/16/2013	9/17/2013	Cisco Systems	Cisco Systems	1
1308070	13,000.00	-4,000.00	9,000.00	8/21/2013	8/22/2013	Ebay, Inc.	Keller Media Associates, Inc.	1
1404039	9,215.00	0	9,215.00	4/21/2014	4/22/2014	Invent Your Future	Invent Your Future Enterprises	1
1403034	17,290.00	-8,000.00	9,290.00	3/10/2014	3/11/2014	IDC Directions	IDC	1
1312040	15,330.00	-6,000.00	9,330.00	11/1/2013	11/2/2013	99 People, Inc.	UCTIA/99 People, Inc.	1
1402034	19,540.00	-9,600.00	9,940.00	2/7/2014	2/8/2014	The Pampered Chef	The Pampered Chef	1
1406023	33,960.00	-23,960.00	10,000.00	6/6/2014	6/7/2014	Antique Road Show	WGBH Educational Foundation	1
1405031	22,295.00	-12,000.00	10,295.00	5/7/2014	5/8/2014	Anita Borg Institute	Anita Borg Institute for Women and Technology	1
1405065	19,800.00	-9,080.00	10,720.00	5/30/2014	5/31/2014	Kaiser Permanente - Clinical Community Conference	Kaiser Permanente	1
1308047	11,500.00	-726	10,774.00	8/31/2013	9/1/2013	World Journal	World Journal	1
1308044	15,580.00	-4,000.00	11,580.00	8/7/2013	8/8/2013	Northern California Minority Supplier Development	Western Regional Minority Supplier Development Cou	1
1309133	16,315.00	-4,000.00	12,315.00	10/21/2013	10/22/2013	Facebook, Inc.	Facebook, Inc.	1
1308046	19,300.00	-6,000.00	13,300.00	8/3/2013	8/4/2013	River of Life Christian Church	River of Life Christian Church	1
1403072	15,920.00	-1,960.00	13,960.00	3/7/2014	3/8/2014	Pitco Foods	Pitco Foods	1
1406080	15,160.00	0	15,160.00	6/27/2014	6/28/2014	HIN Events, LLC	HIN Events, LLC	1
1404042	21,920.00	-6,000.00	15,920.00	4/8/2014	4/9/2014	CAA EXPO		1
1310049	16,000.00	0	16,000.00	10/4/2013	10/5/2013	Sankara Eye Foundation	Sankara Eye Foundation, USA	1
1310057	26,180.00	-9,212.00	16,968.00	10/2/2013	10/3/2013	CSU Counselor Conference	San Jose State University	1
1406069	22,660.00	-685	21,975.00	6/13/2014	6/14/2014	Peninsula Special Interest Lions Club	Peninsula Special Interest Lions Club	1
1404026	26,100.00	-2,100.00	24,000.00	4/12/2014	4/13/2014	NPW- Speed Warehouse	National Performance Warehouse	1
1311029	32,900.00	-2,000.00	30,900.00	11/22/2013	11/23/2013	Faith Formation	Archdiocese of San Francisco	1
1310048	32,000.00	0	32,000.00	10/11/2013	10/12/2013	Sankara Eye	Sankara Eye Foundation, USA	1
1307067	455	-455	0	7/17/2013	7/17/2013	City of Santa Clara	City of Santa Clara	0
1307036	4,000.00	-4,000.00	0	7/20/2013	7/20/2013	Monica & Paul 's Wedding Reception		0
1308086	455	-455	0	8/13/2013	8/13/2013	Unigen Corporation		0
1308097	390	-390	0	8/30/2013	8/30/2013	City of Santa Clara	City of Santa Clara	0
1309028	4,000.00	-4,000.00	0	9/7/2013	9/7/2013	Bibak of Northern California	BiBak of Northern California	0
1309126	780	-780	0	9/13/2013	9/13/2013	City of Santa Clara Executive Management Team	City of Santa Clara	0
1309178	950	-950	0	9/17/2013	9/17/2013	Cisco Systems	Cisco Systems	0
1310133	950	-950	0	10/3/2013	10/3/2013	Cisco Systems	Cisco Systems	0
1310055	9,215.00	-9,215.00	0	10/5/2013	10/5/2013	Hispanic Foundation of Silicon Valley	Hispanic Foundation of Silicon Valley	0
1310096	1,960.00	-1,960.00	0	10/12/2013	10/12/2013	Viet Hope Inc.	Viet Hope Inc	0
1310080	8,000.00	-8,000.00	0	10/19/2013	10/19/2013	Jeffey and Brijith Wedding Recpetion		0
1310140	1,370.00	-1,370.00	0	10/19/2013	10/19/2013	Chinese American Information Storage Society	CAISS	0
1311056	9,580.00	-9,580.00	0	11/1/2013	11/1/2013	Silicon Valley Leadership Group	Silicon Valley Leadership Group	0

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Event Id	Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Days
1311009	8,000.00	-8,000.00	0	11/2/2013	11/2/2013	MCCF Dinner	Mission City Community Fund	0
1311135	910	-910	0	11/16/2013	11/16/2013	Chutian Group	ChuTian Group Inc.	0
1311141	2,100.00	-2,100.00	0	11/23/2013	11/23/2013	Judy Boccignone		0
1312043	8,265.00	-8,265.00	0	12/6/2013	12/6/2013	KLA TENCOR	KLA-Tencor	0
1312099	4,000.00	-4,000.00	0	12/6/2013	12/6/2013	FutureWei	Futurewei Technologies, Inc.	0
1312026	2,100.00	-2,100.00	0	12/7/2013	12/7/2013	ASML HOLIDAY PARTY	ASML US, Inc	0
1312042	16,000.00	-16,000.00	0	12/7/2013	12/7/2013	Maxim Holiday Party		0
1312101	2,100.00	-2,100.00	0	12/13/2013	12/13/2013	CA Great America Holiday Party	California Great America	0
1312093	4,000.00	-4,000.00	0	12/17/2013	12/17/2013	Ericsson Hoilday Party	Ericsson	0
1312106	2,100.00	-2,100.00	0	12/21/2013	12/21/2013	Kamet Holiday Party	Kamet	0
1312104	780	-780	0	12/28/2013	12/28/2013	Noel's 60th Birthday	ARAMARK	0
1401030	10,680.00	-10,680.00	0	1/5/2014	1/5/2014	US-China Association of High-Level Profession	UCAHLP	0
1401079	4,000.00	-4,000.00	0	1/14/2014	1/14/2014	Aerohive Networks	Aerohive Networks	0
1401092	455	-455	0	1/14/2014	1/14/2014	Ebay, Inc.	Ebay, Inc.	0
1401094	455	-455	0	1/14/2014	1/14/2014	Ebay, Inc.	Ebay, Inc.	0
1401066	4,000.00	-4,000.00	0	1/17/2014	1/17/2014	SCC Association of REALTORS	SCC Association of REALTORS	0
1401090	455	-455	0	1/21/2014	1/21/2014	CWEA Pre Conference Meetinng	California Water Environment Association	0
1401053	1,960.00	-1,960.00	0	1/22/2014	1/22/2014	Filice Insurance	Filice Insurance	0
1403122	0	0	0	3/1/2014	3/1/2014	Alyssa's Birthday Party	Santa Clara Convention Center	0
1403126	780	-780	0	3/6/2014	3/6/2014	San Jose State- Pi Sigma Alpha	SJSU Department of Political Science	0
1403129	790	-790	0	3/8/2014	3/8/2014	Hyatt Awards Banquet	Hyatt Hotel	0
1403127	3,000.00	-3,000.00	0	3/15/2014	3/15/2014	Vietnamese Physicians Association		0
1404129	780	-780	0	4/11/2014	4/11/2014	City Council Strategic Planning Meeting		0
1404107	1,960.00	-1,960.00	0	4/23/2014	4/23/2014	City of Santa Clara Employee Service Luncheon	City of Santa Clara	0
1404048	8,000.00	-8,000.00	0	4/26/2014	4/26/2014	Kumar Wedding		0
1405119	0	0	0	5/8/2014	5/8/2014	Cities Association of Santa Clara	Cities Association of Santa Clara	0
1405046	8,000.00	-8,000.00	0	5/15/2014	5/15/2014	Bill Wilson Center	Bill Wilson Center	0
1405069	455	-455	0	5/31/2014	5/31/2014	CCNS Spring Dinner Party	Cupertino Coop Nursery School	0
1406094	1,960.00	-1,960.00	0	6/3/2014	6/3/2014	The Family Giving Tree	The Family Giving Tree	0
1406136	980	-980	0	6/11/2014	6/11/2014	Amazon Lab 126	Amazon	0
1406064	8,000.00	-8,000.00	0	6/19/2014	6/19/2014	Pyramid Awards Dinner	Santa Clara Chamber of Commerce	0
1406096	8,000.00	-8,000.00	0	6/19/2014	6/19/2014	Flextronics	Flextronics	0
1406104	0	0	0	6/25/2014	6/25/2014	Mission College MC2IT Security Conference 2014	Mission College	0
1406130	0	0	0	6/30/2014	6/30/2014	City of SC Strategic Planning Session		0
1309165	390	-234	156	9/14/2013	9/14/2013	Your Asian Connection	Your Asian Connection, Inc.	0
1310147	170	0	170	10/4/2013	10/4/2013	Intuitive Surgical, Inc.	Intuitive Surgical, Inc.	0
1311145	170	0	170	11/20/2013	11/20/2013	T-Ink/ Winnick & Company	T-Ink/ Winnick & Company	0
1312098	1,030.00	-860	170	12/11/2013	12/11/2013	Chutian Group	ChuTian Group Inc.	0

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Event Id	Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Days
1404159	170	0	170	4/10/2014	4/10/2014	Intel Corporation	Intel Corporation	0
1406128	170	0	170	6/6/2014	6/6/2014	TSG Reporting	TSG Reporting	0
1404117	390	-195	195	4/19/2014	4/19/2014	Washington State Universtiy	Washington State University	0
1307074	530	-265	265	7/19/2013	7/19/2013	Daughters of Charity	Daughters of Charity	0
1308085	265	0	265	8/5/2013	8/5/2013	California Connections Academy	California Connections Academy	0
1404138	315	0	315	4/18/2014	4/18/2014	Q Analysts LLC	Q Analysts LLC	0
1406143	315	0	315	6/16/2014	6/16/2014	TrendPoint Systems	TrendPoint Systems	0
1403149	455	-91	364	3/13/2014	3/13/2014	San Francisco Forty Niners	SF Forty Niners	0
1308092	390	0	390	8/1/2013	8/1/2013	Mike Aguilera	Aguilera & Associates	0
1309138	390	0	390	9/7/2013	9/7/2013	Maldonado and Associates, Inc	MDE Latino, LP	0
1310105	390	0	390	10/5/2013	10/5/2013	Maldonado and Associates, Inc	MDE Latino, LP	0
1312080	390	0	390	12/7/2013	12/7/2013	Maldonado and Associates, Inc	MDE Latino, LP	0
1401056	390	0	390	1/4/2014	1/4/2014	McKay Photography	McKay Photography	0
1401089	390	0	390	1/18/2014	1/18/2014	Maldonado and Associates, Inc	MDE Latino, LP	0
1402076	390	0	390	2/15/2014	2/15/2014	Maldonado and Associates, Inc	MDE Latino, LP	0
1405124	390	0	390	5/12/2014	5/12/2014	SPAR Belize	SPAR Belize	0
1405108	780	-390	390	5/14/2014	5/14/2014	Filice Insurance	Filice Insurance	0
1406091	390	0	390	6/14/2014	6/14/2014	Maldonado and Associates, Inc	MDE Latino, LP	0
1406150	390	0	390	6/29/2014	6/29/2014	Overseas Volunteer for a Better India	Overseas Volunteer for a Better India	0
1309164	435	0	435	9/28/2013	9/28/2013	Southern Oregon Productions	Southern Oregon Productions	0
1311061	4,435.00	-4,000.00	435	11/2/2013	11/2/2013	Friends of Children with Special Needs	Friends of Children with Special Needs	0
1312105	455	0	455	12/6/2013	12/6/2013	WorldVentures Marketing, LLC.		0
1403113	455	0	455	3/8/2014	3/8/2014	SHOP.com	SHOP.com	0
1403141	455	0	455	3/8/2014	3/8/2014	Penney Enterprise	Penney Enterprise	0
1404114	455	0	455	4/24/2014	4/24/2014	Lifeline Screening	Lifeline Screeening	0
1311098	470	0	470	11/2/2013	11/2/2013	Chinese American Fly Club	Chinese American Fly Club	0
1401096	940	-470	470	1/11/2014	1/11/2014	Pitco	Pitco Foods	0
1309156	485	0	485	9/13/2013	9/13/2013	Go Pivotal	Go Pivotal	0
1402039	1,020.00	-510	510	2/1/2014	2/1/2014	Ivy Review	International Association of Youth	0
1406082	1,020.00	-510	510	6/8/2014	6/8/2014	The South Bay Guitar Society	The South Bay Guitar Society	0
1403151	655	-131	524	3/16/2014	3/16/2014	SF Forty Niners	SF Forty Niners	0
1403150	655	-131	524	3/30/2014	3/30/2014	SF Forty Niners	SF Forty Niners	0
1401065	550	0	550	1/25/2014	1/25/2014	Bay Area Chess	Bay Area Chess	0
1405066	1,100.00	-550	550	5/2/2014	5/2/2014	Staff Development Resources	Staff Development Resources	0
1310146	780	-156	624	10/26/2013	10/26/2013	Your Asian Connection	Your Asian Connection, Inc.	0
1402087	780	-156	624	2/15/2014	2/15/2014	Your Asian Connection	Your Asian Connection, Inc.	0
1311120	1,370.00	-685	685	11/14/2013	11/14/2013	Red Hat	Red Hat	0
1404145	910	-182	728	4/27/2014	4/27/2014	SF Forty Niners	SF Forty Niners	0
1405106	910	-182	728	5/9/2014	5/9/2014	SF Forty Niners	SF Forty Niners	0
1307040	780	0	780	7/20/2013	7/20/2013	McKay Photography	McKay Photography	0
1307045	780	0	780	7/24/2013	7/24/2013	Auction.com	Auction.com, LLC	0

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Event Id	Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Days
1309123	780	0	780	9/13/2013	9/13/2013	Auction.com	Auction.com, LLC	0
1309150	780	0	780	9/21/2013	9/21/2013	Kyra Birks Sweet 16 Birthday Celebration		0
1401077	780	0	780	1/11/2014	1/11/2014	SEG Eventos, Inc.	SEG Eventos, Inc.	0
1402056	780	0	780	2/6/2014	2/6/2014	Auction.com	Auction.com, LLC	0
1402057	780	0	780	2/19/2014	2/19/2014	Auction.com	Auction.com, LLC	0
1403148	780	0	780	3/29/2014	3/29/2014	Penney Enterprise	Penney Enterprise	0
1405113	1,560.00	-780	780	5/10/2014	5/10/2014	Tsinghua Entrepreneurial & Executive Club	Jinlin Wang	0
1312091	1,960.00	-1,176.00	784	12/31/2013	12/31/2013	Your Asian Connection	Your Asian Connection, Inc.	0
1307060	790	0	790	7/20/2013	7/20/2013	World Ventures Marketing LLC.		0
1405109	790	0	790	5/3/2014	5/3/2014	SHOP.com	SHOP.com	0
1403042	790	15	805	3/8/2014	3/8/2014	Hyatt Hotel	Hyatt Hotel	0
1403058	790	55	845	3/27/2014	3/27/2014	Hyatt Hotel	Hyatt Hotel	0
1307077	1,760.00	-880	880	7/29/2013	7/29/2013	Arris	ARRIS Solutions Inc.	0
1312063	1,760.00	-880	880	12/16/2013	12/16/2013	The Art Institute Silicon Valley	The Art Institute of California-Silicon Valley	0
1401037	1,760.00	-880	880	1/22/2014	1/22/2014	Cornish & Carey	Cornish & Carey	0
1406089	1,760.00	-880	880	6/23/2014	6/23/2014	The Art Institute of Silicon Valley	The Art Institute of California-Silicon Valley	0
1308069	910	0	910	8/22/2013	8/22/2013	Auction.com	Auction.com, LLC	0
1309143	940	0	940	9/27/2013	9/27/2013	MGE- Management Expert Inc.	MGE- Management Expert Inc.	0
1402065	940	0	940	2/4/2014	2/4/2014	CA STEM Learning Network	California STEM Learning Network	0
1403107	940	0	940	3/13/2014	3/13/2014	MGE- Management Expert Inc.	MGE- Management Expert Inc.	0
1406116	940	0	940	6/7/2014	6/7/2014	CPS HR Consulting	CPS HR Consulting	0
1309170	950	0	950	9/7/2013	9/7/2013	Penney Enterprises	Penney Enterprise	0
1307044	980	0	980	7/8/2013	7/8/2013	Auction.com	Auction.com, LLC	0
1308068	980	0	980	8/8/2013	8/8/2013	Auction.com	Auction.com, LLC	0
1308066	980	0	980	8/14/2013	8/14/2013	Serial ATA International Organization	SATA-IO	0
1309137	1,960.00	-980	980	9/24/2013	9/24/2013	Filice Insurance	Filice Insurance	0
1309124	980	0	980	9/27/2013	9/27/2013	Auction.com	Auction.com, LLC	0
1310101	980	0	980	10/4/2013	10/4/2013	Auction.com	Auction.com, LLC	0
1310069	1,960.00	-980	980	10/5/2013	10/5/2013	Aquamaids Awards Banquet	Aquamaids Awards	0
1310102	980	0	980	10/16/2013	10/16/2013	Auction.com	Auction.com, LLC	0
1310103	980	0	980	10/25/2013	10/25/2013	Auction.com	Auction.com, LLC	0
1311082	980	0	980	11/13/2013	11/13/2013	Auction.com	Auction.com, LLC	0
1311083	980	0	980	11/25/2013	11/25/2013	Auction.com	Auction.com, LLC	0
1312059	980	0	980	12/6/2013	12/6/2013	Auction.com	Auction.com, LLC	0
1312060	980	0	980	12/27/2013	12/27/2013	Auction.com	Auction.com, LLC	0
1401060	980	0	980	1/6/2014	1/6/2014	Auction.com	Auction.com, LLC	0
1401061	980	0	980	1/21/2014	1/21/2014	Auction.com	Auction.com, LLC	0
1403079	980	0	980	3/3/2014	3/3/2014	Auction.com	Auction.com, LLC	0

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Event Id	Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Days
1403080	980	0	980	3/21/2014	3/21/2014	Auction.com	Auction.com, LLC	0
1404095	980	0	980	4/2/2014	4/2/2014	Auction.com	Auction.com, LLC	0
1404096	980	0	980	4/16/2014	4/16/2014	Auction.com	Auction.com, LLC	0
1404097	980	0	980	4/28/2014	4/28/2014	Auction.com	Auction.com, LLC	0
1405080	980	0	980	5/5/2014	5/5/2014	Auction.com	Auction.com, LLC	0
1405128	1,960.00	-980	980	5/18/2014	5/18/2014	Hangzhou Inovation Center LLC	Hangzhou Innovation Center LLC.	0
1405081	980	0	980	5/30/2014	5/30/2014	Auction.com	Auction.com, LLC	0
1406077	980	0	980	6/11/2014	6/11/2014	Auction.com	Auction.com, LLC	0
1406078	980	0	980	6/23/2014	6/23/2014	Auction.com	Auction.com, LLC	0
1309097	1,020.00	0	1,020.00	9/14/2013	9/14/2013	India Cultural Association	ICA	0
1309119	1,020.00	0	1,020.00	10/5/2013	10/5/2013	VN Help	VN Help	0
1310087	1,020.00	0	1,020.00	10/6/2013	10/6/2013	Viet Music Club	Viet Music Club	0
1310124	1,020.00	0	1,020.00	10/13/2013	10/13/2013	Former Vietnamese R&P Foundation	Former Vietnamese R&P Foundation	0
1312047	1,020.00	0	1,020.00	12/21/2013	12/21/2013	Center of Persian Language Preservation	Center of Persian Language Preservation	0
1311088	1,020.00	0	1,020.00	12/28/2013	12/28/2013	Silicon Valley Korean American Federation	Silicon Valley Korean American Federation	0
1401087	1,020.00	0	1,020.00	1/18/2014	1/18/2014	Korean Culture Center Urisawe	Korean Culture Center Urisawe Inc.	0
1401041	1,020.00	0	1,020.00	1/25/2014	1/25/2014	VietET	Viet ET Foundation	0
1403048	1,020.00	0	1,020.00	3/9/2014	3/9/2014	Center of Persian Language Preservation	Center of Persian Language Preservation	0
1403103	1,020.00	0	1,020.00	3/16/2014	3/16/2014	Viet Music Club	Viet Music Club	0
1404151	1,020.00	0	1,020.00	4/6/2014	4/6/2014	Ranjani Gayatri	Sankritilaya	0
1403139	1,020.00	0	1,020.00	4/27/2014	4/27/2014	San Jose Art and Cultural Society	Nima Entertainment Inc.	0
1406123	1,020.00	0	1,020.00	6/29/2014	6/29/2014	SJ Art & Cultural	Nima Entertainment Inc.	0
1402079	1,305.00	-261	1,044.00	2/15/2014	2/15/2014	Mike Aguilera	Aguilera & Associates	0
1307053	1,045.00	0	1,045.00	7/28/2013	7/28/2013	Alternative Therapies for Wellness EXPO	Alternative Therapies for Wellness Experience	0
1310132	1,045.00	0	1,045.00	11/9/2013	11/9/2013	Penney Enterprises	Penney Enterprise	0
1307042	2,025.00	-880	1,145.00	7/12/2013	7/12/2013	WestMed College	WestMed College	0
1308075	1,580.00	-370	1,210.00	8/22/2013	8/22/2013	Hyatt Hotel/ Palo Alto Networks	Hyatt Hotel	0
1405091	1,580.00	-310	1,270.00	5/9/2014	5/9/2014	Hyatt Hotel	Hyatt Hotel	0
1309169	1,305.00	0	1,305.00	9/21/2013	9/21/2013	Penney Enterprises	Penney Enterprise	0
1403119	1,725.00	-390	1,335.00	3/7/2014	3/7/2014	Alliance of Chief Executives	Alliance of Chief Executives	0
1309114	1,370.00	0	1,370.00	9/7/2013	9/7/2013	Shop.com	SHOP.com	0
1309160	1,370.00	0	1,370.00	9/15/2013	9/15/2013	The Rising Sun	The Rising Sun	0
1312084	1,370.00	0	1,370.00	12/7/2013	12/7/2013	WorldVentures Marketing, LLC	WorldVentures Marketing, LLC	0
1402075	1,370.00	0	1,370.00	2/1/2014	2/1/2014	WorldVentures, LLC.		0
1402085	1,370.00	0	1,370.00	2/8/2014	2/8/2014	Discover Chiropractic	Discover Chiropractic	0
1404139	1,370.00	0	1,370.00	4/5/2014	4/5/2014	FortuneBuilders	FortuneBuilders	0
1404085	1,370.00	0	1,370.00	4/14/2014	4/14/2014	Jehovah's Witnesses, North Santa Clara	Jehovah's Witnesses, North Santa Clara	0
1404116	1,370.00	0	1,370.00	4/19/2014	4/19/2014	The Rising Sun	The Rising Sun	0

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Event Id	Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Days
1404154	1,370.00	0	1,370.00	4/25/2014	4/25/2014	IRCC, Inc.	IRCC, Inc.	0
1404093	1,370.00	0	1,370.00	5/10/2014	5/10/2014	SV Chinese American Computer & Commerce Assoc	SVCACA	0
1405111	1,370.00	0	1,370.00	5/11/2014	5/11/2014	Five Branches University	Five Branches University	0
1406100	1,370.00	0	1,370.00	6/7/2014	6/7/2014	World Wide Dream Builders	World Wide Group, LLC	0
1406149	1,760.00	-352	1,408.00	6/26/2014	6/26/2014	San Francisco 49ers		0
1402083	1,820.00	-390	1,430.00	2/7/2014	2/7/2014	Alliance of Chief Executives	Alliance of Chief Executives	0
1404098	3,000.00	-1,500.00	1,500.00	4/23/2014	4/23/2014	Housing Trust	Housing Trust Silicon Valley	0
1406085	1,915.00	-390	1,525.00	6/6/2014	6/6/2014	Alliance of Chief Executives	Alliance of Chief Executives	0
1404105	1,570.00	0	1,570.00	4/10/2014	4/10/2014	Alliance of Chief Executives	Alliance of Chief Executives	0
1309132	1,580.00	0	1,580.00	9/18/2013	9/18/2013	Santa Clara University	Santa Clara University	0
1309106	1,580.00	30	1,610.00	9/14/2013	9/14/2013	Hyatt Hotel	Hyatt Santa Clara	0
1309077	1,580.00	30	1,610.00	9/27/2013	9/27/2013	Hyatt Hotel	Hyatt Santa Clara	0
1312030	1,580.00	30	1,610.00	12/13/2013	12/13/2013	Hyatt Hotel	Hyatt Hotel	0
1312055	1,580.00	30	1,610.00	12/20/2013	12/20/2013	Hyatt Hotel	Hyatt Hotel	0
1404070	1,580.00	30	1,610.00	4/20/2014	4/20/2014	Hyatt Hotel	Hyatt Hotel	0
1311059	1,580.00	40	1,620.00	11/2/2013	11/2/2013	Bay Area Christian Church/Hyatt	Hyatt Hotel	0
1311122	1,645.00	0	1,645.00	11/13/2013	11/13/2013	Healing	IBP and A Meeting Company	0
1405110	1,645.00	0	1,645.00	5/14/2014	5/14/2014	American Heart Association	American Heart Association	0
1310144	1,580.00	110	1,690.00	10/6/2013	10/6/2013	Hyatt Hotel/IEEE	Hyatt Regency of Santa Clara	0
1312056	1,580.00	110	1,690.00	12/7/2013	12/7/2013	Hyatt Hotel	Hyatt Hotel	0
1402068	1,580.00	110	1,690.00	2/1/2014	2/1/2014	Hyatt Hotel	Hyatt Regency of Santa Clara	0
1404051	1,580.00	110	1,690.00	4/5/2014	4/5/2014	Hyatt Hotel/Golden Gate Nationals	Hyatt Hotel	0
1310053	6,725.00	-5,000.00	1,725.00	10/12/2013	10/12/2013	CASPA	CASPA	0
1307037	1,760.00	0	1,760.00	7/13/2013	7/13/2013	TEAM	TEAM	0
1307048	1,760.00	0	1,760.00	7/14/2013	7/14/2013	Premiere Production	Premiere Production	0
1307024	1,760.00	0	1,760.00	7/27/2013	7/27/2013	Dance Arts Academy	Dance Arts Academy	0
1308072	1,760.00	0	1,760.00	8/4/2013	8/4/2013	Immigrant Resettlement & Cultural Center	IRCC	0
1309094	1,760.00	0	1,760.00	9/8/2013	9/8/2013	ThinkTank Learning, Inc.	ThinkTank Learning Inc.	0
1309073	1,760.00	0	1,760.00	9/13/2013	9/13/2013	Palmer College	Palmer College of Chiropractic	0
1309161	1,760.00	0	1,760.00	9/15/2013	9/15/2013	Korea Ginseng Center Northern California	Korea Ginseng Center Northern Cal.	0
1306074	1,760.00	0	1,760.00	9/21/2013	9/21/2013	DH Music	DH Music	0
1309147	1,760.00	0	1,760.00	9/22/2013	9/22/2013	South India Fine Arts	South India Fine Arts	0
1310110	1,760.00	0	1,760.00	10/9/2013	10/9/2013	Commonwealth Club Silicon Valley	Commonwealth Club Silicon Valley	0
1310091	1,760.00	0	1,760.00	10/19/2013	10/19/2013	Lokahi Polynesian Dance Group	Lokahi Polynesian Dance Group	0
1310129	1,760.00	0	1,760.00	10/25/2013	10/25/2013	Bay Area Telugu Association	Bay Area Telugu Association	0
1311117	1,760.00	0	1,760.00	11/2/2013	11/2/2013	WorldVentures Marketing, LLC.		0
1311093	1,760.00	0	1,760.00	11/9/2013	11/9/2013	TEAM	TEAM	0
1312078	1,760.00	0	1,760.00	12/1/2013	12/1/2013	Immigrant Resettlement & Cultural Center, Inc.	IRCC, Inc.	0
1312041	1,760.00	0	1,760.00	12/6/2013	12/6/2013	Palmer College	Palmer College of Chiropractic	0

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Event Id	Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Days
1312112	1,760.00	0	1,760.00	12/29/2013	12/29/2013	H&L Productions	H&L Productions	0
1402078	1,760.00	0	1,760.00	2/8/2014	2/8/2014	TEAM	TEAM	0
1403116	1,760.00	0	1,760.00	3/13/2014	3/13/2014	Palmer College	Palmer College of Chiropractic	0
1403076	1,760.00	0	1,760.00	3/15/2014	3/15/2014	Miss Vietnam USA	Miss & Mrs Vietnam USA	0
1404031	1,760.00	0	1,760.00	4/12/2014	4/12/2014	Voices In Harmony	Voices in Harmony	0
1405042	5,760.00	-4,000.00	1,760.00	5/13/2014	5/13/2014	HR Symposium	HR Symposium	0
1406118	1,760.00	0	1,760.00	6/2/2014	6/2/2014	California Assisted Living Association	California Assisted Living Association	0
1309159	3,330.00	-1,450.00	1,880.00	9/8/2013	9/8/2013	Bay Area Christian Church	Bay Area Christian Church	0
1307050	1,960.00	0	1,960.00	7/23/2013	7/23/2013	Targeted Job Fairs	Targeted Job Fairs	0
1308064	1,960.00	0	1,960.00	8/18/2013	8/18/2013	SEG Eventos, Inc.	SEG Eventos, Inc.	0
1309151	1,960.00	0	1,960.00	9/7/2013	9/7/2013	World Wide Dream Builders	World Wide Group, LLC	0
1310127	1,960.00	0	1,960.00	10/15/2013	10/15/2013	Targeted Job Fairs	Targeted Job Fairs	0
1311118	1,960.00	0	1,960.00	11/16/2013	11/16/2013	World Wide Dream Builders	World Wide Group, LLC	0
1401068	1,960.00	0	1,960.00	1/23/2014	1/23/2014	Targeted Job Fairs	Targeted Job Fairs	0
1402077	1,960.00	0	1,960.00	2/1/2014	2/1/2014	World Journal	World Journal	0
1402082	1,960.00	0	1,960.00	2/5/2014	2/5/2014	World Wide Dream Builders	World Wide Group, LLC	0
1404131	1,960.00	0	1,960.00	4/12/2014	4/12/2014	TEAM	TEAM	0
1404084	1,960.00	0	1,960.00	4/14/2014	4/14/2014	Christian Congregation of Jehova's Witness	Christian Congregation of Jehovah's Witnesses	0
1404134	1,960.00	0	1,960.00	4/15/2014	4/15/2014	Targeted Job Fairs	Targeted Job Fairs	0
1404140	1,960.00	0	1,960.00	4/19/2014	4/19/2014	Penney Enterprise	Penney Enterprise	0
1405045	1,960.00	0	1,960.00	5/9/2014	5/9/2014	Golden State Baptist	Golden State Baptist College	0
1405117	2,415.00	-455	1,960.00	5/29/2014	5/29/2014	Commonwealth Club Silicon Valley	Commonwealth Club Silicon Valley	0
1310152	3,235.00	-1,250.00	1,985.00	10/20/2013	10/20/2013	Bay Area Christian Church	Bay Area Christian Church	0
1312015	4,000.00	-2,000.00	2,000.00	12/21/2013	12/21/2013	Frank & Novesia's Wedding		0
1312045	2,000.00	0	2,000.00	12/31/2013	12/31/2013	The Rising Sun	The Rising Sun	0
1403125	4,000.00	-2,000.00	2,000.00	4/7/2014	4/7/2014	A2Z Development Center, Inc.	A2Z Development Center, Inc.	0
1311075	2,025.00	0	2,025.00	10/26/2013	10/26/2013	Southern Oregon Productions	Southern Oregon Productions	0
1404056	2,025.00	0	2,025.00	4/5/2014	4/5/2014	Creation Dance	Creation Dance	0
1404104	2,085.00	0	2,085.00	4/4/2014	4/4/2014	Alliance of Chief Executives	Alliance of Chief Executives	0
1308081	5,000.00	-2,900.00	2,100.00	11/15/2013	11/15/2013	Daughter of Charity Health System	Daughter of Charity System	0
1310123	2,350.00	0	2,350.00	10/13/2013	10/13/2013	Tsinghaua Alumni Association of Northern CA	2828 Edison Street	0
1405043	2,820.00	-455	2,365.00	5/3/2014	5/3/2014	Dance Masters	Jensen School of Performing Arts	0
1303060	10,540.00	-8,000.00	2,540.00	9/28/2013	9/28/2013	Monte Jade	Monte Jade Science and Technology Association	0
1309171	4,700.00	-2,000.00	2,700.00	9/2/2013	9/2/2013	UCAHP	UCAHLP	0
1307031	3,000.00	0	3,000.00	7/20/2013	7/20/2013	Bartlett Network of Champions	Bartlett Network of Champions	0
1311041	3,000.00	0	3,000.00	11/16/2013	11/16/2013	Bartlett Network of Champions	Bartlett Network of Champions	0
1310109	6,600.00	-2,950.00	3,650.00	10/4/2013	10/4/2013	People Acting in Community Together	PACT	0

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Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Days
1307061	4,000.00	0	4,000.00	7/12/2013	7/12/2013	Independent Business Owners Association	Independent Business Owners Association	0
1309069	4,000.00	0	4,000.00	9/14/2013	9/14/2013	Bartlett Network of Champions	Bartlett Network of Champions	0
1309131	4,000.00	0	4,000.00	9/15/2013	9/15/2013	Consulate General of the People's Republic of Chin	Consulate General of the People's Republic of Chin	0
1309177	4,000.00	0	4,000.00	9/21/2013	9/21/2013	E2k Event		0
1310081	4,000.00	0	4,000.00	10/13/2013	10/13/2013	Mystique Events	The WLEA	0
1310113	4,000.00	0	4,000.00	10/27/2013	10/27/2013	Health & Wellbeing Empowerment Conference	BaiLian Bodhi Meditation Center	0
1309101	4,000.00	0	4,000.00	11/10/2013	11/10/2013	Shor Media	Shor Media	0
1311101	4,000.00	0	4,000.00	11/16/2013	11/16/2013	Aguilera & Associates	Aguilera & Associates	0
1311072	4,000.00	0	4,000.00	11/17/2013	11/17/2013	IMS	IMS	0
1311062	8,000.00	-4,000.00	4,000.00	11/22/2013	11/22/2013	Association of Fundraising Professionals		0
1311143	4,000.00	0	4,000.00	11/24/2013	11/24/2013	World Financial Group	Norcal Gold St. Leadership	0
1310125	4,000.00	0	4,000.00	11/30/2013	11/30/2013	H&E Entertainment Group LLC.	Arise FC, LLC	0
1312079	4,000.00	0	4,000.00	12/18/2013	12/18/2013	Herbalife International of America	Herbalife International of America	0
1401063	4,000.00	0	4,000.00	1/18/2014	1/18/2014	Bartlett Network of Champions	Bartlett Network of Champions	0
1401083	4,000.00	0	4,000.00	1/19/2014	1/19/2014	Signature EquipoVision	Signature EquipoVision	0
1402031	4,000.00	0	4,000.00	2/1/2014	2/1/2014	NNL West	National Nameless Luminaries West	0
1403046	4,000.00	0	4,000.00	3/8/2014	3/8/2014	Andrew Wommack Ministries	Andrew Wommack Ministries	0
1403077	4,000.00	0	4,000.00	3/15/2014	3/15/2014	U-JAM Fitness	U-Jam Fitness	0
1403045	8,000.00	-4,000.00	4,000.00	3/21/2014	3/21/2014	YMCA- Project Cornerstone	YMCA of Silicon Valley	0
1404099	4,000.00	0	4,000.00	4/20/2014	4/20/2014	Signature EquipoVision	Signature EquipoVision	0
1405039	8,000.00	-4,000.00	4,000.00	5/9/2014	5/9/2014	Breakfast of Champions	JobTrain	0
1405044	8,000.00	-4,000.00	4,000.00	5/10/2014	5/10/2014	Presentation High School	Presentation High School	0
1405122	5,900.00	-1,900.00	4,000.00	5/23/2014	5/23/2014	San Jose State Health Sciences & Recreation		0
1405064	4,000.00	0	4,000.00	5/24/2014	5/24/2014	Bartlett Network of Champions	Bartlett Network of Champions	0
1404030	8,000.00	-4,000.00	4,000.00	6/6/2014	6/6/2014	Hope Services	Hope Services	0
1310070	9,600.00	-4,800.00	4,800.00	10/8/2013	10/8/2013	California Transplant Donor Network	California Transplant Donor Network	0
1404135	9,120.00	-4,000.00	5,120.00	4/11/2014	4/11/2014	Deloitte Services LP	Deloitte Services LP	0
1403090	5,000.00	280	5,280.00	3/16/2014	3/16/2014	World Journal	World Journal	0
1406103	5,960.00	-490	5,470.00	6/8/2014	6/8/2014	Emmanuel Baptist Church	Emmanuel Baptist Church	0
1311102	5,580.00	0	5,580.00	11/8/2013	11/8/2013	Sourcewise	Sourcewise	0
1403115	5,580.00	0	5,580.00	4/16/2014	4/16/2014	Sourcewise	Sourcewise, Options Counseling Training	0
1312108	5,900.00	0	5,900.00	12/7/2013	12/7/2013	WCM777 USA, Inc	WCM777 USA, Inc	0
1405101	5,900.00	0	5,900.00	5/11/2014	5/11/2014	New Tang Dynasty Television San Francisco	New Tang Dynasty Television San Francisco	0
1309135	9,060.00	-2,000.00	7,060.00	9/4/2013	9/4/2013	County of Santa Clara	County of Santa Clara	0
1309085	8,000.00	0	8,000.00	9/27/2013	9/27/2013	Santa Clara University	Santa Clara University	0

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Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Days
1311063	8,000.00	0	8,000.00	10/23/2013	10/23/2013	International Electric Vehicle Conference	110 West Boyd Street DEH 417	0
1311042	17,960.00	-9,960.00	8,000.00	11/29/2013	11/29/2013	Pacific Northwest Pop Warner	Pacific Northwest Pop Warner	0
1312088	8,000.00	0	8,000.00	12/17/2013	12/17/2013	Marvell Semiconductor, Inc.	Marvell	0
1401082	8,000.00	0	8,000.00	1/11/2014	1/11/2014	The Media Evangelism Association		0
1403104	8,000.00	0	8,000.00	3/8/2014	3/8/2014	Bay Area Christian Church	Bay Area Christian Church	0
1308058	9,770.00	-170	9,600.00	8/10/2013	8/10/2013	Primerica Life Insurance Co	Primerica	0
1310046	16,655.00	-2,655.00	14,000.00	11/9/2013	11/9/2013	Peninsula Pop Warner	Pennisula Pop Warner	0
1312021	16,210.00	0	16,210.00	12/15/2013	12/15/2013	Bay Area Christian Church	Bay Area Christian Church	0

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Days
1506098	347,940.00	(320,940.00)	27,000.00	6/4/2015	8/30/2015	Christian Congregation of Jehovah's Witnesses	Christian Congregation of Jehovah's Witnesses	87
1504001	95,460.00	(76,020.00)	19,440.00	4/23/2015	4/30/2015	Society of Vacuum Coaters	Society of Vacuum Coaters	7
1503008	100,135.00	(48,135.00)	52,000.00	3/13/2015	3/20/2015	IEEE EMC Symposium	IEEE	7
1410001	102,865.00	(37,985.00)	64,880.00	10/13/2014	10/20/2014	Pacific International Quilt Festival	Pacific International Quilt Festival	7
1408005	11,060.00	(11,060.00)	0.00	8/26/2014	9/1/2014	American Contract Bridge League	American Contract Bridge League	6
1411015	103,280.00	(88,000.00)	15,280.00	11/29/2014	12/5/2014	eBay Inc.	Jack Morton Worldwide	6
1506044	113,350.00	(73,950.00)	39,400.00	6/13/2015	6/19/2015	ONS/Open Networking Summit	The Linux Foundation	6
1409023	87,820.00	(87,820.00)	0.00	9/20/2014	9/25/2014	Health 2.0Con	Health 2.0	5
1409035	12,000.00	0.00	12,000.00	9/16/2014	9/21/2014	Portsmouth	Portsmouth Square Coin & Bourse Company, LLC	5
1504023	12,000.00	0.00	12,000.00	4/14/2015	4/19/2015	Portsmouth	Portsmouth Square Coin & Bourse Company, LLC	5
1410007	40,855.00	(28,855.00)	12,000.00	10/25/2014	10/30/2014	Zend	Zend Technologies	5
1505004	48,820.00	(35,300.00)	13,520.00	5/2/2015	5/7/2015	Technology Services Industry Association	Technology Services Industry Assn., Inc.	5
1409037	29,620.00	(9,900.00)	19,720.00	9/8/2014	9/13/2014	UP Media Group	UP Media Group, Inc.	5
1409001	36,000.00	0.00	36,000.00	9/10/2014	9/15/2014	Home Show	World Class Shows	5
1411007	65,280.00	(22,530.00)	42,750.00	11/16/2014	11/21/2014	Printed Electronics	IDTechEx, Inc.	5
1502004	87,880.00	(41,096.00)	46,784.00	2/17/2015	2/22/2015	XRX/Stitches	XRX Inc.	5
1408014	82,945.00	(31,375.00)	51,570.00	8/3/2014	8/8/2014	Conference Concepts Flash Memory Summit	Conference Concepts, Inc.	5
1409062	126,520.00	(74,600.00)	51,920.00	9/28/2014	10/3/2014	ARM TechCon	UBM, LLC	5
1501001	131,010.00	(47,960.00)	83,050.00	1/25/2015	1/30/2015	DesignCon	UBM, LLC	5
1503002	129,640.00	(129,640.00)	0.00	3/21/2015	3/25/2015	Synopsys	Synopsys	4
1504020	40,215.00	(37,975.00)	2,240.00	4/12/2015	4/16/2015	Percona Live MySQL Conf. & Expo	Percona LLC	4
1505002	78,165.00	(75,525.00)	2,640.00	5/13/2015	5/17/2015	Tie-Con/The Industtry Entrepreneurs	TiE Foundation	4
1505037	113,510.00	(103,520.00)	9,990.00	5/25/2015	5/29/2015	O'Reilly Velocity	O'Reilly Media Inc.	4
1407059	40,830.00	(29,770.00)	11,060.00	7/19/2014	7/23/2014	Green Sports Alliance	Green Sports Alliance	4
1503063	14,335.00	(2,350.00)	11,985.00	3/2/2015	3/6/2015	ISQED	ISQED	4
1410003	23,320.00	(10,580.00)	12,740.00	10/22/2014	10/26/2014	CATESOL	CATESOL	4
1412091	16,320.00	(1,580.00)	14,740.00	12/22/2014	12/26/2014	Matt S	Santa Clara Convention Center	4
1506066	15,280.00	0.00	15,280.00	6/10/2015	6/14/2015	Palo Alto Bridge Club	Palo Alto Bridge Club	4
1504042	25,320.00	(7,640.00)	17,680.00	4/13/2015	4/17/2015	Conference Concept/Ethernet	Conference Concepts, Inc.	4
1408022	18,350.00	0.00	18,350.00	8/7/2014	8/11/2014	Bricks by the Bay	Bricks by the Bay	4
1504059	53,420.00	(23,368.00)	30,052.00	4/5/2015	4/9/2015	Sencha	Sencha	4
1501015	41,965.00	(1,965.00)	40,000.00	1/15/2015	1/19/2015	No Ca Volleyball	No. CA Volleyball Assn.	4
1502012	48,510.00	(8,510.00)	40,000.00	2/12/2015	2/16/2015	No Ca Volleyball	No. CA Volleyball Assn.	4
1412008	63,400.00	(19,400.00)	44,000.00	12/7/2014	12/11/2014	Yahoo! Tech Pulse	Yahoo!	4
1504030	86,560.00	(35,000.00)	51,560.00	4/18/2015	4/22/2015	PASS	Christianson & Company Event Management Ltd.	4
1407084	6,320.00	(3,740.00)	2,580.00	7/2/2014	7/5/2014	Hyatt Hotel/Ethiopian Sports	Hyatt Regency	3

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Days
1506116	6,320.00	(1,136.00)	5,184.00	6/11/2015	6/14/2015	Hyatt Hotel	Hyatt Regency of Santa Clara	3
1410076	5,480.00	0.00	5,480.00	10/20/2014	10/23/2014	The Mike Ferry Organization	The Mike Ferry Organization	3
1409022	6,320.00	440.00	6,760.00	9/2/2014	9/5/2014	Hyatt Hotel/Flood Plain Assn.	Hyatt Santa Clara	3
1501036	6,320.00	440.00	6,760.00	1/12/2015	1/15/2015	Hyatt Hotel/ProofPoint	Hyatt Regency of Santa Clara	3
1506042	9,425.00	(880.00)	8,545.00	6/11/2015	6/14/2015	Dance Academy USA	Dance Academy USA	3
1411052	19,360.00	(5,480.00)	13,880.00	11/10/2014	11/13/2014	Conference Concept/Open Server Summit	Conference Concepts, Inc.	3
1506110	30,000.00	(15,600.00)	14,400.00	6/6/2015	6/9/2015	Flextronics	Flextronics International USA	3
1501007	16,000.00	(1,000.00)	15,000.00	1/2/2015	1/5/2015	Wedding Fair	Flare Enterprises, Inc.	3
1502069	24,580.00	(8,885.00)	15,695.00	2/8/2015	2/11/2015	U.S. Department of Commerce	Idaho District Export Council	3
1506020	23,440.00	(7,440.00)	16,000.00	6/21/2015	6/24/2015	PCI-SIG Devcon	PCI -SIG	3
1407110	36,880.00	(18,440.00)	18,440.00	7/29/2014	8/1/2014	Citrix- ETSI	Citrix	3
1409002	19,920.00	0.00	19,920.00	9/22/2014	9/25/2014	Northern California Facility Expo	Cygnus Publishing, LLC	3
1506121	24,000.00	(4,000.00)	20,000.00	6/11/2015	6/14/2015	Forerunner Mission Ministries	Forerunner Christian Church	3
1505016	21,810.00	0.00	21,810.00	5/18/2015	5/21/2015	Job Shops	The Job Shop Company, Inc.	3
1408025	27,495.00	(2,740.00)	24,755.00	8/6/2014	8/9/2014	Scrapbook Expo	Scrapbook Expo	3
1504024	69,250.00	(42,930.00)	26,320.00	3/30/2015	4/2/2015	#ChefConf 2015	Chef Software, Inc.	3
1502011	33,010.00	(4,110.00)	28,900.00	2/26/2015	3/1/2015	Spirit of the Flame	Spirt of the Flame LLC	3
1505024	38,380.00	(8,000.00)	30,380.00	5/5/2015	5/8/2015	Craft Beverage Expo	VP International, LLC/Craft Beverage Expo	3
1502040	37,820.00	(5,820.00)	32,000.00	2/5/2015	2/8/2015	Travel & Adventure Show	Unicomm, LLC	3
1407014	43,840.00	(11,440.00)	32,400.00	7/28/2014	7/31/2014	State Bar of California	The State Bar of California	3
1410020	45,280.00	(9,880.00)	35,400.00	10/20/2014	10/23/2014	Mediabistro/3D Printing		3
1408009	62,460.00	(18,380.00)	44,080.00	8/14/2014	8/17/2014	Bay Area Christian Church	Bay Area Christian Church	3
1505012	82,560.00	(21,820.00)	60,740.00	5/18/2015	5/21/2015	Uptime Inst.	Uptime Institute LLC	3
1411011	81,320.00	(18,000.00)	63,320.00	11/3/2014	11/6/2014	Sys-Con	Sys-Con Media	3
1503099	1,170.00	0.00	1,170.00	3/6/2015	3/8/2015	NYCDA	New York City Dance Alliance	2
1408082	2,340.00	(1,170.00)	1,170.00	8/19/2014	8/21/2014	Polycom, Inc.	Polycom, Inc.	2
1407062	4,110.00	(2,740.00)	1,370.00	7/30/2014	8/1/2014	Human-Centered Design Institute Conference	Human-Centered Design Institute	2
1412001	7,310.00	(5,510.00)	1,800.00	12/12/2014	12/14/2014	Santa Clara Ballet	Santa Clara Ballet Company	2
1407104	2,040.00	0.00	2,040.00	7/18/2014	7/20/2014	BM Soft Systems	BMSOFT Systems Inc.	2
1501076	2,040.00	0.00	2,040.00	1/16/2015	1/18/2015	BM Soft Systems	BMSOFT Systems Inc.	2
1505079	40,860.00	(38,760.00)	2,100.00	5/10/2015	5/12/2015	Cloud Foundry Foundation	c/o The Linux Foundation	2
1407095	2,750.00	0.00	2,750.00	7/25/2014	7/27/2014	Bay Area Chess	Bay Area Chess	2
1411101	4,110.00	(959.00)	3,151.00	11/7/2014	11/9/2014	World Financial Group	World Financial Group	2
1503087	4,935.00	(1,645.00)	3,290.00	3/31/2015	4/2/2015	Information Forecast, Inc.	Information Forecast, Inc.	2
1505003	4,740.00	(1,290.00)	3,450.00	5/4/2015	5/6/2015	Hyatt Hotel/TSIA	Hyatt Santa Clara	2
1409149	3,520.00	0.00	3,520.00	9/30/2014	10/2/2014	Commonwealth Club Silicon Valley	Commonwealth Club Silicon Valley	2
1502050	3,660.00	0.00	3,660.00	2/14/2015	2/16/2015	Bay Area Chess	Bay Area Chess	2
1502076	8,265.00	(4,572.50)	3,692.50	2/9/2015	2/11/2015	Open Networking Summit	The Linux Foundation	2
1407031	4,740.00	(930.00)	3,810.00	7/11/2014	7/13/2014	Hyatt Hotel/CA Extreme	Hyatt Hotel	2

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Days
1408028	4,740.00	(930.00)	3,810.00	8/8/2014	8/10/2014	Hyatt Hotel/Bricks by the Bay	Hyatt Hotel	2
1408056	4,740.00	(930.00)	3,810.00	8/21/2014	8/23/2014	Hyatt Hotel/SENS	Hyatt Regency	2
1505020	4,740.00	(860.00)	3,880.00	5/1/2015	5/3/2015	Hyatt Hotel	Hyatt Hotel	2
1506053	6,075.00	(1,760.00)	4,315.00	6/5/2015	6/7/2015	Veksler Academy Inc.	Veksler Academy Inc.	2
1411041	5,280.00	(880.00)	4,400.00	11/14/2014	11/16/2014	Sterling Dance Theatre	Sterling Dance Theatre	2
1502010	4,740.00	(330.00)	4,410.00	2/13/2015	2/15/2015	Hyatt Hotel/NUVO	Hyatt Santa Clara	2
1504004	4,740.00	(330.00)	4,410.00	4/17/2015	4/19/2015	Hyatt Hotel/Break the Floor	Hyatt Santa Clara	2
1408052	4,665.00	0.00	4,665.00	8/30/2014	9/1/2014	Bay Area Chess	Bay Area Chess	2
1411060	4,665.00	0.00	4,665.00	11/28/2014	11/30/2014	Bay Area Chess	Bay Area Chess	2
1503057	31,080.00	(26,370.00)	4,710.00	3/2/2015	3/4/2015	Intel's Supplier Recognition Event	Intel Corporation	2
1407049	6,060.00	(1,270.00)	4,790.00	7/23/2014	7/25/2014	Youth Focus, Inc.	Youth Focus, Inc.	2
1502015	4,740.00	90.00	4,830.00	2/5/2015	2/7/2015	Hyatt Hotel/O'Scale	Hyatt Hotel	2
1502046	17,230.00	(12,208.00)	5,022.00	2/11/2015	2/13/2015	ONF/Open Networking Foundation	Open Networking Foundation	2
1410034	4,740.00	330.00	5,070.00	10/20/2014	10/22/2014	Hyatt Hotel/IPS	Hyatt Hotel	2
1411031	4,740.00	330.00	5,070.00	11/16/2014	11/18/2014	Hyatt Hotel/Self Help	Hyatt Regency of Santa Clara	2
1501013	4,740.00	432.00	5,172.00	1/9/2015	1/11/2015	Hyatt Hotel/Hollywood Connection	Hyatt Hotel	2
1501021	4,740.00	432.00	5,172.00	1/23/2015	1/25/2015	Hyatt Hotel/LA Dance	Hyatt Hotel	2
1502070	4,740.00	432.00	5,172.00	2/16/2015	2/18/2015	Hyatt Hotel/Usenix	Hyatt Regency of Santa Clara	2
1503011	4,740.00	432.00	5,172.00	3/13/2015	3/15/2015	Hyatt Hotel/Monsters of Hip Hop	Hyatt Hotel	2
1504043	4,740.00	432.00	5,172.00	4/9/2015	4/11/2015	Hyatt Hotel/FBLA	Hyatt Regency of Santa Clara	2
1410104	5,735.00	(520.50)	5,214.50	10/20/2014	10/22/2014	IPS Learning	IPS Learning	2
1410079	5,275.00	0.00	5,275.00	10/31/2014	11/2/2014	Bay Area Chess	Bay Area Chess	2
1504099	6,600.00	0.00	6,600.00	4/30/2015	5/2/2015	NU SKIN	NU SKIN	2
1505048	18,075.00	(10,900.00)	7,175.00	5/11/2015	5/13/2015	Berkeley Design Technology, Inc.	Berkeley Design Technology, Inc.	2
1503050	8,000.00	0.00	8,000.00	3/6/2015	3/8/2015	GT Sports and Marketing	GT Sports Marketing	2
1503031	8,000.00	0.00	8,000.00	3/13/2015	3/15/2015	Santa Clara Valley Quilt Association	Santa Clara Valley Quilt Association	2
1504033	16,700.00	(8,000.00)	8,700.00	4/23/2015	4/25/2015	Presentation High School	Presentation High School	2
1411056	12,730.00	(4,000.00)	8,730.00	11/6/2014	11/8/2014	Ivy Associates	Ivy Associates	2
1407080	8,950.00	0.00	8,950.00	7/25/2014	7/27/2014	SEG Eventos Inc.	SEG Eventos, Inc.	2
1504062	24,000.00	(14,520.00)	9,480.00	4/13/2015	4/15/2015	Informa Telecoms/Bluetooth World	Informa Telecoms & Media Ltd.	2
1409108	9,990.00	0.00	9,990.00	9/8/2014	9/10/2014	BMSOFT Systems, Inc	BMSOFT Systems Inc.	2
1504094	16,000.00	(5,600.00)	10,400.00	4/3/2015	4/5/2015	Trinity Motivation/BWW	Trinity Motivation	2
1408031	11,880.00	(880.00)	11,000.00	8/12/2014	8/14/2014	Linked-In	Linked In	2
1505049	20,560.00	(7,110.00)	13,450.00	5/22/2015	5/24/2015	Catholic Charismatic	Northern California Catholic Charismatic Conventio	2
1409051	17,835.00	(4,240.00)	13,595.00	10/23/2014	10/25/2014	Santa Clara University	Santa Clara University, School of Law	2
1411091	12,000.00	1,600.00	13,600.00	11/11/2014	11/13/2014	Cyzone	Cyzone	2
1506072	19,930.00	(5,600.00)	14,330.00	6/5/2015	6/7/2015	CFA Institute	CFA Institute	2
1502047	34,120.00	(18,880.00)	15,240.00	2/25/2015	2/27/2015	Live Ramp	LiveRamp	2
1504014	22,600.00	(6,600.00)	16,000.00	4/9/2015	4/11/2015	Future Business Leaders of America	Future Business Leaders of America	2
1503054	36,430.00	(18,620.00)	17,810.00	3/4/2015	3/6/2015	Arrow Electronics, Inc.	Arrow Electronics, Inc.	2

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Days
1409059	22,460.00	(4,000.00)	18,460.00	9/25/2014	9/27/2014	Silicon Valley Information Business Alliance	UCTIA/99 People, Inc.	2
1503073	30,080.00	(10,160.00)	19,920.00	3/26/2015	3/28/2015	Mary Kay Inc	Mary Kay Inc.	2
1503022	44,565.00	(24,000.00)	20,565.00	3/9/2015	3/11/2015	CDN Live	Cadence	2
1506040	32,495.00	(6,370.00)	26,125.00	6/8/2015	6/10/2015	Augmented Reality	AR.org	2
1501028	47,920.00	(12,000.00)	35,920.00	1/22/2015	1/24/2015	World Fitness	Muscle Sport Production, Inc.	2
1506055	43,920.00	0.00	43,920.00	6/26/2015	6/28/2015	World Fitness Enterprises USA, Inc.	Muscle Sport Production, Inc.	2
1412002	0.00	0.00	0.00	12/10/2014	12/11/2014	GSA	GSA	1
1505112	4,200.00	(4,200.00)	0.00	5/10/2015	5/11/2015	Pivotal	Pivotal	1
1410038	13,960.00	(13,960.00)	0.00	10/8/2014	10/9/2014	YWCA of Silicon Valley	YWCA of Silicon Valley	1
1411108	630.00	(315.00)	315.00	11/17/2014	11/18/2014	Internet Protocol for Smart Objects Alliance	Internet Protocol for Smart Objects Alliance	1
1505056	340.00	0.00	340.00	5/8/2015	5/9/2015	McKay Photography	McKay Photography	1
1503076	530.00	0.00	530.00	3/27/2015	3/28/2015	My Girlfriend's House	My Girlfriend's House	1
1411123	560.00	0.00	560.00	11/14/2014	11/15/2014	Next Productions	Next Productions	1
1504103	630.00	0.00	630.00	4/23/2015	4/24/2015	BM Soft Systems	BMSOFT Systems Inc.	1
1407124	910.00	0.00	910.00	7/12/2014	7/13/2014	Elite	Elite	1
1505106	1,555.00	(550.00)	1,005.00	5/21/2015	5/22/2015	MPhasis	Mphasis	1
1505068	1,365.00	0.00	1,365.00	5/16/2015	5/17/2015	SHOP.com	SHOP.com	1
1503048	2,040.00	(510.00)	1,530.00	2/28/2015	3/1/2015	Center of Persian Language Preservation	Center of Persian Language Preservation	1
1407128	1,560.00	0.00	1,560.00	7/29/2014	7/30/2014	Minority Business Consortium	Minority Business Consortium	1
1409088	1,825.00	0.00	1,825.00	9/19/2014	9/20/2014	SHOP.com	SHOP.com	1
1505033	2,040.00	0.00	2,040.00	5/8/2015	5/9/2015	Dance Masters	Jensen School of Performing Arts	1
1506048	2,040.00	0.00	2,040.00	6/26/2015	6/27/2015	Jensen School for Performing Arts	Jensen School of Performing Arts	1
1411076	2,350.00	0.00	2,350.00	11/15/2014	11/16/2014	SEG Eventos	SEG Eventos, Inc.	1
1503067	2,350.00	0.00	2,350.00	3/14/2015	3/15/2015	SEG Eventos Inc.	SEG Eventos, Inc.	1
1504076	2,350.00	0.00	2,350.00	6/20/2015	6/21/2015	SEG Eventos, Inc.	SEG Eventos, Inc.	1
1506011	3,160.00	(740.00)	2,420.00	6/1/2015	6/2/2015	Hyatt Hotel/CALA	Hyatt Santa Clara	1
1504118	3,520.00	(880.00)	2,640.00	4/20/2015	4/21/2015	USMotivation	USMotivation	1
1505044	3,520.00	(880.00)	2,640.00	5/30/2015	5/31/2015	Achieve Dance Arts Academy	Achieve Dance Arts Academy	1
1506049	3,520.00	(880.00)	2,640.00	6/19/2015	6/20/2015	Liberty Dance Company	Liberty Dance Company	1
1506123	4,300.00	(1,660.00)	2,640.00	6/23/2015	6/24/2015	Fujitsu Laboratories of America, Inc.	Fujitsu Laboratories of America, Inc.	1
1504108	2,740.00	0.00	2,740.00	4/25/2015	4/26/2015	E2K Events		1
1410037	19,160.00	(16,000.00)	3,160.00	10/14/2014	10/15/2014	Cadence	Cadence Design Systems, Inc.	1
1503074	4,780.00	(1,600.00)	3,180.00	3/27/2015	3/28/2015	EPPICon 2015	EPPI Global	1
1409093	3,290.00	0.00	3,290.00	9/27/2014	9/28/2014	Bay Area Chess	Bay Area Chess	1
1501014	3,160.00	174.00	3,334.00	1/17/2015	1/18/2015	Hyatt Hotel/CKA	Hyatt Santa Clara	1
1411053	3,160.00	288.00	3,448.00	11/14/2014	11/15/2014	Hyatt/BACC	Hyatt Hotel	1
1504052	3,520.00	0.00	3,520.00	4/24/2015	4/25/2015	Akbayan Pilipino American Organization	Akbayan Pilipino- American Organization	1
1410092	3,920.00	0.00	3,920.00	10/11/2014	10/12/2014	Indiaproperty Online Pvt Ltd.	India Property Online Pvt Ltd	1

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Days
1410061	6,660.00	(2,740.00)	3,920.00	10/6/2014	10/7/2014	PMI Silicon Valley	PMI Silicon Valley	1
1503037	4,350.00	0.00	4,350.00	3/7/2015	3/8/2015	Dance Masters of California	Jensen School of Performing Arts	1
1501029	10,620.00	(6,000.00)	4,620.00	1/21/2015	1/22/2015	RTC Group	RTC Group, Concept Development, Inc.	1
1409099	4,780.00	0.00	4,780.00	9/26/2014	9/27/2014	Bartlett Network of Champions	Bartlett Network of Champions	1
1501037	4,780.00	0.00	4,780.00	1/16/2015	1/17/2015	Bartlett Network of Champions	Bartlett Network of Champions	1
1505072	4,780.00	0.00	4,780.00	5/1/2015	5/2/2015	Bartlett Network of Champions	Bartlett Network of Champions	1
1506094	4,780.00	0.00	4,780.00	6/12/2015	6/13/2015	Bartlett Network of Champions	Bartlett Network of Champions	1
1412043	4,790.00	0.00	4,790.00	12/26/2014	12/27/2014	SEG Eventos Inc.	SEG Eventos, Inc.	1
1501040	5,390.00	0.00	5,390.00	1/24/2015	1/25/2015	Bay Area Chess	Bay Area Chess	1
1505083	5,740.00	0.00	5,740.00	5/4/2015	5/5/2015	BM Soft Systems	BMSOFT Systems Inc.	1
1409074	10,820.00	(4,880.00)	5,940.00	9/17/2014	9/18/2014	Cisco Systems	Cisco Systems, Global Procurement Services	1
1410060	6,000.00	0.00	6,000.00	10/1/2014	10/2/2014	SC Realators	SCC Association of REALTORS	1
1501069	8,000.00	(1,680.00)	6,320.00	1/23/2015	1/24/2015	EquipoVision Intl	EquipoVision Intl	1
1502037	15,920.00	(8,000.00)	7,920.00	2/3/2015	2/4/2015	Joint Venture Silicon Valley Northern California Minority Supplier	Joint Venture Western Regional Minority Supplier	1
1408038	9,920.00	(1,960.00)	7,960.00	8/13/2014	8/14/2014	Development	Development Cou	1
1409090	8,000.00	0.00	8,000.00	9/26/2014	9/27/2014	SEG Eventos Inc.	SEG Eventos, Inc.	1
1501045	8,000.00	0.00	8,000.00	1/31/2015	2/1/2015	SEG Eventos, Inc.	SEG Eventos, Inc.	1
1505071	8,000.00	0.00	8,000.00	5/8/2015	5/9/2015	K to College	K to College	1
1505061	8,000.00	0.00	8,000.00	5/23/2015	5/24/2015	SEG Eventos, Inc.	SEG Eventos, Inc.	1
1409103	8,265.00	(265.00)	8,000.00	9/26/2014	9/27/2014	GT Sports & Marketing	GT Sports Marketing	1
1504115	12,000.00	(4,000.00)	8,000.00	4/11/2015	4/12/2015	World System Builder	Norcal Gold St. Leadership	1
1502039	16,000.00	(8,000.00)	8,000.00	2/25/2015	2/26/2015	Teladata	Teladata	1
1506114	16,000.00	(8,000.00)	8,000.00	6/1/2015	6/2/2015	Shutterfly	Shutterfly	1
1505021	20,600.00	(12,000.00)	8,600.00	5/13/2015	5/14/2015	Anita Borg Institute	Anita Borg Institute for Women and Technology	1
1411070	8,800.00	0.00	8,800.00	11/4/2014	11/5/2014	SecureWorld Expo	SecureWorld Expo	1
1506075	15,330.00	(5,370.00)	9,960.00	6/19/2015	6/20/2015	ECHO	Executive Community for Homeowners	1
1502029	16,000.00	(5,200.00)	10,800.00	2/28/2015	3/1/2015	California Association of DECA, Inc.	California Association of DECA, Inc.	1
1409087	12,600.00	(1,500.00)	11,100.00	9/15/2014	9/16/2014	Cisco Systems	Cisco Systems, Global Procurement Services	1
1501063	11,870.00	0.00	11,870.00	1/19/2015	1/20/2015	Primerica	Primerica	1
1505039	11,885.00	0.00	11,885.00	5/2/2015	5/3/2015	Bay Area Chess	Bay Area Chess	1
1502065	16,000.00	(4,000.00)	12,000.00	2/18/2015	2/19/2015	Apple, Inc.	Apple, Inc.	1
1504051	14,940.00	(1,960.00)	12,980.00	4/24/2015	4/25/2015	PITCO FOODS	Pitco Foods	1
1504049	19,960.00	(4,000.00)	15,960.00	4/7/2015	4/8/2015	Northern CA Rental Housing Conference & Expo	California Apartment Association	1
1408041	17,060.00	0.00	17,060.00	8/2/2014	8/3/2014	River of Life Christian Church	River of Life Christian Church	1
1503042	22,120.00	(4,000.00)	18,120.00	3/6/2015	3/7/2015	Taking Control of Your Diabetes	Taking Control of your Diabetes	1
1503058	24,170.00	(6,000.00)	18,170.00	3/2/2015	3/3/2015	Facebook, Inc.	Facebook, Inc.	1
1502088	22,600.00	0.00	22,600.00	2/6/2015	2/7/2015	Marathon Productions	Marathon Productions	1

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Days
1411021	33,090.00	(4,190.00)	28,900.00	11/21/2014	11/22/2014	Faith Formation	Archdiocese of San Francisco	1
1410043	32,000.00	0.00	32,000.00	10/10/2014	10/11/2014	Sankara Eye Foundation	Sankara Eye Foundation, USA	1
1502044	60,215.00	(21,857.00)	38,358.00	2/23/2015	2/24/2015	Watermark	Watermark	1
1408077	0.00	0.00	0.00	8/1/2014	8/1/2014	City of Santa Clara	City of Santa Clara	0
1411105	390.00	(390.00)	0.00	11/19/2014	11/19/2014	Stichting imec Nederland	Stichting imec Nederland	0
1505116	455.00	(455.00)	0.00	5/15/2015	5/15/2015	Santa Clara Valley Water District	Santa Clara Valley Water District	0
1408079	550.00	(550.00)	0.00	8/3/2014	8/3/2014	Chutian	ChuTian Group Inc.	0
1410135	780.00	(780.00)	0.00	10/21/2014	10/21/2014	SF.Bay Area Super Bowl 50 Host Committee	San Francisco Bay Area Super Bowl 50 Host Committe	0
1412028	780.00	(780.00)	0.00	12/4/2014	12/4/2014	SCCAOR Holiday Event	SCC Association of REALTORS	0
1412058	780.00	(780.00)	0.00	12/6/2014	12/6/2014	Santa Clara County Chiropractic Distric		0
1501073	780.00	(780.00)	0.00	1/9/2015	1/9/2015	City of Santa Clara	City of Santa Clara	0
1505107	780.00	(780.00)	0.00	5/9/2015	5/9/2015	Santa Clara Valley Water District	Santa Clara Valley Water District	0
1410127	840.00	(840.00)	0.00	10/16/2014	10/16/2014	City of Santa Clara	City of Santa Clara	0
1503098	1,020.00	(1,020.00)	0.00	3/28/2015	3/28/2015	San Jose Art & Cultural Society	Nima Entertainment Inc.	0
1412052	1,370.00	(1,370.00)	0.00	12/13/2014	12/13/2014	Burke Industries Holiday Event	Burke Industries	0
1502125	1,580.00	(1,580.00)	0.00	2/28/2015	2/28/2015	Hyatt Hotel/ Awards Banquet	Hyatt Hotel	0
1503112	1,580.00	(1,580.00)	0.00	3/27/2015	3/27/2015	Shutterfly	Shutterfly	0
1410099	1,645.00	(1,645.00)	0.00	10/16/2014	10/16/2014	Ethernet Alliance	Ethernet Alliance	0
1410132	1,960.00	(1,960.00)	0.00	10/25/2014	10/25/2014	Chinese American Information Storage Society	CAISS	0
1501046	1,960.00	(1,960.00)	0.00	1/22/2015	1/22/2015	Filice Insurance	Filice Insurance	0
1409147	3,700.00	(3,700.00)	0.00	9/3/2014	9/3/2014	Silicon Valley Leadership Group	Silicon Valley Leadership Group	0
1410070	4,000.00	(4,000.00)	0.00	10/30/2014	10/30/2014	City of Santa Clara	City of Santa Clara	0
1412050	4,000.00	(4,000.00)	0.00	12/12/2014	12/12/2014	Akamai Holiday Party	Akamai Technologies	0
1412048	4,000.00	(4,000.00)	0.00	12/21/2014	12/21/2014	Alex Saim		0
1501061	4,000.00	(4,000.00)	0.00	1/16/2015	1/16/2015	SCC Association of REALTORS	SCC Association of REALTORS	0
1502077	4,000.00	(4,000.00)	0.00	2/15/2015	2/15/2015	Talati Wedding		0
1504075	4,000.00	(4,000.00)	0.00	4/17/2015	4/17/2015	Housing Trust Silicon Valley	Housing Trust Silicon Valley	0
1505070	4,000.00	(4,000.00)	0.00	5/8/2015	5/8/2015	Bill Wilson	Bill Wilson Center	0
1506108	4,790.00	(4,790.00)	0.00	6/20/2015	6/20/2015	International Swimming Hall of Fame	International Swimming Hall of Fame	0
1409057	5,000.00	(5,000.00)	0.00	9/20/2014	9/20/2014	Asian Americans for Community Involvement	AACI	0
1410054	5,960.00	(5,960.00)	0.00	10/23/2014	10/23/2014	SVLG	Silicon Valley Leadership Group	0
1407064	6,000.00	(6,000.00)	0.00	7/5/2014	7/5/2014	George & Stephanie Lee Wedding		0
1410057	8,000.00	(8,000.00)	0.00	10/13/2014	10/13/2014	Silicon Valley Community Foundation		0
1410106	8,000.00	(8,000.00)	0.00	10/29/2014	10/29/2014	ASE Group	ASE Group	0
1412031	8,000.00	(8,000.00)	0.00	12/12/2014	12/12/2014	KLA Tencor	KLA-Tencor	0
1501067	8,000.00	(8,000.00)	0.00	1/31/2015	1/31/2015	Penney Enterprise	Penney Enterprise	0
1502100	8,000.00	(8,000.00)	0.00	3/6/2015	3/6/2015	Shutterfly	Shutterfly	0
1503049	8,000.00	(8,000.00)	0.00	3/14/2015	3/14/2015	South Asian Heart Center	South Asian Heart Center	0

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Days
1412016	12,000.00	(12,000.00)	0.00	12/6/2014	12/6/2014	Maxim Holiday Party		0
1407105	390.00	(234.00)	156.00	7/12/2014	7/12/2014	Your Asian Connection	Your Asian Connection, Inc.	0
1407127	170.00	0.00	170.00	7/23/2014	7/23/2014	McCarthy & Affiliates	McCarthy & Affiliates	0
1408096	170.00	0.00	170.00	8/22/2014	8/22/2014	Fetzone	Fetzone	0
1409157	170.00	0.00	170.00	9/26/2014	9/26/2014	Fetzone	Fetzone	0
1502081	170.00	0.00	170.00	2/15/2015	2/15/2015	McKay Photography	McKay Photography	0
1504073	170.00	0.00	170.00	4/13/2015	4/13/2015	McKay Photography	McKay Photography	0
1404124	8,170.00	(8,000.00)	170.00	8/20/2014	8/20/2014	JPMorgan Chase	JPMorgan Chase	0
1506137	390.00	(78.00)	312.00	6/27/2015	6/27/2015	Your Asian Connection	Your Asian Connection, Inc.	0
1407108	315.00	0.00	315.00	7/18/2014	7/18/2014	Q Analysts LLC	Q Analysts LLC	0
1502128	315.00	0.00	315.00	2/27/2015	2/27/2015	Bay Area Christian Church	Bay Area Christian Church	0
1505027	13,920.00	(13,580.00)	340.00	5/7/2015	5/7/2015	The Law Foundation	The Law Foundation of Silicon Valley	0
1408071	390.00	0.00	390.00	8/23/2014	8/23/2014	Maldonado and Associates, Inc	MDE Latino, LP	0
1409134	390.00	0.00	390.00	9/13/2014	9/13/2014	Your Asian Connection	Your Asian Connection, Inc.	0
1409138	390.00	0.00	390.00	9/14/2014	9/14/2014	Maldonado and Associates, Inc	MDE Latino, LP	0
1411103	390.00	0.00	390.00	11/1/2014	11/1/2014	The Spirit Bowtique	The Spirit Bowtique	0
1412054	390.00	0.00	390.00	12/13/2014	12/13/2014	Maldonado and Associates, Inc	MDE Latino, LP	0
1501077	390.00	0.00	390.00	1/11/2015	1/11/2015	Maldonado and Associates, Inc	MDE Latino, LP	0
1502097	390.00	0.00	390.00	2/8/2015	2/8/2015	Maldonado and Associates, Inc	MDE Latino, LP	0
1505065	390.00	0.00	390.00	5/9/2015	5/9/2015	Julie Nation Academy	Julie Nation Academy	0
1505098	390.00	0.00	390.00	5/9/2015	5/9/2015	Maldonado & Associates, Inc	MDE Latino, LP	0
1506118	390.00	0.00	390.00	6/6/2015	6/6/2015	Maldonado & Associates, Inc	MDE Latino, LP	0
1410117	470.00	(80.00)	390.00	10/10/2014	10/10/2014	CA Assn for Postsecondary Education and Disability	CA Assn for Postsecondary Education and Disability	0
1412079	780.00	(390.00)	390.00	12/19/2014	12/19/2014	Care In Touch Health Agency	Care In Touch Health Agency	0
1411044	4,435.00	(4,000.00)	435.00	11/8/2014	11/8/2014	Friends of Children with Special Needs	Freinds of Children with Special Needs	0
1408053	455.00	0.00	455.00	8/23/2014	8/23/2014	SHOP.com	SHOP.com	0
1410126	455.00	0.00	455.00	10/19/2014	10/19/2014	Maldonado and Associates, Inc	MDE Latino, LP	0
1410143	455.00	0.00	455.00	10/29/2014	10/29/2014	Bay Area Christian Church	Bay Area Christian Church	0
1503106	455.00	0.00	455.00	3/8/2015	3/8/2015	SHOP.com	SHOP.com	0
1503093	455.00	0.00	455.00	3/21/2015	3/21/2015	SHOP.com	SHOP.com	0
1504109	455.00	0.00	455.00	4/11/2015	4/11/2015	Maldonado & Associates, Inc	MDE Latino, LP	0
1505091	455.00	0.00	455.00	5/15/2015	5/15/2015	Lifeline Screening	Lifeline Screening	0
1412085	470.00	0.00	470.00	12/6/2014	12/6/2014	99 People	UCTIA/99 People, Inc.	0
1501027	1,020.00	(510.00)	510.00	1/31/2015	1/31/2015	Ivy Review	International Association of Youth	0
1505080	790.00	(142.00)	648.00	5/9/2015	5/9/2015	Hyatt Hotel	Hyatt Regency of Santa Clara	0
1502089	700.00	0.00	700.00	2/21/2015	2/21/2015	E2K- SF 49er Event		0
1407126	780.00	0.00	780.00	7/25/2014	7/25/2014	Bartlett Network of Champions	Bartlett Network of Champions	0
1407116	780.00	0.00	780.00	7/31/2014	7/31/2014	FortuneBuilders	FortuneBuilders	0
1408078	780.00	0.00	780.00	8/23/2014	8/23/2014	Penney Enterprises	Penney Enterprise	0
1410122	780.00	0.00	780.00	10/11/2014	10/11/2014	Bartlett Network of Champions	Bartlett Network of Champions	0

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1410101	780.00	0.00	780.00	10/22/2014	10/22/2014	Auction.com	Auction.com, LLC	0
1411098	780.00	0.00	780.00	11/1/2014	11/1/2014	Tau Kappa Epsilon	Tau Kappa Epsilon	0
1412062	780.00	0.00	780.00	12/17/2014	12/17/2014	Auction.com	Auction.com, LLC	0
1501064	780.00	0.00	780.00	1/21/2015	1/21/2015	Auction.com	Auction.com, LLC	0
1501047	780.00	0.00	780.00	1/24/2015	1/24/2015	DC Trainings	DC Trainings	0
1503101	780.00	0.00	780.00	3/21/2015	3/21/2015	Penney Enterprise	Penney Enterprise	0
1503102	780.00	0.00	780.00	3/21/2015	3/21/2015	DC Trainings	DC Trainings	0
1504104	780.00	0.00	780.00	4/4/2015	4/4/2015	Penney Enterprise	Penney Enterprise	0
1505101	780.00	0.00	780.00	5/7/2015	5/7/2015	Auction.com	Auction.com, LLC	0
1505108	780.00	0.00	780.00	5/7/2015	5/7/2015	The Wackel Group	The Wackel Group	0
1505109	780.00	0.00	780.00	5/13/2015	5/13/2015	Bay Area Christian Church	Bay Area Christian Church	0
1408089	790.00	0.00	790.00	8/11/2014	8/11/2014	Uber Technologies	Uber Technologies	0
1411100	790.00	0.00	790.00	11/13/2014	11/13/2014	FortuneBuilders	FortuneBuilders	0
1502117	790.00	0.00	790.00	2/4/2015	2/4/2015	Padi Americas	Padi Americas	0
1501048	1,580.00	(790.00)	790.00	1/22/2015	1/22/2015	Comerica Bank	Comerica Bank	0
1505069	1,580.00	(790.00)	790.00	5/8/2015	5/8/2015	Golden State Baptist College	Golden State Baptist College	0
1505084	1,580.00	(790.00)	790.00	5/31/2015	5/31/2015	Nor Cal Academy of Performing Arts	Nor Cal Academy of Performing Arts	0
1409155	790.00	72.00	862.00	9/17/2014	9/17/2014	Hyatt Hotel	Hyatt Regency of Santa Clara	0
1410128	790.00	72.00	862.00	10/18/2014	10/18/2014	Hyatt Hotel	Hyatt Regency of Santa Clara	0
1409120	1,760.00	(880.00)	880.00	9/7/2014	9/7/2014	ThinkTank Learning Inc.	ThinkTank Learning	0
1410152	1,760.00	(880.00)	880.00	10/30/2014	10/30/2014	Alibaba Group	Aliababa Group	0
1411115	1,760.00	(880.00)	880.00	11/9/2014	11/9/2014	Art of Living	Art of Living	0
1412026	1,760.00	(880.00)	880.00	12/19/2014	12/19/2014	The Art Institute Silicon Valley	The Art Institute of California-Silicon Valley	0
1501062	1,760.00	(880.00)	880.00	1/21/2015	1/21/2015	Cornish & Carey	Cornish & Carey	0
1504050	1,760.00	(880.00)	880.00	4/3/2015	4/3/2015	Jehovah's Witnesses, North Santa Clara	Jehovah's Witnesses, North Santa Clara	0
1410147	910.00	0.00	910.00	10/19/2014	10/19/2014	International Culture Exchange Group	International Culture Exchange Group	0
1501049	910.00	0.00	910.00	1/10/2015	1/10/2015	SHOP.com	SHOP.com	0
1502107	910.00	0.00	910.00	2/7/2015	2/7/2015	Simon Lam DBA Transamerica Financial Advisors, Inc	Transamerica Financial Advisors, Inc.	0
1503100	910.00	0.00	910.00	3/20/2015	3/20/2015	Bartlett Network of Champions	Bartlett Network of Champions	0
1504111	910.00	0.00	910.00	4/11/2015	4/11/2015	Art of Living	Art of Living Foundation	0
1504114	910.00	0.00	910.00	4/27/2015	4/27/2015	SonarSource	SonarSource SA	0
1407112	940.00	0.00	940.00	7/12/2014	7/12/2014	DC Trainings	DC Trainings	0
1409135	940.00	0.00	940.00	9/6/2014	9/6/2014	DC Trainings	DC Trainings	0
1411081	940.00	0.00	940.00	11/8/2014	11/8/2014	DC Training	DC Trainings	0
1506104	940.00	0.00	940.00	6/6/2015	6/6/2015	CPS HR Consulting	CPS HR Consulting	0
1407093	980.00	0.00	980.00	7/9/2014	7/9/2014	Auction.com	Auction.com, LLC	0
1407094	980.00	0.00	980.00	7/23/2014	7/23/2014	Auction.com	Auction.com, LLC	0
1407106	980.00	0.00	980.00	7/26/2014	7/26/2014	World Journal	World Journal	0
1408061	980.00	0.00	980.00	8/6/2014	8/6/2014	Auction.com	Auction.com, LLC	0

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Days
1408062	980.00	0.00	980.00	8/20/2014	8/20/2014	Auction.com	Auction.com, LLC	0
1409091	980.00	0.00	980.00	9/3/2014	9/3/2014	Auction.com	Auction.com, LLC	0
1409092	980.00	0.00	980.00	9/17/2014	9/17/2014	Auction.com	Auction.com, LLC	0
1410100	980.00	0.00	980.00	10/8/2014	10/8/2014	Auction.com	Auction.com, LLC	0
1411083	980.00	0.00	980.00	11/26/2014	11/26/2014	Auction.com	Auction.com, LLC	0
1502095	980.00	0.00	980.00	2/27/2015	2/27/2015	Auction.com	Auction.com, LLC	0
1504107	980.00	0.00	980.00	4/2/2015	4/2/2015	Auction.com	Auction.com, LLC	0
1504126	980.00	0.00	980.00	4/25/2015	4/25/2015	Penney Enterprise	Penney Enterprise	0
1407096	1,020.00	0.00	1,020.00	7/19/2014	7/19/2014	Viet Music Club	Viet Music Club	0
1409081	1,020.00	0.00	1,020.00	9/20/2014	9/20/2014	VN Help	VN Help	0
1410088	1,020.00	0.00	1,020.00	10/12/2014	10/12/2014	South India Fine Arts	South India Fine Arts	0
1410081	1,020.00	0.00	1,020.00	10/19/2014	10/19/2014	South India Fine Arts	South India Fine Arts	0
1410116	1,020.00	0.00	1,020.00	10/26/2014	10/26/2014	Iranian Federated Women's Club/Payvand	Rumi Records Productions	0
1411079	1,020.00	0.00	1,020.00	11/13/2014	11/13/2014	North Valley Baptist Schools	North Valley Baptist Schools	0
1501033	1,020.00	0.00	1,020.00	1/24/2015	1/24/2015	VietET	Viet ET Foundation	0
1504116	1,020.00	0.00	1,020.00	4/19/2015	4/19/2015	South India Fine Arts	South India Fine Arts	0
1504078	1,020.00	0.00	1,020.00	4/26/2015	4/26/2015	South India Fine Arts	South India Fine Arts	0
1503094	1,020.00	0.00	1,020.00	5/10/2015	5/10/2015	South India Fine Arts	South India Fine Arts	0
1505059	1,020.00	0.00	1,020.00	5/17/2015	5/17/2015	South India Fine Arts	South India Fine Arts	0
1410110	1,100.00	0.00	1,100.00	10/18/2014	10/18/2014	CPS HR Consulting	CPS HR Consulting	0
1503086	1,100.00	0.00	1,100.00	3/18/2015	3/18/2015	TRI Seminars	TRI Seminars	0
1411097	1,110.00	0.00	1,110.00	11/8/2014	11/8/2014	CPS HR Consulting	CPS HR Consulting	0
1410094	1,970.00	(784.00)	1,186.00	10/19/2014	10/19/2014	Taiwan Trade Center, San Francisco	Taiwan Trade Center, San Francisco	0
1412077	3,000.00	(1,800.00)	1,200.00	12/31/2014	12/31/2014	Your Asian Connection	Your Asian Connection, Inc.	0
1505045	1,580.00	(284.00)	1,296.00	5/30/2015	5/30/2015	Hyatt Hotel	Hyatt Hotel	0
1506143	1,580.00	(284.00)	1,296.00	6/7/2015	6/7/2015	Hyatt Hotel	Hyatt Regency of Santa Clara	0
1409124	1,305.00	0.00	1,305.00	9/20/2014	9/20/2014	The Rising Sun	The Rising Sun	0
1410146	1,370.00	0.00	1,370.00	10/12/2014	10/12/2014	Vision Global	Vision Global	0
1412073	1,370.00	0.00	1,370.00	12/6/2014	12/6/2014	FortuneBuilders	FortuneBuilders	0
1501086	1,370.00	0.00	1,370.00	1/17/2015	1/17/2015	Zurixx	Zurixx	0
1504095	1,370.00	0.00	1,370.00	3/28/2015	3/28/2015	IIT Bombay Heritage Foundation	IIT Bombay Heritage Foundation	0
1505090	1,370.00	0.00	1,370.00	5/9/2015	5/9/2015	The Rising Sun	The Rising Sun	0
1505100	1,370.00	0.00	1,370.00	5/30/2015	5/30/2015	Shivark, Inc.	Shivark, Inc.	0
1501087	1,400.00	0.00	1,400.00	1/24/2015	1/24/2015	Zurixx	Zurixx	0
1412045	1,870.00	(390.00)	1,480.00	12/11/2014	12/11/2014	Alliance of Chief Executives	Alliance of Chief Executives	0
1503095	1,565.00	0.00	1,565.00	3/12/2015	3/12/2015	Competitive Edge Seminars		0
1506122	1,580.00	0.00	1,580.00	6/4/2015	6/4/2015	Health Services Advisory Group, Inc	Health Services Advisory Group, Inc.	0
1506147	1,580.00	0.00	1,580.00	6/21/2015	6/21/2015	Vision Global	Vision Global	0
1407113	1,635.00	0.00	1,635.00	7/17/2014	7/17/2014	AllState	AllState	0
1409070	1,580.00	110.00	1,690.00	9/6/2014	9/6/2014	Hyatt Hotel	Hyatt Hotel	0
1412019	1,580.00	110.00	1,690.00	12/12/2014	12/12/2014	Hyatt Hotel	Hyatt Hotel	0

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Days
1502045	1,580.00	110.00	1,690.00	2/27/2015	2/27/2015	Hyatt Hotel	Hyatt Hotel	0
1410084	1,580.00	144.00	1,724.00	10/29/2014	10/29/2014	Hyatt Hotel	Hyatt Hotel	0
1412039	1,580.00	144.00	1,724.00	12/6/2014	12/6/2014	Hyatt Hotel/E Trade	Hyatt Hotel	0
1410046	6,725.00	(5,000.00)	1,725.00	10/11/2014	10/11/2014	CASPA	CASPA	0
1502071	2,520.00	(780.00)	1,740.00	2/6/2015	2/6/2015	Alliance of Chief Executives	Alliance of Chief Executives	0
1505063	2,520.00	(780.00)	1,740.00	5/1/2015	5/1/2015	Alliance of Chief Executives	Alliance of Chief Executives	0
1407100	1,760.00	0.00	1,760.00	7/13/2014	7/13/2014	H&L Productions	H&L Productions	0
1407088	1,760.00	0.00	1,760.00	7/20/2014	7/20/2014	Miss AoDai Vietnam Universe	Miss Ao Dai Vietnam Universe	0
1407039	1,760.00	0.00	1,760.00	7/26/2014	7/26/2014	Dance Arts Academy	Dance Arts Academy	0
1405048	1,760.00	0.00	1,760.00	8/23/2014	8/23/2014	Hula Halau 'O Pi'ilani	Hula Halau'O Pi'ilani	0
1408072	1,760.00	0.00	1,760.00	8/31/2014	8/31/2014	Bytes & Notes	Bytes and Notes	0
1409114	1,760.00	0.00	1,760.00	9/5/2014	9/5/2014	Palmer College	Palmer College of Chiropractic	0
1409110	1,760.00	0.00	1,760.00	9/6/2014	9/6/2014	LIFE Leadership	LIFE Leadership	0
1409121	1,760.00	0.00	1,760.00	9/10/2014	9/10/2014	Institute for Brain Potential	IBP and A Meeting Company	0
1409097	1,760.00	0.00	1,760.00	9/13/2014	9/13/2014	We Care Naturallly, LLC	We Care Naturallly LLC	0
1409127	1,760.00	0.00	1,760.00	9/14/2014	9/14/2014	Premiere Productions	Premiere Production	0
1410097	1,760.00	0.00	1,760.00	10/4/2014	10/4/2014	LIFE Leadership	LIFE Leadership	0
1410107	1,760.00	0.00	1,760.00	10/18/2014	10/18/2014	National Unification Advisory Council	National Unification Advisory Council	0
1411064	1,760.00	0.00	1,760.00	11/29/2014	11/29/2014	D&D Entertainment	D&D Entertainment	0
1409061	1,760.00	0.00	1,760.00	12/5/2014	12/5/2014	Palmer College	Palmer College of Chiropractic	0
1412084	1,760.00	0.00	1,760.00	12/7/2014	12/7/2014	Arya Dance Academy	Arya Dance Academy	0
1501098	1,760.00	0.00	1,760.00	1/29/2015	1/29/2015	Commonwealth Club	Commonwealth Club Silicon Valley	0
1502105	1,760.00	0.00	1,760.00	2/4/2015	2/4/2015	World Wide Dream Builders	World Wide Dream Builders	0
1502090	1,760.00	0.00	1,760.00	2/5/2015	2/5/2015	Practice Like Pros	Practice Like Pros	0
1502093	1,760.00	0.00	1,760.00	2/7/2015	2/7/2015	LIFE Leadership	Life Leadership	0
1502102	1,760.00	0.00	1,760.00	2/8/2015	2/8/2015	Premiere Productions	Premiere Production	0
1502111	1,760.00	0.00	1,760.00	2/15/2015	2/15/2015	Vision Global	Vision Global	0
1503044	1,760.00	0.00	1,760.00	3/13/2015	3/13/2015	Palmer College	Palmer College of Chiropractic	0
1503072	1,760.00	0.00	1,760.00	3/14/2015	3/14/2015	Friends of Children with Special Needs	Friends of Children with Special Needs	0
1503040	1,760.00	0.00	1,760.00	4/4/2015	4/4/2015	Miss Vietnam USA	Miss & Mrs Vietnam USA	0
1504089	1,760.00	0.00	1,760.00	4/11/2015	4/11/2015	World Financial Group	World Financial Group	0
1504083	1,760.00	0.00	1,760.00	4/12/2015	4/12/2015	Multiple Financial Advising Services	Multiple Financial Advising Services	0
1505104	1,760.00	0.00	1,760.00	5/27/2015	5/27/2015	World Wide Dream Builders	World Wide Dream Builders	0
1506013	1,760.00	0.00	1,760.00	6/1/2015	6/1/2015	California Assisted Living Association	California Assisted Living Association	0
1506124	1,760.00	0.00	1,760.00	6/21/2015	6/21/2015	D&D Entertainment	D&D Entertainment	0
1505041	5,760.00	(4,000.00)	1,760.00	5/12/2015	5/12/2015	HR Symposium	HR Symposium	0
1407081	2,180.00	(390.00)	1,790.00	7/10/2014	7/10/2014	Alliance Chief Executives	Alliance of Chief Executives	0
1501074	1,930.00	0.00	1,930.00	1/25/2015	1/25/2015	Federation of Indo-American Association	Federation of Indo American Assn	0
1407099	1,960.00	0.00	1,960.00	7/10/2014	7/10/2014	Targeted Job Fairs	Targeted Job Fairs	0
1408054	1,960.00	0.00	1,960.00	8/17/2014	8/17/2014	SEG Eventos	SEG Eventos, Inc.	0

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Days
1409095	1,960.00	0.00	1,960.00	8/23/2014	8/23/2014	Legion of Mary San Francisco Senatus	Legion of Mary San Francisco Senatus	0
1411074	1,960.00	0.00	1,960.00	11/8/2014	11/8/2014	Super Saturday		0
1411120	1,960.00	0.00	1,960.00	11/9/2014	11/9/2014	Vision Global	Vision Global	0
1411094	1,960.00	0.00	1,960.00	11/15/2014	11/15/2014	World Wide Dream Builders	World Wide Group, LLC	0
1412063	1,960.00	0.00	1,960.00	12/6/2014	12/6/2014	WorldVentures Marketing, LLC	WorldVentures Marketing, LLC.	0
1412069	1,960.00	0.00	1,960.00	12/13/2014	12/13/2014	LIFE Leadership	LIFE Leadership	0
1412025	1,960.00	0.00	1,960.00	12/31/2014	12/31/2014	The Rising Sun	The Rising Sun	0
1501058	1,960.00	0.00	1,960.00	1/21/2015	1/21/2015	Targeted Job Fairs	Targeted Job Fairs	0
1502101	1,960.00	0.00	1,960.00	2/7/2015	2/7/2015	Super Saturday		0
1503096	1,960.00	0.00	1,960.00	3/8/2015	3/8/2015	Vision Global	Vision Global	0
1503078	1,960.00	0.00	1,960.00	3/14/2015	3/14/2015	LIFE Leadership	Life Leadership	0
1503097	1,960.00	0.00	1,960.00	3/21/2015	3/21/2015	World Wide Dream Builders	World Wide Dream Builders	0
1504082	1,960.00	0.00	1,960.00	4/9/2015	4/9/2015	Targeted Job Fairs	Targeted Job Fairs	0
1504090	1,960.00	0.00	1,960.00	4/12/2015	4/12/2015	Vision Global	Vision Global	0
1505076	1,960.00	0.00	1,960.00	5/9/2015	5/9/2015	LIFE Leadership	Life Leadership	0
1504058	4,000.00	(2,000.00)	2,000.00	4/17/2015	4/17/2015	LeMans	LeMans Corporation d/b/a Parts Ult.	0
1505102	4,000.00	(2,000.00)	2,000.00	5/1/2015	5/1/2015	State Farm Mutual Automobile Insurance Company	State Farm Mutual Automobile Insurance Company	0
1409132	2,100.00	0.00	2,100.00	9/13/2014	9/13/2014	Wong Kevin		0
1408057	2,520.00	(390.00)	2,130.00	8/1/2014	8/1/2014	Alliance of Chief Executives	Alliance of Chief Executives	0
1506093	2,520.00	(390.00)	2,130.00	6/11/2015	6/11/2015	Alliance of Chief Executives	Alliance of Chief Executives	0
1504105	2,290.00	0.00	2,290.00	4/2/2015	4/2/2015	E2K Events		0
1502072	3,720.00	(1,370.00)	2,350.00	2/11/2015	2/11/2015	Schwegman, Lundberg & Woessner	Schwegman, Lundberg & Woessner	0
1411096	2,355.00	0.00	2,355.00	11/11/2014	11/11/2014	The Linux Foundation	the Linux Foundation	0
1410109	2,415.00	0.00	2,415.00	10/14/2014	10/14/2014	Targeted Job Fairs	Targeted Job Fairs	0
1504112	1,760.00	880.00	2,640.00	4/23/2015	4/23/2015	Rocketship Education	Rocketship Education	0
1410142	3,000.00	0.00	3,000.00	10/4/2014	10/4/2014	Pinnacle Leadership Development	Pinnacle Leadership Development	0
1411119	3,000.00	0.00	3,000.00	11/22/2014	11/22/2014	ThinkTank Learning	ThinkTank Learning	0
1410095	4,000.00	(700.00)	3,300.00	9/27/2014	9/27/2014	Consulate General of the People's Republic China	Consulate General of the People's Republic of Chin	0
1501082	6,900.00	(3,580.00)	3,320.00	1/6/2015	1/6/2015	Tesla Motors	Tesla Motors	0
1410078	6,600.00	(2,950.00)	3,650.00	10/31/2014	10/31/2014	PACT	PACT	0
1410119	3,720.00	0.00	3,720.00	10/15/2014	10/15/2014	RTC Group/AMD Embedded Developer's Conf	RTC Group, Concept Development, Inc.	0
1407103	2,155.00	1,845.00	4,000.00	8/10/2014	8/10/2014	UCAHLP	UCAHLP	0
1407102	4,000.00	0.00	4,000.00	7/20/2014	7/20/2014	Signature Equipovision	Signature Equipovision	0
1407078	4,000.00	0.00	4,000.00	7/26/2014	7/26/2014	Bartlett Network of Champions	Bartlett Network of Champions	0
1407079	4,000.00	0.00	4,000.00	7/26/2014	7/26/2014	Insurance & Financial Services		0
1408097	4,000.00	0.00	4,000.00	8/21/2014	8/21/2014	MJZ	MJZ	0
1408075	4,000.00	0.00	4,000.00	8/23/2014	8/23/2014	e2k events		0
1408074	4,000.00	0.00	4,000.00	8/31/2014	8/31/2014	Signature Equipovision	Signature Equipovision	0
1409116	4,000.00	0.00	4,000.00	9/13/2014	9/13/2014	World Wide Dream Builders	World Wide Group, LLC	0

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Days
1410045	4,000.00	0.00	4,000.00	10/12/2014	10/12/2014	Mystique Events	The WLEA	0
1411047	4,000.00	0.00	4,000.00	10/26/2014	10/26/2014	Shor Media	Shor Media	0
1409086	4,000.00	0.00	4,000.00	11/9/2014	11/9/2014	Futton, Inc.	Futton, Inc.	0
1411055	4,000.00	0.00	4,000.00	11/15/2014	11/15/2014	IMS	IMS	0
1411102	4,000.00	0.00	4,000.00	11/15/2014	11/15/2014	Penney Enterprises	Penney Enterprise	0
1412075	4,000.00	0.00	4,000.00	12/9/2014	12/9/2014	A2Z Development Center, Inc.	A2Z Development Center, Inc. dba Lab 126	0
1412072	4,000.00	0.00	4,000.00	12/14/2014	12/14/2014	Signature Equipovision	Signature Equipovision	0
1412047	4,000.00	0.00	4,000.00	12/31/2014	12/31/2014	H&L Productions	H&L Productions	0
1501088	4,000.00	0.00	4,000.00	1/25/2015	1/25/2015	Signature Equipovision	Signature Equipovision	0
1501024	4,000.00	0.00	4,000.00	1/31/2015	1/31/2015	NNL West	National Nameless Luminaries West	0
1505073	4,000.00	0.00	4,000.00	5/9/2015	5/9/2015	Arise FC, LLC	Arise FC, LLC	0
1505077	4,000.00	0.00	4,000.00	5/30/2015	5/30/2015	SVCTBA	Silicon Valley Chinese Technology & Buisness Assoc	0
1505087	4,000.00	0.00	4,000.00	5/31/2015	5/31/2015	Signature Equipovision	Signature Equipovision	0
1506141	4,000.00	0.00	4,000.00	6/1/2015	6/1/2015	A2Z Development Center, Inc.	A2Z Development Center, Inc. dba Lab 126	0
1506112	4,000.00	0.00	4,000.00	6/13/2015	6/13/2015	Penney Enterprise	Penney Enterprise	0
1411042	8,000.00	(4,000.00)	4,000.00	11/21/2014	11/21/2014	Association of Fundraising Professionals SV	Association of Fundraising Professionals	0
1412053	8,000.00	(4,000.00)	4,000.00	12/15/2014	12/15/2014	Marvell Semiconductor, Inc.	Marvell	0
1503045	8,000.00	(4,000.00)	4,000.00	3/20/2015	3/20/2015	YMCA	YMCA/Project Cornerstone	0
1505040	8,000.00	(4,000.00)	4,000.00	5/9/2015	5/9/2015	Presentation High School	Presentation High School	0
1407090	4,800.00	0.00	4,800.00	7/12/2014	7/12/2014	Joint Alumni Assoc.of Universities & College N. CA	JAACUC	0
1501075	4,800.00	0.00	4,800.00	1/10/2015	1/10/2015	Team Effort Network	Team Effort Network	0
1504102	5,000.00	0.00	5,000.00	4/26/2015	4/26/2015	Signature Equipovision	Signature Equipovision	0
1503083	7,130.00	(2,000.00)	5,130.00	3/26/2015	3/26/2015	Freescale Semiconductor	Freescale Semiconductor	0
1411040	10,375.00	(4,265.00)	6,110.00	11/8/2014	11/8/2014	Council on American-Islamic Relations, San Francis	CAIR	0
1505097	6,415.00	0.00	6,415.00	5/22/2015	5/22/2015	Mission College	Mission College	0
1409044	8,890.00	(2,000.00)	6,890.00	9/16/2014	9/16/2014	California State University, Monterey Bay	California State University, Monterey Bay	0
1408069	8,300.00	(750.00)	7,550.00	8/29/2014	8/29/2014	World Journal	World Journal	0
1410080	9,060.00	(1,120.00)	7,940.00	10/9/2014	10/9/2014	County of Santa Clara	County of Santa Clara	0
1407048	8,000.00	0.00	8,000.00	7/28/2014	7/28/2014	Colleges That Change Lives	Colleges That Change Lives	0
1503064	8,000.00	0.00	8,000.00	3/7/2015	3/7/2015	Bay Area Christian Church	Bay Area Christian Church	0
1504055	8,000.00	0.00	8,000.00	4/28/2015	4/28/2015	Invent Your Future	Invent Your Future Enterprises	0
1506159	8,000.00	0.00	8,000.00	6/20/2015	6/20/2015	Norcal Gold St. Leadership	Norcal Gold St. Leadership	0
1411013	17,960.00	(9,960.00)	8,000.00	11/28/2014	11/28/2014	Pop Warner	Pacific Northwest Pop Warner	0
1501023	16,115.00	(8,000.00)	8,115.00	1/10/2015	1/10/2015	UCAHLP	UCAHLP	0
1410011	16,655.00	(2,655.00)	14,000.00	11/1/2014	11/1/2014	Peninsula Pop Warner	Pacific Northwest Pop Warner	0

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# Days
1410042	16,000.00	0.00	16,000.00	10/4/2014	10/4/2014	Sankara Eye Foundation	Sankara Eye Foundation, USA	0
1412029	16,210.00	0.00	16,210.00	12/14/2014	12/14/2014	Bay Area Christian Church	Bay Area Christian Church	0

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Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# of Days
1601039	0.00	0.00	0.00	1/4/2016	2/12/2016	NFL On Location	National Football League	39
1601040	0.00	0.00	0.00	1/4/2016	2/10/2016	NFL - Accreditation	National Football League	37
1509006	11,060.00	(11,060.00)	0.00	9/1/2015	9/7/2015	American Contract Bridge League	American Contract Bridge League	6
1606038	111,420.00	(111,420.00)	0.00	6/19/2016	6/24/2016	O'Reilly Velocity	O'Reilly Media, Inc.	5
1602067	79,600.00	(79,600.00)	0.00	2/4/2016	2/9/2016	San Francisco Super Bowl Committee	San Francisco Super Bowl Committe, Inc.	5
1510015	97,200.00	(97,200.00)	0.00	10/3/2015	10/7/2015	Health 2.0Con		4
1605055	37,305.00	(37,305.00)	0.00	5/22/2016	5/26/2016	Linux Fndt Cloud Foundry Summit	the Linux Foundation	4
1511072	630.00	(630.00)	0.00	11/16/2015	11/17/2015	Optomec	Optomec	1
1512004	0.00	0.00	0.00	12/9/2015	12/10/2015	GSA	GSA	1
1605046	13,960.00	(13,960.00)	0.00	5/18/2016	5/18/2016	The Law Foundation	The Law Foundation of Silicon Valley	0
1512022	12,000.00	(12,000.00)	0.00	12/5/2015	12/5/2015	Maxim	Maxim Integrated Products	0
1604137	8,170.00	(8,170.00)	0.00	4/23/2016	4/23/2016	Alfie Dreifuss	Alfie Dreifuss Productions	0
1510055	8,000.00	(8,000.00)	0.00	10/8/2015	10/8/2015	Silicon Valley Community Foundation	Silicon Valley Community Foundation	0
1510035	8,000.00	(8,000.00)	0.00	10/17/2015	10/17/2015	Castilleja School	Castilleja School	0
1512082	8,000.00	(8,000.00)	0.00	12/12/2015	12/12/2015	INFOSYS	Infosys	0
1603050	8,000.00	(8,000.00)	0.00	3/4/2016	3/4/2016	Shutterfly	Shutterfly	0
1603045	8,000.00	(8,000.00)	0.00	3/19/2016	3/19/2016	South Asian Heart Center/Scarlet Nights	South Asian Heart Center	0
1604193	5,900.00	(5,900.00)	0.00	4/16/2016	4/16/2016	Human Development Foundation	Human Development Foundation	0
1510036	4,000.00	(4,000.00)	0.00	10/10/2015	10/10/2015	AACI	AACI	0
1512099	4,000.00	(4,000.00)	0.00	12/7/2015	12/7/2015	Santa Clara Vanguard Booster Club	Santa Clara Vanguard	0
1512028	4,000.00	(4,000.00)	0.00	12/11/2015	12/11/2015	Akamai Technolgies, Inc.	Akamai Technolgies, Inc	0
1512042	4,000.00	(4,000.00)	0.00	12/11/2015	12/11/2015	Integrated Device Technology, Inc.	Integrated Device Technology, Inc.	0
1601066	4,000.00	(4,000.00)	0.00	1/23/2016	1/23/2016	Santa Clara Vanguard	Santa Clara Vanguard	0
1604099	4,000.00	(4,000.00)	0.00	5/19/2016	5/19/2016	Bill Wilson Center	Bill Wilson Center	0
1511078	1,580.00	(1,580.00)	0.00	11/21/2015	11/21/2015	Nor Cal Academy	Nor Cal Academy of Performing Arts	0
1604156	1,580.00	(1,580.00)	0.00	4/14/2016	4/14/2016	Neo Technology, Inc.	Neo Technology, Inc.	0
1605134	1,580.00	(1,580.00)	0.00	5/20/2016	5/20/2016	Hyatt Hotel/Awards Dinner	Hyatt Hotel	0
1605113	1,580.00	(1,580.00)	0.00	5/26/2016	5/26/2016	Pivotal	Pivitol Software Inc	0
1604157	1,370.00	(1,370.00)	0.00	4/27/2016	4/27/2016	Misco Water	Misco Water	0
1606125	1,370.00	(1,370.00)	0.00	6/11/2016	6/11/2016	CTUAA Dinner Banquet	Chiao Tung University Alumni in No. California, US	0
1604178	1,100.00	(1,100.00)	0.00	4/20/2016	4/20/2016	Stanford University	Stanford University	0
1510108	910.00	(910.00)	0.00	10/17/2015	10/17/2015	IEEE	IEEE	0
1507062	780.00	(780.00)	0.00	7/22/2015	7/22/2015	City of Santa Clara	City of Santa Clara	0
1512051	780.00	(780.00)	0.00	12/5/2015	12/5/2015	Vitality Chiropractic	Vitality Chiropractic	0
1512087	780.00	(780.00)	0.00	12/9/2015	12/9/2015	MobileForce Software	MobileForce Software	0
1512075	780.00	(780.00)	0.00	12/12/2015	12/12/2015	IIT Roorkee Alumni Association	IIT Roorkee Alumni Association	0
1605121	390.00	(390.00)	0.00	5/4/2016	5/4/2016	Chugh CPAs, LLP	Chugh CPAs, LLP	0
1510117	315.00	(315.00)	0.00	11/20/2015	11/20/2015	Magnar Corp	Magnar Corp	0

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Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# of Days
1605122	0.00	0.00	0.00	5/14/2016	5/14/2016	Sami's B-Day	Santa Clara Convention Center	0
1606126	0.00	0.00	0.00	6/24/2016	6/24/2016	City of SC Retreat	City of Santa Clara	0

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Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# of Days
1609039	37,365.00	(10,520.00)	26,845.00	9/11/2016	9/18/2016	UP Media/PCB West	UP Media Group, Inc.	7
1611005	66,350.00	(23,920.00)	42,430.00	11/11/2016	11/18/2016	Printed Electronics	IDTechEx, Inc.	7
1610003	87,845.00	(22,965.00)	64,880.00	10/10/2016	10/17/2016	Pac.Int'l Quilt Festival	Pacific International Quilt Festival	7
1608001	11,060.00	(11,060.00)	0.00	8/30/2016	9/5/2016	American Contract Bridge League	American Contract Bridge League	6
1609108	3,520.00	(880.00)	2,640.00	9/5/2016	9/11/2016	Natya Ninada Performing Arts Foundation	Natya Ninada Performing Arts Foundation	6
1707008	40,000.00	(28,000.00)	12,000.00	6/28/2017	7/4/2017	Music Teachers Association of California	Music Teachers Association of California	6
1608044	127,470.00	(67,745.00)	59,725.00	8/6/2016	8/12/2016	Conference Concept/Flash Memory Summit	Conference Concepts, Inc.	6
1610081	6,120.00	(510.00)	5,610.00	10/25/2016	10/30/2016	Nor Cal Academy of Performing Arts	Nor Cal Academy of Performing Arts	5
1702053	42,925.00	(35,225.00)	7,700.00	2/11/2017	2/16/2017	pure storage		5
1704011	39,880.00	(24,760.00)	15,120.00	4/23/2017	4/28/2017	PERCONA	Percona LLC	5
1606019	32,060.00	(15,650.00)	16,410.00	7/4/2016	7/9/2016	Bay Area Garden Railway Society	Bay Area Garden Railway Society	5
1607069	33,560.00	0.00	33,560.00	6/30/2016	7/5/2016	Ved Vignan Maha Vidya Peeth	VVM	5
1609009	36,000.00	0.00	36,000.00	9/7/2016	9/12/2016	Home Show	World Class Shows	5
1701021	36,000.00	0.00	36,000.00	1/18/2017	1/23/2017	Home Show	World Class Shows	5
1701020	50,620.00	0.00	50,620.00	1/12/2017	1/17/2017	NCVA	Northern California Volleyball Association	5
1702002	87,880.00	(32,840.00)	55,040.00	2/21/2017	2/26/2017	XRX/Stitches	XRX Inc.	5
1610026	125,050.00	(65,450.00)	59,600.00	10/23/2016	10/28/2016	UBM/ARM TechCon	UBM, LLC	5
1705024	160,090.00	(94,085.00)	66,005.00	5/14/2017	5/19/2017	Informa Telecoms and Media (US)	Informa Telecoms and Media (US)	5
1701001	182,310.00	(99,260.00)	83,050.00	1/29/2017	2/3/2017	UBM/DesignCon	UBM, LLC	5
1701034	40,000.00	(40,000.00)	0.00	1/8/2017	1/12/2017	ProofPoint	Proofpoint	4
1608064	3,520.00	(880.00)	2,640.00	8/2/2016	8/6/2016	Lokahi Polynesian Dance Group	Lokahi Polynesian Dance Group	4
1703073	7,475.00	(3,760.00)	3,715.00	3/13/2017	3/17/2017	ISQED	ISQED	4
1705008	78,740.00	(73,855.00)	4,885.00	5/3/2017	5/7/2017	Tie-Con/The Industgry Entrepreneurs	TiE Silicon Valley	4
1704046	58,820.00	(50,640.00)	8,180.00	4/2/2017	4/6/2017	Linux Foundation/Open Networking Summit	The Linux Foundation	4
1703048	53,170.00	(43,840.00)	9,330.00	3/5/2017	3/9/2017	Open Compute Project Foundation	Open Compute Project Foundation	4
1612044	7,900.00	1,600.00	9,500.00	12/26/2016	12/30/2016	Hyatt Hotel/KCCC	Hyatt Regency of Santa Clara	4
1608040	12,000.00	0.00	12,000.00	8/24/2016	8/28/2016	Portsmouth	Portsmouth Square Coin & Bourse Company, LLC	4
1704047	12,000.00	0.00	12,000.00	4/19/2017	4/23/2017	Portsmouth	Portsmouth Square Coin & Bourse Company, LLC	4
1609043	62,525.00	(47,185.00)	15,340.00	9/11/2016	9/15/2016	CloudBees/Jenkins World 2016		4
1610029	35,580.00	(16,790.00)	18,790.00	10/6/2016	10/10/2016	California Physical Therapy Association	California Physical Therapy Association	4
1703001	110,440.00	(89,925.00)	20,515.00	3/20/2017	3/24/2017	Synopsys	Synopsys, Inc.	4
1609012	97,200.00	(69,580.00)	27,620.00	9/24/2016	9/28/2016	Health 2.0Con	Health 2.0	4
1611025	39,360.00	(9,590.00)	29,770.00	11/7/2016	11/11/2016	Electronic Industry Citizenship Coalition	Responsible Business Alliance	4
1612003	65,160.00	(31,400.00)	33,760.00	12/4/2016	12/8/2016	Yahoo! Tech Pulse	Yahoo! Inc.	4

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1607041	127,250.00	(92,295.00)	34,955.00	7/10/2016	7/14/2016	Amazon.	Amazon Web Services, Inc.	4
1609018	78,560.00	(43,565.00)	34,995.00	9/18/2016	9/22/2016	GreenBiz Verge Conf	GreenBiz Group, Inc.	4
1706041	72,530.00	(37,200.00)	35,330.00	6/11/2017	6/15/2017	Linux Cloud Foundry Summit 3	The Linux foundation	4
1703053	61,955.00	(21,540.00)	40,415.00	3/11/2017	3/15/2017	TSMC North America	TSMC North America	4
1610020	71,240.00	(13,040.00)	58,200.00	10/31/2016	11/4/2016	Sys-Con	Sys-Con Media	4
1702042	121,950.00	(40,000.00)	81,950.00	2/4/2017	2/8/2017	SAP Labs	SAP Labs	4
1610065	28,580.00	(27,230.00)	1,350.00	10/16/2016	10/19/2016	Finovate	The Finovate Group	3
1701068	6,715.00	(1,965.00)	4,750.00	1/19/2017	1/22/2017	BM Soft Systems	BMSOFT Systems Inc.	3
1608041	6,320.00	(880.00)	5,440.00	8/5/2016	8/8/2016	Hyatt Hotel/Luso	Hyatt Regency of Santa Clara	3
1706053	6,320.00	(640.00)	5,680.00	6/12/2017	6/15/2017	Hyatt Hotel/Cloud Foundry	Hyatt Regency of Santa Clara	3
1702014	6,320.00	576.00	6,896.00	2/27/2017	3/2/2017	Hyatt/Usenix	Hyatt Regency of Santa Clara	3
1701029	6,320.00	920.00	7,240.00	1/9/2017	1/12/2017	Hyatt Hotel/ ProofPoint	Hyatt Hotel	3
1611017	18,800.00	(9,034.00)	9,766.00	11/15/2016	11/18/2016	Ivy & Associates	Ivy Associates	3
1701003	16,000.00	(3,200.00)	12,800.00	1/6/2017	1/9/2017	Wedding Fair	Flare Enterprises, Inc.	3
1610062	14,600.00	0.00	14,600.00	10/6/2016	10/9/2016	SEG Eventos	SEG Eventos, Inc.	3
1704034	51,860.00	(36,800.00)	15,060.00	4/30/2017	5/3/2017	Berkeley Design Technology, Inc.	Berkeley Design Technology, Inc.	3
1702073	21,800.00	(6,000.00)	15,800.00	2/27/2017	3/2/2017	International Quality and Productivity Center	IQPC	3
1706062	22,480.00	(5,680.00)	16,800.00	6/5/2017	6/8/2017	PCI-SIG	PCI-SIG	3
1701028	42,470.00	(25,600.00)	16,870.00	1/24/2017	1/27/2017	CA Assn of Community Managers	CA Assn of Community Managers	3
1610106	25,730.00	(8,570.00)	17,160.00	10/27/2016	10/30/2016	AlienCon	Cosmic Con LLC /Monster Publication	3
1705001	22,490.00	(3,810.00)	18,680.00	5/25/2017	5/28/2017	Catholic Charismatic	Northern California Cathiolic Charismatic Conventi	3
1609050	19,920.00	0.00	19,920.00	9/19/2016	9/22/2016	Northern California Facilities Expo	Cygnus Publishing, LLC	3
1704102	21,695.00	0.00	21,695.00	5/7/2017	5/10/2017	Smart City Week Silicon Valley	MCI Group	3
1703055	21,700.00	0.00	21,700.00	3/26/2017	3/29/2017	Clarion Events	Clarion Events	3
1608031	23,600.00	(1,580.00)	22,020.00	8/18/2016	8/21/2016	Bricks by the Bay	Bricks by the Bay	3
1705023	22,265.00	0.00	22,265.00	5/22/2017	5/25/2017	Job Shops	The Job Shop Company, Inc.	3
1706094	32,000.00	(8,000.00)	24,000.00	5/29/2017	6/1/2017	San Francisco 49ers (State of the Franchise Mtg)	San Francisco 49ers	3
1608046	27,495.00	(2,740.00)	24,755.00	8/3/2016	8/6/2016	Scrapbook Expo	Scrapbook Expo	3
1704042	35,160.00	(9,880.00)	25,280.00	4/20/2017	4/23/2017	break the floor Prducions/JUMP	Radix Dance Convention	3
1607002	43,840.00	(11,440.00)	32,400.00	7/25/2016	7/28/2016	State Bar of California 2016	The State Bar of California	3
1702017	33,960.00	0.00	33,960.00	2/9/2017	2/12/2017	Travel & Adventure Show	Unicomm, LLC	3
1610073	47,180.00	(12,880.00)	34,300.00	10/18/2016	10/21/2016	Encore Media Group, Ltd.	Encore Media Group, Ltd.	3
1705041	92,745.00	(43,120.00)	49,625.00	5/30/2017	6/2/2017	Augmented Reality	Augmented Reality.Org	3
1610140	510.00	(510.00)	0.00	10/28/2016	10/30/2016	Prometheus Entertainment	Prometheus Entertainment	2
1608097	3,600.00	(3,600.00)	0.00	8/2/2016	8/4/2016	Cisco GESW FY17 Fast Start Kick Off	Cisco Systems	2
1611067	13,920.00	(13,920.00)	0.00	11/18/2016	11/20/2016	Bellarmine High School	Bellarmine College Preparatory	2
1612109	340.00	0.00	340.00	12/17/2016	12/19/2016	Bould & Forgey, LLC	Bould & Forgey, LLC	2
1611078	945.00	0.00	945.00	11/11/2016	11/13/2016	BM Soft Systems	BMSOFT Systems Inc.	2
1612002	6,075.00	(4,275.00)	1,800.00	12/9/2016	12/11/2016	Santa Clara Ballet	Santa Clara Ballet Company	2
1612059	3,470.00	(1,580.00)	1,890.00	11/30/2016	12/2/2016	ASML	ASML US, Inc	2

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1703106	3,395.00	0.00	3,395.00	3/17/2017	3/19/2017	NamaskaramYoga.com	NamaskaramYoga.com	2
1607067	4,740.00	(660.00)	4,080.00	7/15/2016	7/17/2016	Hyatt Hotel/CA Extreme	Hyatt Regency of Santa Clara	2
1705038	4,740.00	(660.00)	4,080.00	5/19/2017	5/21/2017	Hyatt Hotel/Break the floor	Hyatt Regency of Santa Clara	2
1705052	4,740.00	(480.00)	4,260.00	5/25/2017	5/27/2017	Hyatt Hotel/O'Scale	Hyatt Regency of Santa Clara	2
1706031	6,075.00	(1,760.00)	4,315.00	6/2/2017	6/4/2017	Veksler Academy, Inc.	Veksler Academy Inc.	2
1611020	5,280.00	(880.00)	4,400.00	11/11/2016	11/13/2016	Sterling Dance Theatre	Sterling Dance Theatre	2
1703046	31,080.00	(26,370.00)	4,710.00	3/7/2017	3/9/2017	Intel/Supplier Recognition 2017	Intel Corporation	2
1607045	5,810.00	(880.00)	4,930.00	7/20/2016	7/22/2016	Youth Focus, Inc.	Youth Focus, Inc	2
1702061	4,935.00	0.00	4,935.00	2/18/2017	2/20/2017	Bay Area Chess	Bay Area Chess	2
1611043	4,740.00	432.00	5,172.00	11/12/2016	11/14/2016	Hyatt Hotel/Japan Council	Hyatt Regency of Santa Clara	2
1701013	4,740.00	432.00	5,172.00	1/27/2017	1/29/2017	Hyatt Hotel/LA Dance	Hyatt Regency of Santa Clara	2
1610076	4,740.00	690.00	5,430.00	10/21/2016	10/23/2016	Hyatt Hotel/Celebrity Dance	Hyatt Regency of Santa Clara	2
1611050	4,740.00	690.00	5,430.00	11/4/2016	11/6/2016	Hyatt Hotel/ROCA	Hyatt Regency of Santa Clara	2
1611034	4,740.00	690.00	5,430.00	11/25/2016	11/27/2016	Hyatt Hotel/Assemblies of God	Hyatt Regency of Santa Clara	2
1702059	4,740.00	690.00	5,430.00	2/14/2017	2/16/2017	Hyatt Hotel/Pure Storage	Hyatt Regency of Santa Clara	2
1703050	4,740.00	690.00	5,430.00	3/10/2017	3/12/2017	Hyatt Hotel/Velocity Dance	Hyatt Regency of Santa Clara	2
1703044	4,740.00	690.00	5,430.00	3/24/2017	3/26/2017	Hyatt Hotel/Radix	Hyatt Regency of Santa Clara	2
1703034	4,740.00	690.00	5,430.00	3/31/2017	4/2/2017	Hyatt Hotel/ Mosters of Hip Hop	Hyatt Regency of Santa Clara	2
1704012	4,740.00	690.00	5,430.00	4/7/2017	4/9/2017	Hyatt Hotel/Hollywood Vibe	Hyatt Regency of Santa Clara	2
1706082	5,565.00	0.00	5,565.00	6/9/2017	6/11/2017	BM Soft Systems	BMSOFT Systems Inc.	2
1610083	4,740.00	960.00	5,700.00	10/28/2016	10/30/2016	Hyatt Hotel/Monsters of Filmland	Hyatt Regency of Santa Clara	2
1701030	4,740.00	960.00	5,700.00	1/20/2017	1/22/2017	Hyatt Hotel/Hollywood Connection	Hyatt Regency of Santa Clara	2
1702016	4,740.00	960.00	5,700.00	2/10/2017	2/12/2017	Hyatt Hotel/NUVO	Hyatt Regency of Santa Clara	2
1703072	4,740.00	960.00	5,700.00	3/3/2017	3/5/2017	Hyatt Hotel/NY Dance	Hyatt Regency of Santa Clara	2
1611073	8,000.00	(2,294.12)	5,705.88	11/4/2016	11/6/2016	GT Sports & Marketing	GT Sports Marketing	2
1703057	5,910.00	0.00	5,910.00	3/3/2017	3/5/2017	Dance Masters	Jensen School of Performing Arts	2
1703082	9,060.00	(1,965.00)	7,095.00	3/27/2017	3/29/2017	BM Soft System	BMSOFT Systems Inc.	2
1607065	7,420.00	0.00	7,420.00	9/3/2016	9/5/2016	Bay Area Chess	Bay Area Chess	2
1612052	8,000.00	0.00	8,000.00	12/16/2016	12/18/2016	SEG Eventos, Inc.	SEG Eventos, Inc.	2
1701038	8,000.00	0.00	8,000.00	1/6/2017	1/8/2017	SEG Eventos, Inc.	SEG Eventos, Inc.	2
1703071	8,000.00	0.00	8,000.00	3/10/2017	3/12/2017	GT Sports & Marketing	GT Sports Marketing	2
1703049	8,000.00	0.00	8,000.00	3/31/2017	4/2/2017	Santa Clara Valey Quilt Association	Santa Clara Valley Quilt Association	2
1704024	16,530.00	(8,265.00)	8,265.00	4/6/2017	4/8/2017	Presentation High School	Presentation High School	2
1702066	24,000.00	(14,520.00)	9,480.00	2/21/2017	2/23/2017	Informa Telecoms & Media Ltd/ Container World 2017	Informa Telecoms and Media (US)	2
1608070	10,260.00	0.00	10,260.00	8/30/2016	9/1/2016	BM Soft Systems	BMSOFT Systems Inc.	2
1704070	10,350.00	0.00	10,350.00	4/14/2017	4/16/2017	SEG Eventos, Inc.	SEG Eventos, Inc.	2
1704071	24,340.00	(12,000.00)	12,340.00	4/25/2017	4/27/2017	Extension Media	Extension Media	2
1702001	18,600.00	(4,000.00)	14,600.00	2/16/2017	2/18/2017	California Association of Teachers of English	California Association of Teachers of English	2
1703003	24,000.00	(9,200.00)	14,800.00	3/3/2017	3/5/2017	California Association of DECA, Inc.	California Association of DECA, Inc.	2
1701026	24,510.00	(8,000.00)	16,510.00	1/18/2017	1/20/2017	Groupware Technology	Groupware Technology	2
1611032	29,230.00	(10,615.00)	18,615.00	11/4/2016	11/6/2016	Open Data 2016	Open DataScience,LLC	2

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1703052	24,130.00	(4,800.00)	19,330.00	3/10/2017	3/12/2017	Bay Area Chess	Bay Area Chess	2
1705043	19,640.00	0.00	19,640.00	5/19/2017	5/21/2017	Spotlight Events, Inc.	Spotlight Events, Inc.	2
1703158	20,000.00	0.00	20,000.00	3/24/2017	3/26/2017	Break The Floor/Radix	Radix Dance Convention	2
1704040	45,355.00	(24,000.00)	21,355.00	4/10/2017	4/12/2017	Cadence CDN Live 2017	Cadence Design Systems, Inc.	2
1706047	24,620.00	0.00	24,620.00	6/16/2017	6/18/2017	Sea Monster Media, LLC.	Sea Monster Media, LLC.	2
1611053	38,130.00	(12,000.00)	26,130.00	11/7/2016	11/9/2016	Couchbase	Couchbase	2
1610054	32,480.00	(4,000.00)	28,480.00	9/29/2016	10/1/2016	99 People/UCTIA	UCTIA/99 People, Inc.	2
1609054	31,180.00	(880.00)	30,300.00	10/3/2016	10/5/2016	Evolve Digital Publishing	Evolve Digital Publishing	2
1607016	59,940.00	(8,140.00)	51,800.00	7/28/2016	7/30/2016	BACC Annual Conference	Bay Area Christian Church	2
1609150	0.00	0.00	0.00	9/9/2016	9/10/2016	SC Chamber of Commerce & CVB	Santa Clara Chamber of Commerce	1
1612004	0.00	0.00	0.00	12/7/2016	12/8/2016	GSA	GSA	1
1611110	2,200.00	(2,200.00)	0.00	11/14/2016	11/15/2016	Microsemi Storage Solutions, Inc.	Microsemi Storage Solutions, Inc.	1
1705103	3,160.00	(3,160.00)	0.00	5/12/2017	5/13/2017	Hyatt Hotel Employee Party	Hyatt Regency of Santa Clara	1
1609061	4,700.00	(4,700.00)	0.00	9/8/2016	9/9/2016	SC County Office of the District Attorney	Santa Clara County Behavioral Health Dept.	1
1610043	8,910.00	(8,910.00)	0.00	10/14/2016	10/15/2016	Castilleja School	Castilleja School	1
1612087	340.00	0.00	340.00	12/17/2016	12/18/2016	NamaskaramYoga.com	NamaskaramYoga.com	1
1702098	340.00	0.00	340.00	2/11/2017	2/12/2017	Bould & Forgey, LLC	Bould & Forgey, LLC	1
1611074	910.00	(455.00)	455.00	11/14/2016	11/15/2016	Optomec	Optomec	1
1704152	530.00	0.00	530.00	4/15/2017	4/16/2017	NamaskaramYoga.com	NamaskaramYoga.com	1
1706118	530.00	0.00	530.00	6/24/2017	6/25/2017	NamaskaramYoga.com	NamaskaramYoga.com	1
1610143	2,055.00	(1,280.00)	775.00	10/1/2016	10/2/2016	Gerard and Associates	Gerard and Associates	1
1607055	780.00	0.00	780.00	7/9/2016	7/10/2016	SHOP.com	SHOP.com	1
1610124	780.00	0.00	780.00	10/29/2016	10/30/2016	NamaskaramYoga.com	NamaskaramYoga.com	1
1705124	910.00	0.00	910.00	5/31/2017	6/1/2017	Intel Corporation	Intel Corporation	1
1609062	2,040.00	(1,020.00)	1,020.00	9/16/2016	9/17/2016	VN Help	VN Help	1
1701077	4,265.00	(3,090.00)	1,175.00	1/10/2017	1/11/2017	Netgear	Netgear	1
1611101	2,395.00	(1,110.00)	1,285.00	11/9/2016	11/10/2016	University of the Pacific's McGeorge School of Law	Focused Decisions	1
1608120	1,365.00	0.00	1,365.00	8/27/2016	8/28/2016	SHOP.com	SHOP.com	1
1702079	1,510.00	0.00	1,510.00	2/9/2017	2/10/2017	CrowdFund Beat Media LLC	CrowdFund Beat Media, LLC	1
1702062	2,040.00	(510.00)	1,530.00	3/11/2017	3/12/2017	Miss Vietnam USA	Miss & Mrs Vietnam USA	1
1703063	2,040.00	(510.00)	1,530.00	4/21/2017	4/22/2017	Center of Persian Language Preservation	Center of Persian Language Preservation	1
1607087	1,560.00	0.00	1,560.00	7/21/2016	7/22/2016	BE GLAD LLC	BE GLAD LLC	1
1612092	1,560.00	0.00	1,560.00	12/9/2016	12/10/2016	RESPONSE	RESPONSE	1
1701095	1,820.00	0.00	1,820.00	1/28/2017	1/29/2017	Bay Area Chess	Bay Area Chess	1
1609112	1,580.00	320.00	1,900.00	9/7/2016	9/8/2016	Hyatt Hotel	Hyatt Regency of Santa Clara	1
1609142	2,740.00	(685.00)	2,055.00	9/21/2016	9/22/2016	Satellite Healthcare	Satellite Healthcare	1
1611036	6,100.00	(4,000.00)	2,100.00	11/14/2016	11/15/2016	U.S. - Japan Council	U.S.-Japan Council	1
1608067	2,350.00	0.00	2,350.00	8/13/2016	8/14/2016	SEG Eventos, Inc	SEG Eventos, Inc.	1
1704129	2,640.00	0.00	2,640.00	4/24/2017	4/25/2017	Intel Security	Intel Security	1
1706026	2,640.00	0.00	2,640.00	6/23/2017	6/24/2017	Liberty Dance	Liberty Dance Company	1

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1606059	3,520.00	(880.00)	2,640.00	7/8/2016	7/9/2016	Liberty Dance Company	Liberty Dance Company	1
1610087	6,820.00	(4,180.00)	2,640.00	10/10/2016	10/11/2016	Fujitsu Laboratories of America, Inc.	Fujitsu Laboratories of America, Inc.	1
1611071	2,740.00	0.00	2,740.00	11/12/2016	11/13/2016	SEG Eventos, Inc.	SEG Eventos, Inc.	1
1703089	2,740.00	0.00	2,740.00	3/18/2017	3/19/2017	SEG Eventos, Inc.	SEG Eventos, Inc.	1
1705062	2,740.00	0.00	2,740.00	5/13/2017	5/14/2017	SEG Eventos, Inc.	SEG Eventos, Inc.	1
1706063	2,740.00	0.00	2,740.00	6/3/2017	6/4/2017	SEG Eventos, Inc.	SEG Eventos, Inc.	1
1704131	14,660.00	(11,920.00)	2,740.00	4/27/2017	4/28/2017	LinkedIn	LinkedIn Corporation	1
1611031	7,955.00	(4,880.00)	3,075.00	11/1/2016	11/2/2016	Intel	Intel Corporation	1
1610116	4,375.00	(980.00)	3,395.00	10/28/2016	10/29/2016	Aiqiqingke Beijing Information Technology Co., Ltd	Aiqiqingke Beijing Information Technology Co.	1
1706099	3,340.00	90.00	3,430.00	6/9/2017	6/10/2017	SVC Venture Club	SVC Venture Club	1
1701012	3,160.00	288.00	3,448.00	1/14/2017	1/15/2017	Hyatt Hotel/CKA	Hyatt Regency of Santa Clara	1
1704106	9,800.00	(6,280.00)	3,520.00	4/19/2017	4/20/2017	Maddox Events	Maddox Events	1
1609083	3,160.00	460.00	3,620.00	9/12/2016	9/13/2016	Hyatt Hotel/Frost & Sullivan	Hyatt Regency of Santa Clara	1
1611076	3,160.00	640.00	3,800.00	12/1/2016	12/2/2016	Hyatt Hotel	Hyatt Regency of Santa Clara	1
1610114	3,920.00	0.00	3,920.00	10/8/2016	10/9/2016	India Property Online Pvt. Ltd.	India Property Online Pvt Ltd	1
1704084	3,920.00	0.00	3,920.00	4/22/2017	4/23/2017	India Property Online	India Property Online Pvt Ltd	1
1610055	6,660.00	(2,740.00)	3,920.00	10/3/2016	10/4/2016	PMI Silicon Valley	PMI Silicon Valley	1
1701074	12,250.00	(8,000.00)	4,250.00	1/11/2017	1/12/2017	Impact Deep LLC	Impact Deep, LLC.	1
1609038	4,780.00	0.00	4,780.00	9/23/2016	9/24/2016	SEG Eventos, Inc.	SEG Eventos, Inc.	1
1701062	13,855.00	(8,000.00)	5,855.00	1/6/2017	1/7/2017	UCAHLP	UCAHLP	1
1610111	6,000.00	0.00	6,000.00	10/3/2016	10/4/2016	Santa Clara County Association of Realtors	SCC Association of REALTORS	1
1706112	0.00	6,415.00	6,415.00	6/3/2017	6/4/2017	e2k		1
1704097	9,900.00	(2,950.00)	6,950.00	4/17/2017	4/18/2017	SMIC@ Workshop US 2017	Shanghai Pico Exhibition Management Co. Ltd.	1
1704048	7,370.00	0.00	7,370.00	4/28/2017	4/29/2017	Event Show Pro	Event Show Pro	1
1611089	7,730.00	0.00	7,730.00	11/10/2016	11/11/2016	Msup	Msup	1
1607072	8,000.00	0.00	8,000.00	7/3/2016	7/4/2016	Art of Living	Art of Living	1
1611026	8,000.00	0.00	8,000.00	11/19/2016	11/20/2016	Event California	Event California	1
1703040	16,000.00	(8,000.00)	8,000.00	3/1/2017	3/2/2017	Shutterfly	Shutterfly	1
1706084	16,000.00	(8,000.00)	8,000.00	6/16/2017	6/17/2017	IIT Alumni Bay Area	IIT Alumni Bay Area (Pan IIT SF Bay)	1
1607050	8,620.00	0.00	8,620.00	7/23/2016	7/24/2016	The Yoga Expo	The Yoga Expo	1
1702051	18,910.00	(9,960.00)	8,950.00	2/27/2017	2/28/2017	IDC	IDC	1
1608068	17,020.00	(8,000.00)	9,020.00	10/20/2016	10/21/2016	InvenSense Developers Meeting 2016	InvenSense, Inc.	1
1609065	18,120.00	(8,880.00)	9,240.00	9/7/2016	9/8/2016	Cisco Systems	Cisco Systems, Global Procurement Services	1
1702054	9,920.00	0.00	9,920.00	2/17/2017	2/18/2017	World Fitness Enterprises USA	Muscle Sport Production, Inc.	1
1610042	13,960.00	(4,000.00)	9,960.00	10/19/2016	10/20/2016	YWCA of Silicon Valley	YWCA Silicon Valley	1
1610110	19,160.00	(8,000.00)	11,160.00	10/3/2016	10/4/2016	STMicroelectronics	STMicroelectronics Inc	1
1610041	19,160.00	(8,000.00)	11,160.00	10/10/2016	10/11/2016	Cadence/ MemCon	Cadence Design Systems, Inc.	1
1703102	12,000.00	0.00	12,000.00	4/28/2017	4/29/2017	Sneakercon	SneakerCon	1

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Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Contract Person	# of Days
1608074	16,000.00	(4,000.00)	12,000.00	8/16/2016	8/17/2016	Shanghai Huazhi Gaishan Ent Mngmt Cons. Co. Ltd.	Shanghai Huazhi Gaishan Ent. Mngmt Cons. Co. Ltd.	1
1704045	20,350.00	(6,000.00)	14,350.00	4/17/2017	4/18/2017	CAA/N CA Rental Housing Conference & Expo	California Apartment Association	1
1607017	14,940.00	0.00	14,940.00	7/1/2016	7/2/2016	World Fitness Enterprise/Muscle Sports	Muscle Sport Production, Inc.	1
1706040	20,950.00	(5,600.00)	15,350.00	6/2/2017	6/3/2017	CFA Institute	CFA Institute	1
1609074	15,920.00	0.00	15,920.00	9/16/2016	9/17/2016	Pitco Foods	Pitco Foods	1
1608069	16,000.00	0.00	16,000.00	8/24/2016	8/25/2016	Cardinal Pitch Club	Cardinal Pitch Club	1
1609030	30,240.00	(13,220.00)	17,020.00	9/29/2016	9/30/2016	Santa Clara University	Santa Clara University, School of Law	1
1706066	19,785.00	(2,685.00)	17,100.00	6/9/2017	6/10/2017	ECHO	Educational Community for Homeowners	1
1612026	19,945.00	(2,000.00)	17,945.00	12/10/2016	12/11/2016	Bay Area Christian Church	Bay Area Christian Church	1
1703056	18,000.00	0.00	18,000.00	3/17/2017	3/18/2017	Evolution Sports Expo, LLC.	Evolution Sports Expo, LLC.	1
1704027	20,100.00	(2,100.00)	18,000.00	4/8/2017	4/9/2017	Nat'l Performance Warehouse	National Performance Warehouse	1
1609060	22,000.00	(4,000.00)	18,000.00	9/2/2016	9/3/2016	Pinnacle Leadership Development	Pinnacle Leadership Development	1
1703042	24,285.00	(4,000.00)	20,285.00	3/24/2017	3/25/2017	Taking Control of Your Diabetes	Taking Control of your Diabetes	1

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Conact Person	# of Days
1709017	38,445.00	(10,520.00)	27,925.00	9/8/2017	9/17/2017	UP Media/PCB WEST	UP Media Group, Inc.	9
1711002	70,405.00	(25,920.00)	44,485.00	11/10/2017	11/17/2017	Printed Electronics/IDTech	IDTechEx, Inc.	7
1710001	89,605.00	(24,725.00)	64,880.00	10/9/2017	10/16/2017	Pac.Int'l Quilt Festival	Pacific International Quilt Festival	7
1707012	152,080.00	(30,080.00)	122,000.00	7/3/2017	7/10/2017	North American Bengali Conference	Bay Area Prabasi Inc.	7
1708005	11,060.00	(11,060.00)	0.00	8/29/2017	9/4/2017			6
1707067	1,190.00	0.00	1,190.00	7/17/2017	7/23/2017	NamaskaramYoga.com	NamaskaramYoga.com	6
1707048	7,140.00	(2,040.00)	5,100.00	7/17/2017	7/23/2017	Nor Cal Academy Performing Arts	Nor Cal Academy of Performing Arts	6
1708013	189,750.00	(124,565.00)	65,185.00	8/5/2017	8/11/2017	Conference Concepts Flash Memory Summit	Conference Concepts, Inc.	6
1801056	1,590.00	0.00	1,590.00	1/2/2018	1/7/2018	NamaskaramYoga.com	NamaskaramYoga.com	5
1711124	11,300.00	(7,050.00)	4,250.00	11/8/2017	11/13/2017	Swiss Business Hub USA	Swiss Business Hub USA	5
1710074	6,120.00	(510.00)	5,610.00	10/2/2017	10/7/2017	Nor Cal Academy of Performing Arts	Nor Cal Academy of Performing Arts	5
1802021	93,370.00	(84,570.00)	8,800.00	2/3/2018	2/8/2018	Pure Storage	Opus Solution	5
1801002	24,000.00	0.00	24,000.00	1/17/2018	1/22/2018	Home Show	World Class Shows	5
1710022	51,930.00	(26,000.00)	25,930.00	10/15/2017	10/20/2017	Electronic Industry Citizenship Coalition	Electronic Industry Citizenship Coalition	5
1801021	124,430.00	(70,480.00)	53,950.00	1/6/2018	1/11/2018	ProofPoint	Proofpoint	5
1802009	87,880.00	(32,840.00)	55,040.00	2/20/2018	2/25/2018	XRX/Stitches	XRX Inc.	5
1710018	119,010.00	(56,630.00)	62,380.00	10/22/2017	10/27/2017	ARM TechCon	UBM LLC	5
1801003	127,500.00	(43,080.00)	84,420.00	1/28/2018	2/2/2018	UBM/DesignCon	United Business Media, LLC	5
1708052	142,430.00	(36,500.00)	105,930.00	8/23/2017	8/28/2017	Crunchyroll	Leftfield Media	5
1709013	88,400.00	(88,400.00)	0.00	9/30/2017	10/4/2017			4
1709138	850.00	(850.00)	0.00	9/25/2017	9/29/2017			4
1711128	7,900.00	2,050.00	9,950.00	11/22/2017	11/26/2017	Hyatt Hotel	Hyatt Regency of Santa Clara	4
1804026	12,530.00	0.00	12,530.00	4/18/2018	4/22/2018	Portsmouth Square Coin & Bourse Company	Portsmouth Square Coin & Bourse Company, LLC	4
1704100	29,340.00	(10,000.00)	19,340.00	11/6/2017	11/10/2017	Facebook TIP Summit	Facebook	4
1803001	94,440.00	(73,660.00)	20,780.00	3/19/2018	3/23/2018	Synopsys	Synopsys, Inc.	4
1804009	42,245.00	(15,000.00)	27,245.00	4/22/2018	4/26/2018	Percona Live MySQL Conf. & Expo	Percona LLC	4
1709008	78,560.00	(43,565.00)	34,995.00	9/17/2017	9/21/2017	GreenBiz Verge Conf	GreenBiz Group, Inc.	4
1712005	63,400.00	(20,000.00)	43,400.00	12/3/2017	12/7/2017	Yahoo! Tech Pulse	Oath	4
1801005	49,965.00	0.00	49,965.00	1/12/2018	1/16/2018	No Ca Volleyball	No. CA Volleyball Assn.	4
1802005	49,965.00	0.00	49,965.00	2/8/2018	2/12/2018	No Ca Volleyball	No. CA Volleyball Assn.	4
1709079	3,630.00	0.00	3,630.00	9/1/2017	9/4/2017	NamaskaramYoga.com	NamaskaramYoga.com	3
1707020	6,320.00	(880.00)	5,440.00	7/11/2017	7/14/2017	Hyatt Hotel/Usinex	Hyatt Regency of Santa Clara	3
1707031	6,320.00	(640.00)	5,680.00	7/28/2017	7/31/2017	Hyatt Hotel/CA Extreme	Hyatt Regency of Santa Clara	3
1707029	6,000.00	1,500.00	7,500.00	7/28/2017	7/31/2017	California Extreme	California Extreme	3
1801039	6,320.00	1,280.00	7,600.00	1/15/2018	1/18/2018	Hyatt Hotel/Usenix	Hyatt Regency of Santa Clara	3
1802020	6,320.00	1,280.00	7,600.00	2/5/2018	2/8/2018	Hyatt Hotel/Pure Storage	Hyatt Regency of Santa Clara	3
1803018	6,320.00	1,280.00	7,600.00	3/26/2018	3/29/2018	Hyatt Hotel/Usenix	Hyatt Regency of Santa Clara	3
1802050	6,320.00	1,640.00	7,960.00	2/12/2018	2/15/2018	Hyatt Hotel/HPN	Hyatt Regency of Santa Clara	3
1709024	12,000.00	0.00	12,000.00	9/14/2017	9/17/2017	Portsmouth	Portsmouth Square Coin & Bourse Company, LLC	3

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Conact Person	# of Days
1804064	12,000.00	0.00	12,000.00	4/19/2018	4/22/2018	GEK International	GEK International, Inc.	3
1710053	21,760.00	(9,000.00)	12,760.00	10/16/2017	10/19/2017	Ivy & Associates	Ivy Associates	3
1710006	17,760.00	(4,000.00)	13,760.00	10/19/2017	10/22/2017	CATESOL	CATESOL	3
1801029	41,160.00	(24,000.00)	17,160.00	1/23/2018	1/26/2018	CA ASSn of Community Managers	CA Assn of Community Managers	3
1709034	19,920.00	0.00	19,920.00	9/18/2017	9/21/2017	NCFE	Cygnus Publishing, LLC	3
1708045	22,020.00	0.00	22,020.00	8/3/2017	8/6/2017	Bricks by the Bay	Bricks by the Bay	3
1707002	27,920.00	0.00	27,920.00	7/24/2017	7/27/2017	State Bar of California 2017	The State Bar of California	3
1803020	32,000.00	(4,000.00)	28,000.00	3/15/2018	3/18/2018	Break The Floor Productions	Break the Floor Productions	3
1803045	32,000.00	0.00	32,000.00	3/30/2018	4/2/2018	SneakerCon	SneakerCon	3
1802013	33,820.00	0.00	33,820.00	2/15/2018	2/18/2018	Travel Show	Unicomm, LLC	3
1803003	47,860.00	(12,527.00)	35,333.00	3/8/2018	3/11/2018	California Association for Behavior Analysis	California Association for Behavior Analysis (CalA	3
1709014	51,010.00	(12,210.00)	38,800.00	9/25/2017	9/28/2017	EH Publishing/Robo Business	EH Publishing	3
1710025	49,160.00	(9,025.00)	40,135.00	10/30/2017	11/2/2017	Sys-Con	Sys-Con Media	3
1801041	56,330.00	(15,400.00)	40,930.00	1/4/2018	1/7/2018	Superstar of Sports, Inc.	Superstars of Sports Inc. dba Channel Fireball	3
1711024	52,690.00	(880.00)	51,810.00	11/27/2017	11/30/2017	Encore Media Group	Encore Media Group, Ltd.	3
1802043	795.00	0.00	795.00	2/16/2018	2/18/2018	Full Circle School	Full Circle School	2
1712001	6,075.00	(4,275.00)	1,800.00	12/8/2017	12/10/2017	Santa Clara Ballet	Santa Clara Ballet Company	2
1803042	28,740.00	(26,775.00)	1,965.00	3/5/2018	3/7/2018	Intel Supplier Recognition Event 2018	Intel Corporation	2
1708103	3,950.00	(1,580.00)	2,370.00	8/21/2017	8/23/2017	Wells Fargo Bank, N.A.	Wells Fargo	2
1707025	4,050.00	(265.00)	3,785.00	7/12/2017	7/14/2017	Youth Focus, Inc.	Youth Focus, Inc	2
1712006	25,580.00	(21,580.00)	4,000.00	11/30/2017	12/2/2017	Valle Monte League, Inc.	Valle Monte League, Inc.	2
1710114	4,110.00	0.00	4,110.00	11/17/2017	11/19/2017	PIE (Property Investment Expo)	UYT Imports & Events	2
1707037	4,740.00	(480.00)	4,260.00	7/7/2017	7/9/2017	Hyatt Hotel/Bengali	Hyatt Regency of Santa Clara	2
1707044	4,740.00	(480.00)	4,260.00	7/21/2017	7/23/2017	Hyatt Hotel/Varsity Spirit	Hyatt Regency Santa Clara	2
1708036	4,740.00	(480.00)	4,260.00	8/11/2017	8/13/2017	Hyatt Hotel/Apostolic	Hyatt Regency of Santa Clara	2
1708031	4,740.00	(480.00)	4,260.00	8/25/2017	8/27/2017	Hyatt Hotel/Magfest	Hyatt Regency of Santa Clara	2
1711028	5,280.00	(880.00)	4,400.00	11/10/2017	11/12/2017	Sterling Dance Theater	Sterling Dance Theatre	2
1801049	7,190.00	(2,340.00)	4,850.00	1/17/2018	1/19/2018	BM Soft Systems, Inc.	BMSOFT Systems Inc.	2
1801011	4,740.00	432.00	5,172.00	1/26/2018	1/28/2018	Hyatt Hotel	Hyatt Regency of Santa Clara	2
1710033	4,740.00	960.00	5,700.00	10/6/2017	10/8/2017	Hyatt hotel/Digital Manga	Hyatt Regency of Santa Clara	2
1803004	4,740.00	960.00	5,700.00	3/23/2018	3/25/2018	Hyatt Hotel/Monsters Hip Hop	Hyatt Regency of Santa Clara	2
1802029	5,910.00	0.00	5,910.00	2/16/2018	2/18/2018	Dance Masters	Dance Masters	2
1712027	4,740.00	1,230.00	5,970.00	12/26/2017	12/28/2017	Hyatt Hotel/KCCC	Hyatt Regency of Santa Clara	2
1801013	4,740.00	1,230.00	5,970.00	1/19/2018	1/21/2018	Hyatt Hotel/Hollywood Connection	Hyatt Regency of Santa Clara	2
1802008	4,740.00	1,230.00	5,970.00	2/9/2018	2/11/2018	Hyatt/Break the Floor/NUVO	Hyatt Regency of Santa Clara	2
1803060	4,740.00	1,230.00	5,970.00	3/2/2018	3/4/2018	Hyatt Hotel/NY Dance	Hyatt Regency of Santa Clara	2
1803016	4,740.00	1,230.00	5,970.00	3/16/2018	3/18/2018	Hyatt Hotel/Break the Floor/Radx	Hyatt Regency of Santa Clara	2
1804017	4,740.00	1,230.00	5,970.00	4/6/2018	4/8/2018	Hyatt Hotel/Conference Direct	Hyatt Regency of Santa Clara	2
1804082	4,740.00	1,230.00	5,970.00	4/13/2018	4/15/2018	Hyatt Hotel/Jump	Hyatt Regency of Santa Clara	2
1711072	6,110.00	0.00	6,110.00	11/24/2017	11/26/2017	Bay Area Chess	Bay Area Chess	2
1708066	9,070.00	(1,960.00)	7,110.00	8/29/2017	8/31/2017	BMSoft Systems, Inc.	BMSOFT Systems Inc.	2

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Conact Person	# of Days
1804067	9,320.00	(1,560.00)	7,760.00	4/2/2018	4/4/2018	BM Soft Systems, Inc.	BMSOFT Systems Inc.	2
1803028	16,780.00	(8,000.00)	8,780.00	4/20/2018	4/22/2018	Presentation High School	Presentation High School	2
1802073	9,000.00	0.00	9,000.00	2/9/2018	2/11/2018	Break the Floor/NUVO	Break the Floor Productions	2
1711019	20,560.00	(11,300.00)	9,260.00	11/17/2017	11/19/2017	63rd Annual Bellarmine Fashion Show	Bellarmine College Preparatory	2
1710043	9,370.00	0.00	9,370.00	10/19/2017	10/21/2017	GEK International, Inc.	GEK International, Inc.	2
1802024	24,000.00	(14,520.00)	9,480.00	2/26/2018	2/28/2018	Container World 2018	Knect 365 US Inc.	2
1706078	11,710.00	(2,000.00)	9,710.00	6/30/2017	7/2/2017	Trinity Motivation	Trinity Motivation	2
1803112	14,650.00	(4,865.00)	9,785.00	3/16/2018	3/18/2018	Trinity Motivation	Trinity Motivation	2
1802047	10,765.00	0.00	10,765.00	2/17/2018	2/19/2018	Bay Area Chess	Bay Area Chess	2
1709054	11,400.00	0.00	11,400.00	9/2/2017	9/4/2017	Bay Area Chess	Bay Area Chess	2
1804024	20,180.00	(8,000.00)	12,180.00	4/26/2018	4/28/2018	Stanford (Adolescent Mental Wellness Conference)	Lucile Packard Children's Hospital	2
1711096	20,400.00	(8,000.00)	12,400.00	11/3/2017	11/5/2017	Impact Deep LLC	AI Frontiers Conference	2
1711116	21,030.00	(5,620.00)	15,410.00	11/5/2017	11/7/2017	Applied Materials	Applied Materials	2
1710066	16,000.00	0.00	16,000.00	10/27/2017	10/29/2017	San Francisco Ski and Snowboard Festival LLC	San Francisco Ski and Snowboard Festival LLC	2
1711004	22,060.00	(4,200.00)	17,860.00	11/1/2017	11/3/2017	Localization World	Localization World	2
1708038	27,675.00	(9,600.00)	18,075.00	9/6/2017	9/8/2017	Santa Clara University	Santa Clara University, School of Law	2
1707038	24,000.00	(4,000.00)	20,000.00	7/18/2017	7/20/2017	Shanghai Huazhi Gaishan Ent Mngmt Cons. Co. Ltd.	Shanghai Huazhi Gaishan Ent. Mngmt Cons. Co. Ltd.	2
1804014	45,355.00	(24,000.00)	21,355.00	4/9/2018	4/11/2018	Cadence/CDN LIVE 2018	Cadence	2
1711006	29,260.00	(7,290.00)	21,970.00	11/2/2017	11/4/2017	Faith Formation	Diocese of San Jose	2
1804028	26,910.00	(4,800.00)	22,110.00	4/6/2018	4/8/2018	Bay Area Chess	Bay Area Chess	2
1804015	24,000.00	0.00	24,000.00	4/13/2018	4/15/2018	JUMP	Break the Floor Productions	2
1707035	28,800.00	0.00	28,800.00	7/27/2017	7/29/2017	Scrapbook Expo	Scrapbook Expo	2
1708019	58,460.00	(6,660.00)	51,800.00	8/17/2017	8/19/2017	Bay Area Christian Church	Bay Area Christian Church	2
1711063	630.00	(630.00)	0.00	11/13/2017	11/14/2017			1
1712003	0.00	0.00	0.00	12/6/2017	12/7/2017			1
1710117	530.00	0.00	530.00	10/7/2017	10/8/2017	NamaskaramYoga.com	NamaskaramYoga.com	1
1712078	530.00	0.00	530.00	12/16/2017	12/17/2017	NamaskaramYoga.com	NamaskaramYoga.com	1
1801076	530.00	0.00	530.00	1/27/2018	1/28/2018	NamaskaramYoga.com	NamaskaramYoga.com	1
1802071	530.00	0.00	530.00	2/10/2018	2/11/2018	NamaskaramYoga.com	NamaskaramYoga.com	1
1803074	530.00	0.00	530.00	3/9/2018	3/10/2018	Autism Spectrum Therapies	Autism Spectrum Therapies	1
1709059	1,100.00	(550.00)	550.00	9/15/2017	9/16/2017	Kagin's Auctions	Kagin's Auctions	1
1802046	1,170.00	0.00	1,170.00	2/10/2018	2/11/2018	GEK International, Inc.	GEK International, Inc.	1
1711069	1,365.00	0.00	1,365.00	10/7/2017	10/8/2017	International Belly Dance Convention	International Belly Dance Convention	1
1711073	2,040.00	(510.00)	1,530.00	11/17/2017	11/18/2017	Tan Long Meditation Center	Tan Long Meditation Center	1
1801067	2,040.00	(510.00)	1,530.00	1/5/2018	1/6/2018	Bich Lien Skincare	Tan Long Meditation Center	1
1803041	2,040.00	(510.00)	1,530.00	3/10/2018	3/11/2018	Miss Vietnam USA	Miss & Mrs Vietnam USA	1
1803056	2,040.00	(510.00)	1,530.00	3/31/2018	4/1/2018	Miss Vietnam USA	Miss & Mrs Vietnam USA	1
1711105	1,560.00	0.00	1,560.00	11/11/2017	11/12/2017	NamaskaramYoga.com	NamaskaramYoga.com	1

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Conact Person	# of Days
1804063	5,630.00	(3,920.00)	1,710.00	4/27/2018	4/28/2018	Young Americans for Liberty Summitt 2018	Young Americans for Liberty	1
1709126	1,820.00	0.00	1,820.00	9/30/2017	10/1/2017	SHOP.com	SHOP.com	1
1801059	1,880.00	0.00	1,880.00	1/27/2018	1/28/2018	Bay Area Chess	Bay Area Chess	1
1710094	11,880.00	(9,880.00)	2,000.00	10/10/2017	10/11/2017	NAIC	National Association of Insurance Commissioners	1
1711092	2,200.00	0.00	2,200.00	11/11/2017	11/12/2017	Bay Area Chess	Bay Area Chess	1
1803077	2,220.00	0.00	2,220.00	3/24/2018	3/25/2018	Bay Area Chess	Bay Area Chess	1
1712034	3,390.00	(1,040.00)	2,350.00	12/9/2017	12/10/2017	GEK International, Inc.	GEK International, Inc.	1
1803070	2,350.00	0.00	2,350.00	3/24/2018	3/25/2018	GEK International, Inc.	GEK International, Inc.	1
1805030	2,380.00	0.00	2,380.00	4/27/2018	4/28/2018	Dance Masters	Dance Masters	1
1801058	4,915.00	(2,350.00)	2,565.00	1/12/2018	1/13/2018	2nd Beijing International Investment & Financing I	Silicon Valley Value Investment Center, Inc.	1
1801069	3,690.00	(1,050.00)	2,640.00	1/18/2018	1/19/2018	Ant Technology Exploration Conference	PingWest	1
1706034	3,520.00	(880.00)	2,640.00	6/30/2017	7/1/2017	Jensen School of Performing Arts	Jensen School of Performing Arts	1
1710088	3,520.00	(880.00)	2,640.00	10/20/2017	10/21/2017	StudiOne Best Productions, Inc.	Studio One Best Productions Inc.	1
1804053	3,520.00	(880.00)	2,640.00	4/19/2018	4/20/2018	North Valley Baptist School	North Valley Baptist School	1
1712054	2,640.00	0.00	2,640.00	12/15/2017	12/16/2017	The Joy of Dancing	The Joy of Dancing	1
1708041	2,740.00	0.00	2,740.00	8/12/2017	8/13/2017	SEG Eventos, Inc.	SEG Eventos, Inc.	1
1709040	2,740.00	0.00	2,740.00	9/9/2017	9/10/2017	SEG Eventos, Inc.	SEG Eventos, Inc.	1
1711077	2,740.00	0.00	2,740.00	11/11/2017	11/12/2017	GEK International, Inc.	GEK International, Inc.	1
1801078	2,940.00	0.00	2,940.00	1/19/2018	1/20/2018	Signature Equipovision	Signature Equipovision	1
1710098	3,000.00	0.00	3,000.00	10/31/2017	11/1/2017	Hiroshima Prefectural Government of Japan	Hiroshima Prefectural Government of Japan	1
1709036	19,160.00	(16,000.00)	3,160.00	9/5/2017	9/6/2017	STMicroelectronics, Inc.	STMicroelectronics Inc	1
1803118	3,160.00	0.00	3,160.00	3/31/2018	4/1/2018	Risa Realty	Risa Realty	1
1709068	3,290.00	0.00	3,290.00	9/23/2017	9/24/2017	Bay Area Chess	Bay Area Chess	1
1707063	5,060.00	(1,650.00)	3,410.00	7/15/2017	7/16/2017	Association of Technology and Innovation	CTSSoft Consulting LLC.	1
1801016	3,160.00	460.00	3,620.00	1/13/2018	1/14/2018	Hyatt Hotel/CKA	Hyatt Regency of Santa Clara	1
1710081	6,660.00	(2,740.00)	3,920.00	10/2/2017	10/3/2017	PMI Silicon Valley	PMI Silicon Valley	1
1709085	3,920.00	0.00	3,920.00	9/16/2017	9/17/2017	India Property Online	India Property Online Pvt Ltd	1
1704088	3,920.00	0.00	3,920.00	9/23/2017	9/24/2017	Show It Off Events LLC (India Property Show)	Show It Off Events LLC	1
1801053	3,920.00	0.00	3,920.00	1/26/2018	1/27/2018	GEK International, Inc.	GEK International, Inc.	1
1804057	3,920.00	0.00	3,920.00	4/21/2018	4/22/2018	India Property Online	India Property Online Pvt Ltd	1
1804079	12,000.00	(8,000.00)	4,000.00	4/18/2018	4/19/2018	CAA Connect Conference	California Apartment Association	1
1802069	18,130.00	(13,865.00)	4,265.00	2/12/2018	2/13/2018	Google Cloud OnBoard	AgencyEA	1
1803065	6,280.00	(1,880.00)	4,400.00	3/13/2018	3/14/2018	ISQED	ISQED	1
1709098	4,780.00	0.00	4,780.00	9/23/2017	9/24/2017	Signature Equipovision	Signature Equipovision	1
1707036	22,870.00	(18,000.00)	4,870.00	7/10/2017	7/11/2017	His Highness Prince Agha Khan Shia Imami Ismaili	His Highness Prince Aga Khan Shia Imami Ismaili	1

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Conact Person	# of Days
1712060	4,980.00	0.00	4,980.00	12/16/2017	12/17/2017	Signature Equipovision	Signature Equipovision	1
1710102	6,000.00	0.00	6,000.00	10/18/2017	10/19/2017	SCCAOR	SCC Association of REALTORS	1
1807013	6,000.00	0.00	6,000.00	3/16/2018	3/17/2018	Divas Day Out	Alpha Media	1
1802041	6,000.00	0.00	6,000.00	3/17/2018	3/18/2018	My Princess Expo	My Princess Magazine	1
1802042	8,000.00	(1,490.00)	6,510.00	2/28/2018	3/1/2018	Intel	Intel	1
1711088	7,550.00	(880.00)	6,670.00	11/15/2017	11/16/2017	ZGC Capital Corp(Int'l Technology Innovation Conf)	ZGC Capital Corporation	1
1708059	15,770.00	(8,880.00)	6,890.00	8/30/2017	8/31/2017	Cisco Systems	Cisco Systems, Inc.	1
1803085	7,480.00	(380.00)	7,100.00	3/30/2018	3/31/2018	Bartlett Network of Champions	Bartlett Network of Champions	1
1804087	8,760.00	(1,560.00)	7,200.00	4/12/2018	4/13/2018	CTSSoft Consulting LLC.	CTSSoft Consulting LLC.	1
1803136	16,000.00	(8,000.00)	8,000.00	3/1/2018	3/2/2018	ServiceNow Purpose Tour	ServiceNow	1
1803091	9,245.00	0.00	9,245.00	3/25/2018	3/26/2018	49ers Gold Rush Auditions	e2k	1
1706030	9,920.00	0.00	9,920.00	6/30/2017	7/1/2017	World Fitness Enterprises USA	Muscle Sport Production, Inc.	1
1710015	13,960.00	(4,000.00)	9,960.00	11/7/2017	11/8/2017	YWCA Silicon Valley	YWCA Silicon Valley	1
1803093	14,700.00	(4,000.00)	10,700.00	3/13/2018	3/14/2018	Venture Summit West 2018	YS Venture Group Inc.	1
1712032	10,800.00	0.00	10,800.00	12/2/2017	12/3/2017	Bay Area Chess	Bay Area Chess	1
1803081	25,160.00	(14,000.00)	11,160.00	4/16/2018	4/17/2018	Roku, Inc.	Roku Inc.	1
1711060	16,000.00	(4,000.00)	12,000.00	11/14/2017	11/15/2017	CORETECH	Realcomm	1
1804107	16,000.00	(4,000.00)	12,000.00	4/2/2018	4/3/2018	Silicon Valley Innovation Centre	Coinlogix LLC	1
1712065	12,000.00	0.00	12,000.00	12/11/2017	12/12/2017	Applied Materials	Applied Materials	1
1802022	20,180.00	(8,000.00)	12,180.00	2/26/2018	2/27/2018	IDC	IDC	1
1709018	21,620.00	(8,000.00)	13,620.00	9/26/2017	9/27/2017	CSU Counselor Conference	San Jose State University	1
1709038	15,540.00	(1,580.00)	13,960.00	9/15/2017	9/16/2017	Pitco Foods	Pitco Foods	1
1801031	19,320.00	(4,000.00)	15,320.00	1/13/2018	1/14/2018	UCAHLP	UCAHLP	1
1705051	20,700.00	(4,000.00)	16,700.00	8/16/2017	8/17/2017	DBC Pri-Med	DBC Pri-Med	1
1709020	29,460.00	(12,000.00)	17,460.00	9/12/2017	9/13/2017	TSMC North America	TSMC North America	1
1803029	25,960.00	(7,960.00)	18,000.00	3/24/2018	3/25/2018	NPW CARS Expo	National Performance Warehouse	1
1804060	20,580.00	(700.00)	19,880.00	4/6/2018	4/7/2018	G 50 Global Smart City Summit 2018	SV Global Smart City	1
1804030	24,000.00	0.00	24,000.00	4/13/2018	4/14/2018	Evolution Sports Expo LLC.	Evolution Sports Expo, LLC.	1
1803067	31,520.00	(4,000.00)	27,520.00	3/12/2018	3/13/2018	Splunk, Inc.	Splunk Inc.	1
1710046	32,700.00	(2,000.00)	30,700.00	9/28/2017	9/29/2017	99 People/UCTIA	Silicon Valley Techology Innovation Club, Inc.	1
1712010	12,000.00	(12,000.00)	0.00	12/2/2017	12/2/2017			0
1712049	8,910.00	(8,910.00)	0.00	12/8/2017	12/8/2017			0
1708027	8,000.00	(8,000.00)	0.00	9/3/2017	9/3/2017			0
1710072	8,000.00	(8,000.00)	0.00	10/27/2017	10/27/2017			0
1709065	8,000.00	(8,000.00)	0.00	11/7/2017	11/7/2017			0
1711066	8,000.00	(8,000.00)	0.00	11/8/2017	11/8/2017			0
1711074	8,000.00	(8,000.00)	0.00	11/11/2017	11/11/2017			0
1712025	8,000.00	(8,000.00)	0.00	12/9/2017	12/9/2017			0
1804050	8,000.00	(8,000.00)	0.00	4/26/2018	4/26/2018			0
1708063	5,900.00	(5,900.00)	0.00	8/29/2017	8/29/2017			0
1801036	5,900.00	(5,900.00)	0.00	1/20/2018	1/20/2018			0

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Conact Person	# of Days
1712088	4,000.00	(4,000.00)	0.00	12/27/2017	12/27/2017			0
1706098	2,000.00	(2,000.00)	0.00	9/23/2017	9/23/2017			0
1712041	1,960.00	(1,960.00)	0.00	12/8/2017	12/8/2017			0
1708095	1,900.00	(1,900.00)	0.00	8/2/2017	8/2/2017			0
1708096	1,500.00	(1,500.00)	0.00	8/11/2017	8/11/2017			0
1802075	910.00	(910.00)	0.00	2/12/2018	2/12/2018			0
1711127	780.00	(780.00)	0.00	11/14/2017	11/14/2017			0
1801046	780.00	(780.00)	0.00	1/20/2018	1/20/2018			0
1709134	455.00	(455.00)	0.00	9/17/2017	9/17/2017			0
1801080	455.00	(455.00)	0.00	1/24/2018	1/24/2018			0
1804147	455.00	(455.00)	0.00	4/29/2018	4/29/2018			0
1803090	390.00	(390.00)	0.00	3/2/2018	3/2/2018			0
1710135	265.00	(265.00)	0.00	10/27/2017	10/27/2017			0
1804084	0.00	0.00	0.00	4/14/2018	4/14/2018			0
1803153	170.00	0.00	170.00	3/16/2018	3/16/2018	BreakoutIQ	BreakoutIQ	0
1708062	265.00	0.00	265.00	8/15/2017	8/15/2017	Valle Monte League, Inc.	Valle Monte League, Inc.	0
1711130	265.00	0.00	265.00	11/11/2017	11/11/2017	Technical University of Munich, Chair for Informat	Technical University of Munich	0
1712061	265.00	0.00	265.00	12/3/2017	12/3/2017	NamaskaramYoga.com	NamaskaramYoga.com	0
1712077	265.00	0.00	265.00	12/9/2017	12/9/2017	NamaskaramYoga.com	NamaskaramYoga.com	0
1803126	315.00	0.00	315.00	3/15/2018	3/15/2018	JORAL Technologies	JORAL Technologies	0
1803084	1,280.00	(940.00)	340.00	3/15/2018	3/15/2018	dSpace, Inc.	dSpace	0
1709130	390.00	0.00	390.00	9/23/2017	9/23/2017	NamaskaramYoga.com	NamaskaramYoga.com	0
1712039	390.00	0.00	390.00	12/3/2017	12/3/2017	MDE Latino	MDE Latino, LP	0
1802072	390.00	0.00	390.00	2/10/2018	2/10/2018	MDE Latino	MDE Latino, LP	0
1803132	390.00	0.00	390.00	3/15/2018	3/15/2018	Apartment Owners Assn	Apartment Owners Association	0
1804132	390.00	0.00	390.00	4/6/2018	4/6/2018	Notary Learning Center, Inc.	Notary Learning Center, Inc.	0
1804127	390.00	0.00	390.00	4/19/2018	4/19/2018	Apartment Owners Association of California, Inc.	Apartment Owners Association	0
1708082	455.00	0.00	455.00	8/12/2017	8/12/2017	MDE Latino	MDE Latino, LP	0
1709091	455.00	0.00	455.00	9/9/2017	9/9/2017	MDE Latino	MDE Latino, LP	0
1710105	455.00	0.00	455.00	10/14/2017	10/14/2017	MDE Latino	MDE Latino, LP	0
1801066	455.00	0.00	455.00	1/6/2018	1/6/2018	MDE Latino	MDE Latino, LP	0
1803116	455.00	0.00	455.00	3/31/2018	3/31/2018	World Financial/Year of Dominance	World Financial Group	0
1804102	455.00	0.00	455.00	4/21/2018	4/21/2018	MDE Latino	MDE Latino, LP	0
1708083	470.00	0.00	470.00	7/11/2017	7/11/2017	Social Security 567	Social Security 567	0
1707058	470.00	0.00	470.00	7/15/2017	7/15/2017	DC Trainings	DC Trainings	0
1709073	470.00	0.00	470.00	9/16/2017	9/16/2017	DC Trainings	DC Trainings	0
1712016	470.00	0.00	470.00	11/30/2017	11/30/2017	Taxes in Retirement567	Social Security 567	0
1801062	470.00	0.00	470.00	1/13/2018	1/13/2018	DC Trainings	DC Trainings	0
1803110	470.00	0.00	470.00	3/17/2018	3/17/2018	DC Trainings	DC Trainings	0
1712050	1,370.00	(685.00)	685.00	12/31/2017	12/31/2017	FiliAm Chamber of Commerce New Year's Party	FilAm Chamber of Commerce of Silicon Valley	0

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Conact Person	# of Days
1710057	4,780.00	(4,000.00)	780.00	10/28/2017	10/28/2017	Friends of Children w/ Special Needs	Friends of Children with Special Needs	0
1707078	780.00	0.00	780.00	7/22/2017	7/22/2017	SEG Eventos Inc.	SEG Eventos, Inc.	0
1710121	780.00	0.00	780.00	10/5/2017	10/5/2017	BreakoutIQ	BreakoutIQ	0
1711039	780.00	0.00	780.00	12/2/2017	12/2/2017	SHOP.com	SHOP.com	0
1802094	780.00	0.00	780.00	2/18/2018	2/18/2018	Option Pain LLC.	Option Pain, LLC.	0
1803088	780.00	0.00	780.00	3/31/2018	3/31/2018	Westgate Congregation of Jehovah's Witnesses Inc.,	Jehovah's Witnesses, Westgate	0
1804098	780.00	0.00	780.00	4/14/2018	4/14/2018	Penney Enterprises	Penney Enterprise	0
1712069	1,960.00	(1,176.00)	784.00	12/31/2017	12/31/2017	Your Asian Connection	Your Asian Connection, Inc.	0
1707074	2,350.00	(1,565.00)	785.00	7/15/2017	7/15/2017	Live Abundant	Live Abundant	0
1712026	1,580.00	(790.00)	790.00	11/17/2017	11/17/2017	Nor Cal Regional CM/VP Awards	The Irvine Company Apartment Communities	0
1801068	1,760.00	(880.00)	880.00	1/21/2018	1/21/2018	San Juan Dance	San Juan Dance	0
1707041	910.00	0.00	910.00	7/15/2017	7/15/2017	SHOP.com	SHOP.com	0
1711111	910.00	0.00	910.00	12/9/2017	12/9/2017	MD School	Transamerica Financial Advisors	0
1803068	910.00	0.00	910.00	3/31/2018	3/31/2018	SHOP.com	SHOP.com	0
1804090	940.00	0.00	940.00	4/14/2018	4/14/2018	World Financial Group/Transamerica	World Financial Group/Transamerica	0
1802045	1,960.00	(980.00)	980.00	2/13/2018	2/13/2018	Filice Insurance	Filice Insurance	0
1711131	980.00	0.00	980.00	11/18/2017	11/18/2017	ThinkTank Learning	ThinkTank Learning	0
1803138	980.00	0.00	980.00	3/13/2018	3/13/2018	Physicians Medical Group of San Jose General IPA	Excel MSO, LLC	0
1803137	790.00	205.00	995.00	3/13/2018	3/13/2018	Hyatt Hotel	Hyatt Regency of Santa Clara	0
1803080	790.00	205.00	995.00	3/14/2018	3/14/2018	Hyatt Hotel	Hyatt Regency of Santa Clara	0
1709060	1,020.00	0.00	1,020.00	9/10/2017	9/10/2017	South India Fine Arts	South India Fine Arts	0
1709058	1,020.00	0.00	1,020.00	9/17/2017	9/17/2017	Pallavi Foundation	Pallavi Foundation	0
1709070	1,020.00	0.00	1,020.00	9/23/2017	9/23/2017	VN Help	VN Help	0
1710078	1,020.00	0.00	1,020.00	10/1/2017	10/1/2017	South India Fine Arts	South India Fine Arts	0
1710058	1,020.00	0.00	1,020.00	10/8/2017	10/8/2017	Sankritilaya	Sankritilaya	0
1710071	1,020.00	0.00	1,020.00	10/15/2017	10/15/2017	South India Fine Art	South India Fine Arts	0
1710073	1,020.00	0.00	1,020.00	10/22/2017	10/22/2017	Sankritilaya	Sankritilaya	0
1708085	1,020.00	0.00	1,020.00	10/29/2017	10/29/2017	Viet Music Club	Viet Music Club	0
1712072	1,020.00	0.00	1,020.00	12/17/2017	12/17/2017	SJ Art & Cultural Society	Nima Entertainment Inc.	0
1801032	1,020.00	0.00	1,020.00	1/27/2018	1/27/2018	Luc Luong Si Quan Thu Duc	Luc Luong Si Quan Thu Duc	0
1801057	1,020.00	0.00	1,020.00	1/28/2018	1/28/2018	Republic Day Celebrations of India	Federation of Indo Americans of Northern Californi	0
1803055	1,020.00	0.00	1,020.00	3/3/2018	3/3/2018	Mountain View Academy	Mountain View Academy	0
1803057	1,020.00	0.00	1,020.00	3/17/2018	3/17/2018	VAN THO LAC VIET	VAN THO LAC VIET	0
1803031	1,020.00	0.00	1,020.00	3/24/2018	3/24/2018	Friends of Children with Special Needs	Friends of Children with Special Needs	0
1804093	1,020.00	0.00	1,020.00	4/8/2018	4/8/2018	Uttar Pradesh Mandal of America (UPMA)	Uttar Pradesh Mandal of America (UPMA)	0

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Conact Person	# of Days
1804077	1,020.00	0.00	1,020.00	4/15/2018	4/15/2018	Sankritilaya	Sankritilaya	0
1804106	1,020.00	0.00	1,020.00	4/22/2018	4/22/2018	South India Fine Arts	SIFA	0
1804074	1,020.00	0.00	1,020.00	4/29/2018	4/29/2018	South India Fine Arts	SIFA	0
1709124	1,045.00	0.00	1,045.00	9/9/2017	9/9/2017	IGOOER	IGOOER	0
1709088	1,645.00	(550.00)	1,095.00	9/14/2017	9/14/2017	Silvaco, Inc.	Silvaco, Inc.	0
1711114	2,350.00	(1,175.00)	1,175.00	11/14/2017	11/14/2017	Mentor Graphics Corporation	Mentor Graphics Corporation	0
1803131	3,330.00	(1,960.00)	1,370.00	3/30/2018	3/30/2018	HYSTA/Global Blockchain Investment Summit	HYSTA SVC Inc.	0
1710113	1,370.00	0.00	1,370.00	10/21/2017	10/21/2017	Penney Enterprise	Penney Enterprise	0
1711109	1,370.00	0.00	1,370.00	11/16/2017	11/16/2017	Commonwealth Club of California	Commonwealth Club of California	0
1803072	1,370.00	0.00	1,370.00	3/3/2018	3/3/2018	Chinese Abraham Investment Advisors, LLC.	Chinese Abraham Investment Advisors, LLC.	0
1803100	1,370.00	0.00	1,370.00	3/24/2018	3/24/2018	Penney Enterprises	Penney Enterprise	0
1707055	1,580.00	(160.00)	1,420.00	7/6/2017	7/6/2017	Hyatt Hotel/Prabasi	Hyatt Regency of Santa Clara	0
1707056	1,580.00	(160.00)	1,420.00	7/20/2017	7/20/2017	Hyatt Hotel/Varsity Spirt	Hyatt Regency of Santa Clara	0
1711041	5,580.00	(4,000.00)	1,580.00	11/1/2017	11/1/2017	Silicon Valley Leadership Group	Silicon Valley Leadership Group	0
1709125	1,580.00	0.00	1,580.00	9/23/2017	9/23/2017	Penney Enterprises	Penney Enterprise	0
1709103	1,580.00	0.00	1,580.00	9/25/2017	9/25/2017	Institute for Brain Potential	Institute for Brain Potential	0
1711120	1,580.00	0.00	1,580.00	11/18/2017	11/18/2017	Penney Enterprises	Penney Enterprise	0
1804076	1,580.00	0.00	1,580.00	4/28/2018	4/28/2018	Penney Enterprises	Penney Enterprise	0
1705106	1,645.00	0.00	1,645.00	10/28/2017	10/28/2017	World Financial Group	World Financial Group	0
1803125	1,645.00	0.00	1,645.00	3/10/2018	3/10/2018	World Financial Group	World Financial Group	0
1803073	1,645.00	0.00	1,645.00	3/18/2018	3/18/2018	MPM Educational Institute	MPM Educational Institute	0
1708070	3,330.00	(1,665.00)	1,665.00	8/3/2017	8/3/2017	Shanghai AIFEI Investment Management Co., Ltd	Shanghai AIFEI Investment Management Co., Ltd	0
1804029	3,400.00	(1,700.00)	1,700.00	3/24/2018	3/24/2018	Chinese Institute of Engineer	Chinese Institute of Engineer USA, SF/Bay Area Cha	0
1804027	5,760.00	(4,000.00)	1,760.00	4/5/2018	4/5/2018	HR Symposium	HR Symposium	0
1802052	2,100.00	(340.00)	1,760.00	2/15/2018	2/15/2018	Commonwealth Club of California	Commonwealth Club of California	0
1707028	1,760.00	0.00	1,760.00	7/15/2017	7/15/2017	Dance Arts Academy	Dance Arts Academy	0
1707052	1,760.00	0.00	1,760.00	7/29/2017	7/29/2017	Bytes and Notes	Bytes and Notes	0
1708079	1,760.00	0.00	1,760.00	8/10/2017	8/10/2017	Commonwealth Club of Silicon Valley	Commonwealth Club Silicon Valley	0
1708055	1,760.00	0.00	1,760.00	8/12/2017	8/12/2017	DESI COMEDY FEST, LLC.	Desi Comedy Fest, LLC	0
1708100	1,760.00	0.00	1,760.00	8/13/2017	8/13/2017	USA Prancer Development, Inc. DBA Fei Sifu Kungfu	USA Prancer Develop., Inc. DBA Fei Sifu Kungfu Aca	0
1708087	1,760.00	0.00	1,760.00	8/14/2017	8/14/2017	Bloom Energy	Bloom Energy	0
1706075	1,760.00	0.00	1,760.00	9/3/2017	9/3/2017	Premiere Productions, Inc.	Premiere Productions	0
1709031	1,760.00	0.00	1,760.00	9/14/2017	9/14/2017	Palmer College	Palmer College of Chiropractic	0
1709095	1,760.00	0.00	1,760.00	9/16/2017	9/16/2017	Roya Foundation	Roya Foundation	0
1710116	1,760.00	0.00	1,760.00	10/19/2017	10/19/2017	Intel Corporation	Intel Corporation	0
1711095	1,760.00	0.00	1,760.00	11/1/2017	11/1/2017	Bloom Energy	Bloom Energy	0
1701079	1,760.00	0.00	1,760.00	11/4/2017	11/4/2017	Bay Area Telugu Association	Bay Area Telegu Association	0
1711098	1,760.00	0.00	1,760.00	11/19/2017	11/19/2017	IRCC, Inc.	IRCC, Inc.	0

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Conact Person	# of Days
1712028	1,760.00	0.00	1,760.00	12/3/2017	12/3/2017	Montage Dance Productions	Montage Dance Productions	0
1801079	1,760.00	0.00	1,760.00	1/30/2018	1/30/2018	Bloom Energy	Bloom Energy	0
1803123	1,760.00	0.00	1,760.00	3/4/2018	3/4/2018	Merci Live Productions	Merci Live Productions	0
1803121	1,760.00	0.00	1,760.00	3/14/2018	3/14/2018	Illumio Company Meeting	Illumio	0
1801052	1,800.00	0.00	1,800.00	1/7/2018	1/7/2018	Silicon Valley Innovation & Entrepreneurship Forum	SVTIC/SVIEF	0
1803079	2,655.00	(780.00)	1,875.00	3/2/2018	3/2/2018	Alliance of Chief Executives	Alliance of Chief Executives	0
1709067	1,580.00	320.00	1,900.00	9/17/2017	9/17/2017	Hyatt Hotel	Hyatt Regency of Santa Clara	0
1711075	1,580.00	320.00	1,900.00	11/9/2017	11/9/2017	Hyatt Hotel	Hyatt Regency of Santa Clara	0
1712007	1,580.00	320.00	1,900.00	12/9/2017	12/9/2017	Hyatt Hotel/Conference Direct	Hyatt Regency of Santa Clara	0
1706089	1,960.00	0.00	1,960.00	10/7/2017	10/7/2017	Penney Enterprise	Penney Enterprise	0
1707050	1,960.00	0.00	1,960.00	10/17/2017	10/17/2017	Targeted Job Fairs	Targeted Job Fairs	0
1803099	1,960.00	0.00	1,960.00	3/10/2018	3/10/2018	Penney Enterprises	Penney Enterprise	0
1803066	1,960.00	0.00	1,960.00	3/31/2018	3/31/2018	Jehovah's Witnesses, North Santa Clara	Jehovah's Witnesses, North Santa Clara	0
1804065	1,960.00	0.00	1,960.00	4/11/2018	4/11/2018	Targeted Job Fairs	Targeted Job Fairs	0
1711064	1,580.00	410.00	1,990.00	11/10/2017	11/10/2017	Hyatt Hotel/BACC	Hyatt Regency of Santa Clara	0
1711050	1,580.00	410.00	1,990.00	11/11/2017	11/11/2017	Hyatt Hotel/BACC	Hyatt Regency Santa Clara	0
1712008	1,580.00	410.00	1,990.00	12/15/2017	12/15/2017	Hyatt Hotel/Conference Direct	Hyatt Regency of Santa Clara	0
1712074	1,580.00	410.00	1,990.00	12/29/2017	12/29/2017	Hyatt Hotel	Hyatt Regency of Santa Clara	0
1802044	4,000.00	(2,000.00)	2,000.00	2/9/2018	2/9/2018	VerveCon 2018 Tech Conference	VerveCon	0
1803109	2,100.00	0.00	2,100.00	3/31/2018	3/31/2018	English Mt. View Congregation of Jehovah's Witness	English Mt. View Congregation of Jehovah's Witness	0
1711071	2,960.00	(780.00)	2,180.00	11/6/2017	11/6/2017	Bratton & Co., Inc.	Bratton & Co., Inc.	0
1803092	2,290.00	0.00	2,290.00	3/29/2018	3/29/2018	49ers Gold Rush Auditions	e2k	0
1803071	2,320.00	0.00	2,320.00	3/25/2018	3/25/2018	The Movement	The Movement Dance Competition	0
1710085	2,740.00	(390.00)	2,350.00	10/6/2017	10/6/2017	Alliance of Chief Executives	Alliance of Chief Executives	0
1709062	2,415.00	0.00	2,415.00	9/9/2017	9/9/2017	Legion of Mary	Legion of Mary San Francisco Senatus	0
1803037	1,760.00	880.00	2,640.00	3/9/2018	3/9/2018	Palmer College	Palmer College of Chiropractic	0
1803113	2,845.00	0.00	2,845.00	3/30/2018	3/30/2018	Silicon Valley Innovation & Entrepreneurship Forum	SVTIC/SVIEF	0
1803054	5,900.00	(2,950.00)	2,950.00	3/23/2018	3/23/2018	Housing Trust Silicon Valley	Housing Trust of Silicon Valley	0
1711067	6,600.00	(3,300.00)	3,300.00	11/9/2017	11/9/2017	PACT	PACT	0
1709122	3,300.00	0.00	3,300.00	9/17/2017	9/17/2017	SAM International Inc.	YogaFun Day	0
1709086	3,330.00	0.00	3,330.00	9/6/2017	9/6/2017	BNI	BNI Bay Area	0
1803119	3,330.00	0.00	3,330.00	3/5/2018	3/5/2018	BNI	BNI Bay Area	0
1712013	2,540.00	880.00	3,420.00	12/7/2017	12/7/2017	Palmer College	Palmer College of Chiropractic	0
1710108	4,300.00	(700.00)	3,600.00	10/31/2017	10/31/2017	CapRate Events, LLC.	CapRate Events, LLC	0
1707071	3,975.00	0.00	3,975.00	7/23/2017	7/23/2017	Tencent Tech Day	Global Career Path	0
1711045	12,000.00	(8,000.00)	4,000.00	12/9/2017	12/9/2017	CAIR	CAIR	0
1710050	8,000.00	(4,000.00)	4,000.00	10/12/2017	10/12/2017	Silicon Valley Community Foundation	Silicon Valley Community Foundation	0

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Conact Person	# of Days
1711051	8,000.00	(4,000.00)	4,000.00	11/16/2017	11/16/2017	Association of Fundraising Professionals	Association of Fundraising Professionals	0
1804099	8,000.00	(4,000.00)	4,000.00	4/8/2018	4/8/2018	LeapMind Inc.	LeapMind Inc.	0
1707072	4,000.00	0.00	4,000.00	7/19/2017	7/19/2017	Signature Equipovision	Signature Equipovision, LLC.	0
1707070	4,000.00	0.00	4,000.00	7/23/2017	7/23/2017	Signature Equipovision	Signature Equipovision	0
1707075	4,000.00	0.00	4,000.00	7/30/2017	7/30/2017	Northern California Bodhi Dharma Society	Northern California Bodhi Dharma Society	0
1708060	4,000.00	0.00	4,000.00	8/5/2017	8/5/2017	Bartlett Network of Champions	Bartlett Network of Champions	0
1708081	4,000.00	0.00	4,000.00	8/16/2017	8/16/2017	Signature Equipovision	Signature Equipovision, LLC.	0
1708080	4,000.00	0.00	4,000.00	8/20/2017	8/20/2017	Signature Equipovision	Signature Equipovision	0
1710042	4,000.00	0.00	4,000.00	8/20/2017	8/20/2017	Mystique Events	The WLEA	0
1709117	4,000.00	0.00	4,000.00	9/6/2017	9/6/2017	Signature Equipovision	Signature Equipovision, LLC.	0
1709055	4,000.00	0.00	4,000.00	9/9/2017	9/9/2017	Julia Hsiao Insurance & Financial Services	Julia Hsiao Insurance & Financial Services	0
1709052	4,000.00	0.00	4,000.00	9/16/2017	9/16/2017	World Wide Dream Builders	World Wide Dream Builders	0
1710122	4,000.00	0.00	4,000.00	10/15/2017	10/15/2017	2017 "Chuangxiang China" Entrepreneur Summit	Button Tech Inc.	0
1711059	4,000.00	0.00	4,000.00	11/4/2017	11/4/2017	Bartlett Network of Champions	Bartlett Network of Champions	0
1711055	4,000.00	0.00	4,000.00	11/18/2017	11/18/2017	Wold Wide Dream Builders	World Wide Dream Builders	0
1705088	4,000.00	0.00	4,000.00	11/19/2017	11/19/2017	Britt Worldwide	Britt Worldwide	0
1711103	4,000.00	0.00	4,000.00	11/19/2017	11/19/2017	Signature Equipovision	Signature Equipovision	0
1801054	4,000.00	0.00	4,000.00	1/21/2018	1/21/2018	Signature Equipovision	Signature Equipovision	0
1801051	4,000.00	0.00	4,000.00	1/27/2018	1/27/2018	Bartlett Network of Champions	Bartlett Network of Champions	0
1801033	4,000.00	0.00	4,000.00	2/3/2018	2/3/2018	NNL West	National Nameless Luminaries West	0
1805017	4,000.00	0.00	4,000.00	2/3/2018	2/3/2018	Britt Worldwide	Britt Worldwide	0
1802064	4,000.00	0.00	4,000.00	2/19/2018	2/19/2018	World Wide Dream Builders	World Wide Dream Builders	0
1803052	4,000.00	0.00	4,000.00	3/3/2018	3/3/2018	World Wide Dream Builders	World Wide Dream Builders	0
1803135	4,000.00	0.00	4,000.00	3/11/2018	3/11/2018	Signature Equipovision	Signature Equipovision	0
1804101	4,000.00	0.00	4,000.00	4/8/2018	4/8/2018	Signature Equipovision	Signature Equipovision	0
1804080	4,000.00	0.00	4,000.00	4/17/2018	4/17/2018	Oshman Family Jewish Community Center	Oshman Family Jewish Community Center	0
1804110	4,000.00	0.00	4,000.00	4/18/2018	4/18/2018	RESPONSE (Kevin O'Leary Real Estate Conference)	RESPONSE	0
1804120	4,000.00	0.00	4,000.00	4/28/2018	4/28/2018	Britt Worldwide	Britt Worldwide	0
1711093	6,290.00	(2,000.00)	4,290.00	12/14/2017	12/14/2017	Silvaco	Silvaco, Inc.	0
1803036	8,390.00	(4,000.00)	4,390.00	3/29/2018	3/29/2018	YMCA	YMCA/Project Cornerstone	0
1709061	4,420.00	380.00	4,800.00	9/23/2017	9/23/2017	Futton, Inc.	Futton, Inc.	0
1709056	5,000.00	0.00	5,000.00	9/9/2017	9/9/2017	Primerica Life Insurance Company	Primerica Life Insurance Company	0
1710044	10,025.00	(5,000.00)	5,025.00	10/28/2017	10/28/2017	CASPA	CASPA	0
1709071	9,060.00	(4,000.00)	5,060.00	9/22/2017	9/22/2017	County of Santa Clara	County of Santa Clara	0
1709041	9,295.00	(4,000.00)	5,295.00	9/11/2017	9/11/2017	UC Santa Cruz	UCSC	0
1710054	5,650.00	0.00	5,650.00	10/5/2017	10/5/2017	SecureWorld Expo	SecureWorld Expo	0
1712030	8,000.00	(1,680.00)	6,320.00	10/5/2017	10/5/2017	HYSTA	HYSTA	0

Event Id	Rental Amount	Adjustments	Net Amount	In Date	Out Date	Event Name	Conact Person	# of Days
1709105	8,000.00	0.00	8,000.00	10/13/2017	10/13/2017	A2Z Development Center Inc.	A2Z Development Center, Inc.	0
1709107	8,000.00	0.00	8,000.00	11/19/2017	11/19/2017	Javanika Entertainments	Javanika Entertainments	0
1712009	8,000.00	0.00	8,000.00	12/8/2017	12/8/2017	Fresh Lifelines for Youth	Fresh Lifelines for Youth	0
1704089	8,000.00	0.00	8,000.00	12/17/2017	12/17/2017	Bay Area Telugu Association	Bay Area Telegu Association	0
1803034	8,000.00	0.00	8,000.00	3/3/2018	3/3/2018	Bay Area Christian Church	Bay Area Christian Church	0
1804041	8,000.00	0.00	8,000.00	4/3/2018	4/3/2018	UC Merced Admitted Students Reception	University of California Merced	0
1702081	9,960.00	0.00	9,960.00	8/12/2017	8/12/2017	Elite Educational Institute of Cupertino	Elite Education Institute	0
1710070	9,960.00	0.00	9,960.00	10/8/2017	10/8/2017	NACAC 2017 STEM College & Career Fair	National Association for College Admission Counsel	0
1711061	12,000.00	0.00	12,000.00	11/18/2017	11/18/2017	Aloha Spirit Productions Varsity Brands LLC	Aloha Spirit Productions Varsity Brands LLC	0
1712056	15,945.00	0.00	15,945.00	12/10/2017	12/10/2017	Bay Area Christian Church	Bay Area Christian Church	0
1709032	16,000.00	0.00	16,000.00	9/23/2017	9/23/2017	Sankara Eye Foundation	Sankara Eye Foundation, USA	0
1709033	16,000.00	0.00	16,000.00	9/30/2017	9/30/2017	Sankara Eye Foundation	Sankara Eye Foundation, USA	0
1710083	16,000.00	0.00	16,000.00	10/6/2017	10/6/2017	Rasika Society for Arts of India	Rasika Society for Arts of India	0
1710041	16,000.00	0.00	16,000.00	10/7/2017	10/7/2017	Sankara Eye Foundation	Sankara Eye Foundation, USA	0

Full Facility Discounts

FY 2011-2012

Event Name	Contract Group
25th Anniversary Sister City Event	City of Santa Clara
49ers Pasta Bowl	49ers Foundation
American Contract Bridge League	American Contract Bridge League
Applied Materials	Applied Materials
Asian American Women's Alliance	Asian American Women's Alliance
Bill Wilson Center	Bill Wilson Center
Boy Scouts of America	Boy Scouts of America
Boy Scouts of America Community Leadership Bkfst	Boy Scouts of America
Boy Scouts of America Distinguished Citizen Dinner	Boy Scouts of America
California Forward	California Forward
Cal-Nev-Ha Key Club Convention	Cal-Nev-Ha District of Kiwanis International
CARITS INC.	Carits Inc.
ChuTian Group Inc.	ChuTian Group Inc.
Cisco Security Sales Event	Cisco
Cisco Systems	Cisco Systems
Cisco Systems	Cisco Systems
City of Santa Clara SCFD Testing	City of Santa Clara
City of Santa Clara Sevice Pin Luncheon	City of Santa Clara
City of Santa Clara Silicon Valley Power	City of Santa Clara/Silicon Valley Power
City of Santa Clara/Silicon Valley Power	City of Santa Clara
Ericsson	Ericsson
Fabian Castaneda Graduation	Santa Clara Convention and Visitors Bureau
GSA	GSA
HCCA	HCCA
Hyatt/Most Worshipful	Hyatt Santa Clara
Intel	Intel Corporation
Intel	Intel Corporation
Jack Morton Worldwide	Jack Morton Worldwide
Jimson Tharayil and Michelle Johnson Wedding	Jimson Tharayil
Kaiser Permanente Santa Clara	Kaiser Permanente Santa Clara
Light-Based Technologies Incorporated	Light-Based Technologies Incorporated
manex Consulting	Manex
Maxim Holiday Party	Maxim Integrated Products
MCCF Dinner	Mission City Community Fund
MedImmune Holiday Party	MedImmune, LLC
NEF	NEF
Network World DEMO Fall Conference	IDG Enterprise
Opus Solution/Cisco	Opus Solution
Percona 2012 Users Conference	Percona
PMI Silicon Valley	PMI-Silicon Valley Chapter
Presentation High School	Presentation High School
Pyramid Awards Dinner	Santa Clara Chamber of Commerce

Reeder/Sleeter Wedding	
RightScale	RightScale, Inc.
San Francisco 49ers Draft Day Party	San Francisco 49ers
Sandisk	Any Event
Santa Clara Chamber PAC	Santa Clara Chamber PAC
Santa Clara University	Santa Clara University Leavey School of Business
SC Valley Medical Center-TCNM	Santa Clara Valley Medical Center - TCNM
Silicon Valley Business Journal	Silicon Valley / San Jose Business Journal
Silicon Valley Leadership Group	Silicon Valley Leadership Group
Silicon Valley Leadership Group	Silicon Valley Leadership Group
SJ Business Journal	Silicon Valley / San Jose Business Journal
Super Micro Holiday Party	Super Micro Computer, Inc.
Synopsys SNUG Conference	Synopsys
Tarigagay Organization	Tarigagay Organization
Tax Executive Institute, SC Chapter	Tax Executives Institute, Inc.
Tech Awards	The Tech Museum of Innovation
Tran Wedding	
Vasquez Wedding	
Viet Hope	Viet Hope
Vietnamese Navy Reunion	
Vietnamese Physician Association N. CA	Vietnamese Physician Association N. CA
X Media Research, Inc.	X Media Research, Inc.

2012-2013

Event Name	Contract Group
Greg Holst Wedding	
2012 Cal-Nev-Ha District Convention	Cal-Nev-Ha District of Kiwanis International
American Contract Bridge	American Contract Bridge League
American Red Cross Heroes Breakfast	American Red Cross Silicon Valley Chapter
Apple, Inc.	Apple, Inc.
Apple, Inc.	Apple, Inc.
Applied Materials	Applied Materials
Arxan	Arxan
ASIS Law Enforcement	ASIS Law Enforcement
ASML Holiday Party	ASML US, Inc
Aspiring Leaders- Speed Coaching	City of Santa Clara
Astreya Partners	Astreya Partners
Bill Wilson Center	Bill Wilson Center
Boy Scouts of America	Boy Scouts of America
Cadence Design Systems	Cadence Design Systems, Inc.
CapRate Events, LLC	CapRate Events, LLC
Chamber Outlook 2013	Santa Clara Chamber of Commerce
Chutian Group Inc	ChuTian Group Inc.
Cisco Systems/ SAE	Cisco Systems
City of Santa Clara	City of Santa Clara
City of Santa Clara Council Goal Setting	City of Santa Clara
City of Santa Clara Council Goal Setting	City of Santa Clara
City of Santa Clara Silicon Valley Power	City of Santa Clara
City of Santa Clara Silicon Valley Power	City of Santa Clara
Cupertino Coop Nursery School Appreciation	Cupertino Coop Nursery School
Family Giving Tree	Family Giving Tree
Filice Insurance	Filice Insurance
Fisher Investments	Fisher Investments
Future Business Leaders of America	Future Business Leaders of America
Gomes-Skiver Wedding	
GSA	GSA
H&L Productions	H&L Productions
Hanwha- Solar One	
Henderson Party	HCCA
HGST	HGST
HP Meeting	Hewlett Packard
Hyatt Hotel	Hyatt Hotel
Hyatt Hotel/Awards Banquet	Hyatt Santa Clara
Hyatt Hotel/Cisco Securith Sales Meeting	Hyatt Santa Clara
Hyatt Hotel/Employee Banquet	Hyatt Santa Clara
Hyatt/Cisco Security Meeting	Hyatt Santa Clara

IDG Demo	IDG Enterprise
Infinera Corporation	Infinera Corp.
ITBHU	IITBHU Global Alumni Association
JR Sivila Fundraiser	
KLA-Tencor Holiday Event	KLA/Tencor
Lockheed Martin	Lockheed Martin
Lockheed Martin	Lockheed Martin
LumaSense Technologies	LumaSense Technologies
Maxim Holiday Party	Maxim Integrated Products
Mission City Community Fund	City of Santa Clara
N. California Vietnamese Pharmacist Association	
NCCNA	Northern California Region of Narcotics Anonymous
Net Optics	Net Optics
Our Lady of Lebanon Maronite Catholic Church	Our Lady of Lebanon Maronite Catholic Church
Outgoing City Council Dinner	City of Santa Clara
Pyramid Awards Dinner	Santa Clara Chamber of Commerce
San Francisco 49ers	49ers Foundation
SEIU Planning Meeting	SEIU Healthcare Workers West
Service Award Luncheon	City of Santa Clara
Silicon Valley Leadership Group	Silicon Valley Leadership Group
Silicon Valley Leadership Group	Silicon Valley Leadership Group
Silicon Valley Leadership Group	Silicon Valley Leadership Group
Sison Wedding	
South Asian Heart Center	South Asian Heart Center
Stop Hunger Now	Stop Hunger Now
Super Micro	Super Micro Computer, Inc.
Synopsys	Synopsys
Tax Executive Institute SC Chapter	Tax Executives Institute, Inc.
The Tech Awards 12th Annual Gala	The Tech Museum of Innovation
University of California, Berkeley	University of California, Berkeley
Viet Hope	Viet Hope
Vietnamese Physicians Association	Vietnamese Physician Association N. CA
Volunteer Leaders Conference	California Chamber of Commerce
YWCA	YWCA of Silicon Valley

2013-2014

Event Name	Contract Person
CWEA Pre Conference Meetinng	California Water Environment Association
Kumar Wedding	
Aerohive Networks	Aerohive Networks
Alyssa's Birthday Party	Santa Clara Convention Center
Amazon Lab 126	Amazon
American Contract Bridge League	American Contract Bridge League
ASML HOLIDAY PARTY	ASML US, Inc
Bibak of Northern California	BiBak of Northern California
Bill Wilson Center	Bill Wilson Center
CA Great America Holiday Party	California Great America
CCNS Spring Dinner Party	Cupertino Coop Nursery School
Chinese American Information Storage Society	CAISS
Chutian Group	ChuTian Group Inc.
Cisco Systems	Cisco Systems
Cisco Systems	Cisco Systems
Cities Association of Santa Clara	Cities Association of Santa Clara
City Council Strategic Planning Meeting	
City of Santa Clara	City of Santa Clara
City of Santa Clara	City of Santa Clara
City of Santa Clara Employee Service Luncheon	City of Santa Clara
City of Santa Clara Executive Management Team	City of Santa Clara
City of SC Strategic Planning Session	
Ebay, Inc.	Ebay, Inc.
Ebay, Inc.	Ebay, Inc.
Ericsson Hoilday Party	Ericsson
Filice Insurance	Filice Insurance
Flextronics	Flextronics
Forty Niners Stadium Management Company LLC	San Francisco 49ers
FutureWei	Futurewei Technologies, Inc.
GSA	GSA
Hispanic Foundation of Silicon Valley	Hispanic Foundation of Silicon Valley
HWE Holiday Party	Apple, Inc.
Hyatt Awards Banquet	Hyatt Hotel
Jeffey and Brijith Wedding Recpetion	
Judy Boccignone	
Kamet Holiday Party	Kamet
KLA TENCOR	KLA-Tencor
Maxim Holiday Party	
MCCF Dinner	Mission City Community Fund
Mission College MC2IT Security Conference 2014	Mission College
Monica & Paul 's Wedding Reception	

Noel's 60th Birthday	ARAMARK
Palo Alto Networks	Palo Alto Networks
Percona/Live My SQL Conference & Expo/ PSS Summit	Percona LLC
Pyramid Awards Dinner	Santa Clara Chamber of Commerce
Ruckus	Ruckus
San Jose State- Pi Sigma Alpha	SJSU Department of Political Science
SCC Association of REALTORS	SCC Association of REALTORS
SF 49er Pasta Bowl	49ers Foundation
Silicon Valley Leadership Group	Silicon Valley Leadership Group
The Family Giving Tree	The Family Giving Tree
Unigen Corporation	
US-China Association of High-Level Profession	UCAHLP
Viet Hope Inc.	Viet Hope Inc
Vietnamese Physicians Association	
YWCA	YWCA of Silicon Valley

FY 2014-2015

Event Name	Group Person
Asian Americans for Community Involvement	AACI
Akamai Holiday Party	Akamai Technologies
Alex Saim	
American Contract Bridge League	American Contract Bridge League
ASE Group	ASE Group
Bill Wilson	Bill Wilson Center
Burke Industries Holiday Event	Burke Industries
Chinese American Information Storage Society	CAISS
Chutian	ChuTian Group Inc.
City of Santa Clara	City of Santa Clara
City of Santa Clara	City of Santa Clara
City of Santa Clara	City of Santa Clara
City of Santa Clara	City of Santa Clara
Ethernet Alliance	Ethernet Alliance
Filice Insurance	Filice Insurance
George & Stephanie Lee Wedding	
GSA	GSA
Health 2.0Con	Health 2.0
Housing Trust Silicon Valley	Housing Trust Silicon Valley
Hyatt Hotel/ Awards Banquet	Hyatt Hotel
International Swimming Hall of Fame	International Swimming Hall of Fame
KLA Tencor	KLA-Tencor
Maxim Holiday Party	
Penney Enterprise	Penney Enterprise
Pivotal	Pivotal
San Jose Art & Cultural Society	Nima Entertainment Inc.
Santa Clara County Chiropractic Distric	
Santa Clara Valley Water District	Santa Clara Valley Water District
Santa Clara Valley Water District	Santa Clara Valley Water District
SCC Association of REALTORS	SCC Association of REALTORS
SCCAOR Holiday Event	SCC Association of REALTORS
SF.Bay Area Super Bowl 50 Host Committee	San Francisco Bay Area Super Bowl 50 Host Committe
Shutterfly	Shutterfly
Shutterfly	Shutterfly
Silicon Valley Community Foundation	
Silicon Valley Leadership Group	Silicon Valley Leadership Group
South Asian Heart Center	South Asian Heart Center
Stichting imec Nederland	Stichting imec Nederland
SVLG	Silicon Valley Leadership Group
Synopsys	Synopsys
Talati Wedding	

YWCA of Silicon Valley

FY 2015-2016

Event Name	Contract Group
AACI	AACI
Akamai Technolgies, Inc.	Akamai Technolgies, Inc
Alfie Dreifuss	Alfie Dreifuss Productions
American Contract Bridge League	American Contract Bridge League
Bill Wilson Center	Bill Wilson Center
Castilleja School	Castilleja School
Chugh CPAs, LLP	Chugh CPAs, LLP
City of Santa Clara	City of Santa Clara
City of SC Retreat	City of Santa Clara
CTUAA Dinner Banquet	Chiao Tung University Alumni in No. California, US
GSA	GSA
Health 2.0Con	
Human Development Foundation	Human Development Foundation
Hyatt Hotel/Awards Dinner	Hyatt Hotel
IEEE	IEEE
IIT Roorkee Alumni Association	IIT Roorkee Alumni Association
INFOSYS	Infosys
Integrated Device Technology, Inc.	Integrated Device Technology, Inc.
Linux Fndt Cloud Foundry Summit	the Linux Foundation
Magnar Corp	Magnar Corp
Maxim	Maxim Integrated Products
Misco Water	Misco Water
MobileForce Software	MobileForce Software
Neo Technology, Inc.	Neo Technology, Inc.
NFL - Accreditation	National Football League
NFL On Location	National Football League
Nor Cal Academy	Nor Cal Academy of Performing Arts
Optomec	Optomec
O'Reilly Velocity	O'Reilly Media, Inc.
Pivotal	Pivitol Software Inc
Sami's B-Day	Santa Clara Convention Center
San Francisco Super Bowl Committee	San Francisco Super Bowl Committe, Inc.
Santa Clara Vanguard	Santa Clara Vanguard
Santa Clara Vanguard Booster Club	Santa Clara Vanguard
Shutterfly	Shutterfly
Silicon Valley Community Foundation	Silicon Valley Community Foundation
South Asian Heart Center/Scarlet Nights	South Asian Heart Center
Stanford University	Stanford University
The Law Foundation	The Law Foundation of Silicon Valley
Vitality Chiropractic	Vitality Chiropractic

FY 2016-2017

Event Name	Contract Group
2016 NCUAA Annual Conference	NCUAA
AACI	AACI
Admin Awards	Silicon Valley Admin Awards
American Contract Bridge League	American Contract Bridge League
Applied Materials	Applied Materials
ASI Computer Tech	ASI Computer Technology
ASML Holiday Party	ASML US, Inc
AT&S Americas, LLC.	AT&S Americas, LLC.
Bellarmine High School	Bellarmine College Preparatory
CA for Behavior Analysis	California Association for Behavior Analysis (CalA
Castilleja School	Castilleja School
Chinese American Information Storage Society	Chinese American Information Storage Society
Cisco GESW FY17 Fast Start Kick Off	Cisco Systems
City of Santa Clara	City of Santa Clara
City of Santa Clara SCFD Testing	City of Santa Clara
City Santa Clara/Sister City	City of Santa Clara
CSHE 9th Annual Northern CA Regional Seminar	CA Society for Healthcare Engineering
Cupertino Electric Inc., Holiday Party	Cupertino Electric, Inc.
Ethernet Alliance	Ethernet Alliance
Excel MSO, LLC	Excel MSO, LLC
F5 Networks	F5 Networks
Gomes Baby Shower	
Greene Scholars Science Fair Gala	Greene Scholars Program
GSA	GSA
Hyatt Hotel Employee Party	Hyatt Regency of Santa Clara
IITBHU Global Alumni Association	IITBHU Global Alumni Association
IVY CA Muni High Income	Waddell & Reed
League of California Cities	League of California Cities
Maxim	Maxim Integrated Products
Microsemi Storage Solutions, Inc.	Microsemi Storage Solutions, Inc.
Move, Inc.	Move, Inc.
MX	MX
Neo Technology	Neo Technology
Omnivision Technologies Christmas Party	Omnivision Technologies
Open Silicon Valley	Open Silicon Valley
Palo Alto Networks Holiday Party	Palo Alto Networks
Parikh Wedding	Amit Parikh
Prometheus Entertainment	Prometheus Entertainment
ProofPoint	Proofpoint
SC Chamber of Commerce & CVB	Santa Clara Chamber of Commerce
SC County Office of the District Attorney	Santa Clara County Behavioral Health Dept.

SonarSource	SonarSource SA
The Law Foundation	The Law Foundation of Silicon Valley
US-China Advancement Council	US-China Advancement Council
US-China Advancement Council	US-China Advancement Council
Vietnamese Navy Reunion	Vietnamese Navy Reunion

FY 2017-2018 (thru April)

Event Name	Contract Group
A2Z Development Center, Inc.	A2Z Development Center, Inc. dba Lab 126
Admin Awards	Admin Awards
American Contract Bridge League	American Contract Bridge League
ASE Group	ASE Group
Build IT/BPO solutions at lower cost	Open Silicon Valley
China Mobile Luncheon - ICT Service Launching	China Mobile International (USA) Inc.
Cisco Systems	Cisco Systems
Complete Genomics Holiday Party	Complete Genomics, Inc.
E*Trade	E*Trade
Espitia Retirement Party	Marlene Espitia
Global Soft India	Conference Venue (A Unit of Viva Holidays)
GSA	GSA
Health 2.0Con	Health 2.0
JAACUC Gala Dinner	JAACUC
KLA Tencor Holiday Party	KLA-Tencor
Lockheed Martin	Lockheed Martin
Lumentum Holiday Party	Lumentum
Marvell IT Summit	Marvell Semiconductor Inc.
Maxim Integrated Products	Maxim Integrated Products
Mission City Community Fund	The Plaza Suites
No. Ca Vietnamese Pharmacist Association	
Optomec	Optomec
OSV/Driving Innovations in Self Driving Cars	Open Silicon Valley
Singh Wedding	
Sports & Entertainment Travel	Sports & Entertainment Travel/Purdue Alum & Athlet
Stanford Health Care Leadership Summit 2018	Stanford Health Care
Tang And Gau Global Foundation/When Ed Meets Tech	Tang And Gau Global Foundation
TATA Santa Clara Town Hall	TATA America International Corporation
US-China Advancement Council	US-China Advancement Council
VNG Corporation	VNG Corporation

Convention Center Commissions

Month	Year	Revenue Total	Aramark Commision	SCCC Commission	Incentive Pay	Sales Person
December	2014	$ 157,480.00	$ -	$ 11,811.00	$ -	Danielle Dennison
November	2014	$ 90,585.00	$ 1,157.55	$ 6,035.63	$ -	Danielle Dennison
October	2014	$ 159,716.00	$ 2,690.73	$ 11,195.33	$ -	Danielle Dennison
September	2014	$ 162,425.00	$ 378.00	$ 12,181.88	$ -	Danielle Dennison
August	2014	$ 78,155.00	$ 2,810.54	$ 4,248.38	$ -	Danielle Dennison
July	2014	$ 61,640.00	$ 740.25	$ 4,293.00	$ -	Danielle Dennison
June	2015	$ 152,165.00	$ 587.18	$ 11,155.88	$ -	Danielle Dennison
May	2015	$ 128,095.00	$ 714.31	$ 9,081.00	$ -	Danielle Dennison
April	2015	$ 75,775.00	$ -	$ 5,683.13	$ -	Danielle Dennison
March	2015	$ 117,475.00	$ 7,335.31	$ 6,176.63	$ -	Danielle Dennison
February	2015	$ 146,553.00	$ 6,346.83	$ 6,914.63	$ -	Danielle Dennison
January	2015	$ 109,295.00	$ 3,860.70	$ 7,348.13	$ -	Danielle Dennison
December	2015	$ 81,998.00	$ 1,184.21	$ 5,761.35	$ -	Danielle Dennison
November	2015	$ 113,655.00	$ 820.48	$ 8,079.38	$ -	Danielle Dennison
October	2015	$ 196,225.00	$ 3,655.74	$ 12,621.00	$ -	Danielle Dennison
September	2015	$ 253,850.00	$ 7,751.46	$ 14,251.88	$ -	Danielle Dennison
August	2015	$ 96,045.00	$ 234.72	$ 7,078.88	$ -	Danielle Dennison
July	2015	$ 48,635.00	$ 1,153.45	$ 3,181.13	$ -	Danielle Dennison
June	2016	$ 72,805.00	$ 3,034.45	$ 3,970.88	$ -	Danielle Dennison
May	2016	$ 122,595.00	$ 710.87	$ 8,870.63	$ -	Danielle Dennison
April	2016	$ 137,695.00	$ 374.70	$ 10,208.63	$ -	Danielle Dennison
March	2016	$ 104,084.00	$ 1,185.66	$ 6,911.93	$ -	Danielle Dennison
February	2016	$ 91,225.00	$ -	$ 6,841.88	$ -	Danielle Dennison
January	2016	$ 80,360.00	$ 8,916.65	$ 2,308.50	$ -	Danielle Dennison
December	2016	$ 46,375.00	$ 567.07	$ 3,178.13	$ -	Danielle Dennison
November	2016	$ 117,140.88	$ -	$ 8,785.57	$ -	Danielle Dennison
October	2016	$ 280,345.00	$ 1,067.80	$ 20,987.63	$ -	Danielle Dennison
September	2016	$ 212,890.00	$ 298.32	$ 15,908.25	$ -	Danielle Dennison
August	2016	$ 34,595.00	$ 853.32	$ 1,994.63	$ -	Danielle Dennison
July	2016	$ 115,635.00	$ 1,347.81	$ 8,072.63	$ -	Danielle Dennison
June	2017	$ 68,545.00	$ -	$ 5,140.88	$ -	Danielle Dennison
May	2017	$ 93,360.00	$ 1,197.45	$ 6,495.00	$ -	Danielle Dennison
April	2017	$ 138,900.00	$ 1,366.08	$ 9,619.50	$ -	Danielle Dennison
March	2017	$ 246,790.00	$ -	$ 18,509.25	$ -	Danielle Dennison
February	2017	$ 176,240.00	$ -	$ 13,218.00	$ -	Danielle Dennison
January	2017	$ 82,505.00	$ 2,715.67	$ 5,268.00	$ -	Danielle Dennison
Q4	2016	$ -	$ -	$ -	$ 3,600.00	Anna Cooper
Q4	2016	$ -	$ -	$ -	$ 3,200.00	Cary
Q4	2016	$ -	$ -	$ -	$ 250.00	Priscilla
Q4	2016	$ -	$ -	$ -	$ 200.00	Sharon Covey
Q2	2015	$ -	$ -	$ -	$ -	
Q3	2016	$ -	$ -	$ -	$ 3,450.00	Anna Cooper
Q3	2016	$ -	$ -	$ -	$ 2,250.00	Priscilla
Q1	2016	$ -	$ -	$ -	$ 2,750.00	Anna Cooper
Q1	2016	$ -	$ -	$ -	$ 1,850.00	Cary
Q1	2016	$ -	$ -	$ -	$ 900.00	Sharon Covey
Q2	2016	$ -	$ -	$ -	$ 2,000.00	Anna Cooper
Q2	2016	$ -	$ -	$ -	$ 950.00	Sharon Covey
Q3	2017	$ -	$ -	$ -	$ 2,450.00	Anna Cooper
Q3	2017	$ -	$ -	$ -	$ 3,950.00	Sharon Covey
Q4	2017	$ -	$ -	$ -	$ 700.00	Monica
Q4	2017	$ -	$ -	$ -	$ 750.00	Anna Cooper
Q4	2017	$ -	$ -	$ -	$ 750.00	Cary
Q4	2017	$ -	$ -	$ -	$ 2,200.00	Sharon Covey
Q1	2017	$ -	$ -	$ -	$ 3,550.00	Anna Cooper
Q1	2017	$ -	$ -	$ -	$ 700.00	Christina
Q1	2017	$ -	$ -	$ -	$ 1,100.00	Sharon Covey
Q2	2017	$ -	$ -	$ -	$ 2,250.00	Anna Cooper
Q2	2017	$ -	$ -	$ -	$ 1,700.00	Rachelle
Q2	2017	$ -	$ -	$ -	$ 3,400.00	Sharon Covey

CVB Incentive Pay

Quarter	Fiscal Year	Incentive Total	Sales Person
Q4	15-16	3,600	Anna Cooper
Q4	15-16	3,200	Cary
Q4	15-16	250	Priscilla
Q4	15-16	200	Sharon Covey
Q2	15-16	-	
Q3	15-16	3,450	Anna Cooper
Q3	15-16	2,250	Priscilla
Q1	16-17	2,750	Anna Cooper
Q1	16-17	1,850	Cary
Q1	16-17	900	Sharon Covey
Q2	16-17	2,000	Anna Cooper
Q2	16-17	950	Sharon Covey
Q3	16-17	2,450	Anna Cooper
Q3	16-17	3,950	Sharon Covey
Q4	16-17	700	Monica
Q4	16-17	750	Anna Cooper
Q4	16-17	750	Cary
Q4	16-17	2,200	Sharon Covey
Q1	17-18	3,550	Anna Cooper
Q1	17-18	700	Christina
Q1	17-18	1,100	Sharon Covey
Q2	17-18	2,250	Anna Cooper
Q2	17-18	1,700	Rachelle
Q2	17-18	3,400	Sharon Covey

City of Santa Clara
The Center of What's Possible

City Clerk & City Auditor

REPORT

October 29, 2018

HONORABLE MAYOR AND CITY COUNCIL
Santa Clara, CA

RE: Response to City Council Inquiry on the Santa Clara Chamber of Commerce Political Action Committee (SCCCPAC) Campaign Disclosure Filings, 2010 through 2014

To Honorable Mayor and City Council:

The following responds to the City Council's inquiry and direction made at the October 9, 2018 City Council meeting.

PURPOSE

The purpose of this report is to provide the City Clerk and City Auditor's analyses and findings of the SCCCPAC Fair Political Practices Commission (FPPC) Campaign Disclosure Forms from 2010 through 2014. A copy of this report will also be forwarded to the FPPC for its further review and determination of accuracy of jurisdictional filings, as well as potential fines and penalties.

BACKGROUND

At the October 9, 2018 City Council meeting, Vice Mayor Kathy Watanabe requested information about the accuracy of a local media article (*Santa Clara News*, Attachment 1) relative to the SCCCPAC's campaign disclosure filings with the Fair Political Practices Commission (FPPC). Staff was directed to report back whether the media article was correct regarding the absence of the SCCCPAC campaign disclosure filings with the City for the years 2010 through 2014.

The *Santa Clara News* article noted that although the SCCCPAC was an active organization that held political fundraisers and participated in support or opposition of local candidates and measures in the City of Santa Clara, the Office of the City Clerk appeared to not have any SCCCPAC campaign disclosure filings for those specific years. Shortly after the October 9 City Council inquiry, another local media outlet, *Santa Clara Weekly/Silicon Valley Voice*, published an article by Carolyn Schuk, that provided

a response to the previous *Santa Clara News* article and City Council inquiry (Attachment 2).

Staff has reviewed both media articles, along with the SCCCPAC campaign disclosure filings on file with the County of Santa Clara.

DEFINITIONS

The FPPC establishes definitions for both a County General Purpose Committee and a City General Purpose Committee, (FPPC Regulations, Chapter 2, Section 18227.5 (c)(1)(2)). The FPPC also provides regulations regarding the burden of review and verification for which jurisdiction to file the General Purpose Committee disclosure forms (Chapter 2, Section 18227.5 (d)(1)). The FPPC regulation places the burden on the SCCCPAC organization to file with the appropriate agency and to perform due diligence on a frequency established by the FPPC.

The definitions are as follows:

(1) **City General Purpose Committee.** A "city general purpose committee" is a committee that makes more than 70 percent of its contributions or expenditures to support or oppose candidates or measures voted on in only one city, or in one consolidated city and county, including contributions to city general purpose committees in the same city or the same consolidated city and county.

(2) **County General Purpose Committee.** A "county general purpose committee" is a committee that makes more than 70 percent of its contributions or expenditures to support or oppose candidates or measures voted on in only one county, or in more than one jurisdiction within one county, including contributions to county general purpose committees in the same county.

(3) **Review.** A general purpose committee shall verify its filing jurisdiction quarterly at the end of March, June, September and December. An existing general purpose committee that has not made contributions and/or expenditures of $5,000 or more to support or oppose candidates or measures in the preceding quarterly time period is not required to review or change its status.

SCOPE OF REVIEW

The City Auditor reviewed the SCCCPAC campaign disclosure forms that had been filed with the County of Santa Clara for the years beginning 2010 through 2014, analyzing the following questions:

1. Did the SCCCPAC organize properly under Form 410: Statement of Organization of a committee with the County of Santa Clara, or should the SCCCPAC have

organized with the City of Santa Clara based on the percentage of contributions made to local candidates?

2. Has the SCCCPAC been filing campaign disclosure forms appropriately with the County of Santa Clara or should the SCCCPAC have been filing these disclosure forms with the City of Santa Clara?

The City Clerk provided guidance on FPPC timelines, requirements and potential violations. The City Attorney also reviewed this report.

FACTS

The review established the following facts:

1. SCCCPAC provided a copy of their FPPC Statement of Organization Form 410 to the City Clerk designating itself as a County General Purpose Committee Organization in April 2010.
2. On May 4, 2010, former City Clerk, Rod Diridon Jr., provided a letter to the SCCCPAC acknowledging that their local filing officer was the County Registrar of Voters and, appropriately, also noted that "in some instances you may be obligated by the Elections Code to file with the City Clerk's Office in the City of Santa Clara" (Attachment 3).
3. From 2010 to 2014, SCCCPAC, designating itself as a County General Purpose Organization, has been filing campaign disclosure forms with the County of Santa Clara rather than with the City of Santa Clara.
4. Since October 2014 through present, SCCCPAC has filed copies of the various required FPPC campaign disclosure forms and has maintained its designation as a County General Purpose Committee Organization, including:
   - Form 410: Recipient Committee Organization Statement
   - Form 460: Recipient Committee Campaign Statement Expenditure and Contribution Report
   - Form 496: 24-Hour Independent Expenditure Report
   - Form 497: 24-Hour Contribution Report

CITY CLERK AND CITY AUDITOR FINDINGS AND POTENTIAL VIOLATIONS

Based on FPPC Regulations, FPPC definitions for County and City General Purpose Committees, and the above set of facts, each of the SCCCPAC campaign disclosure form filings were analyzed to determine whether contributions or expenditure activity

meet the definition of County General Purpose Committee or City General Purpose Committee.

FINDING 1 –
Year 2010 – SCCCPAC reported $28,224 in expenditures for the year, which consists of $1,224 for fundraising, professional fees, and office supplies. SCCCPAC expended $27,000 in election contributions supporting three City of Santa Clara council candidates. The SCCCPAC's only contribution for the 2010 Election was to support three City of Santa Clara council candidates ($27,000) which represents 100% of SCCCPAC's total contribution to candidates.

Potential Violation 1
The SCCCPAC's only contribution for the 2010 Election was to support three City of Santa Clara council candidates ($27,000) which represents 100% of SCCCPAC's total contribution to candidates. At that time, the SCCPAC's status was a County General Purpose Committee and, based on its contributions, the SCCCPAC should have changed its reporting committee status from a County General Purpose Committee to a City General Purpose Committee with the City of Santa Clara on the Statement of Organization form (Form 410).

A 100% SCCCPAC contribution for candidates in the City of Santa Clara does not qualify as a County General Purpose Committee. The SCCCPAC hit the 70% threshold during the fourth quarter of the reporting period and, upon that, should have amended their filing within the FPPC requirements. The FPPC regulation (see Definitions) states "A general purpose committee shall verify its filing jurisdiction quarterly at the end of March, June, September and December." The SCCCPAC should have amended its Form 410 – Statement of Organization.

FINDING 2 –
Year 2011 – The SCCCPAC reported $5,770 in expenditures for fundraising, professional fees, and office supplies. Additionally, SCCCPAC did not have any election contributions or expenditures in 2011. There is nothing on record of the SCCCPAC amending its designation to a City General Purpose Committee or any filings thereafter with the City of Santa Clara.

Potential Violation 2
The SCCCPAC should have adjusted its General Purpose Committee filing from a County General Purpose Committee to a City General Purpose Committee in 2011 since all of SCCCPAC's 2010 election costs were for local (City of Santa Clara) candidates. There is nothing on record of the SCCCPAC amending its designation to a City General Purpose Committee. Additionally, the SCCCPAC did not file any campaign disclosure forms thereafter with the City of Santa Clara.

FINDING 3(a) –
Year 2012 – SCCCPAC reported $35,264 in expenditures for the year. These expenditures and contributions consist of $15,486 for fundraising, professional fees, and office supplies and $19,778 in election cost supporting three City of Santa Clara council candidates and four other County of Santa Clara candidates. The SCCCPAC contributed 82.3% ($16,278) of its total contribution ($19,778) to support three City of Santa Clara council candidates in 2012. The remaining 17.7% ($3,500) was split between four candidates running for assembly and school board within the County of Santa Clara.

FINDING 3(b) –
The City Auditor has confirmed that the County of Santa Clara does not have a Campaign Disclosure Form on record from the SCCCPAC for the period of time, October 21 through December 31, 2012. It appears that the SCCCPAC did not comply with the FPPC established filing deadlines for this period.

Potential Violation 3(a)
The SCCCPAC contributed 82.3% ($16,278) of its total contribution ($19,778) to support three City of Santa Clara council candidates in 2012. The remaining 17.7% ($3,500) was split between four candidates running for assembly and school board within the County of Santa Clara.

At the time of these expenditures and contributions, the SCCCPAC remained designated as a County General Purpose Committee. SCCCPAC made more than 70% of its contributions or expenditures to support candidates in the City of Santa Clara. Based on its contributions, the SCCCPAC should have changed its reporting committee status from a County General Purpose Committee to a City General Purpose Committee with the City of Santa Clara on the Statement of Organization form (Form 410).

An 82.3% SCCCPAC contribution for candidates in the City of Santa Clara does not qualify as a County General Purpose Committee. The SCCCPAC hit the 70% threshold during the fourth quarter of the reporting period and, upon that, should have amended their filing within the FPPC requirements. The FPPC regulation (see Definitions) states "A general purpose committee shall verify its filing jurisdiction quarterly at the end of March, June, September and December." The SCCCPAC should have amended its Form 410 – Statement of Organization and filed all disclosure forms thereafter with the City of Santa Clara.

Potential Violation 3(b)
Campaign disclosure form filings should be made during an election year according to the timelines established by the PFFC. The SCCPAC filed its first semi-annual

statements and subsequent pre-election statements through October 20, 2012. There is no SCCPAC filing for the period of October 21 through December 2012. The City Auditor and the City Clerk's Office has confirmed that the County of Santa Clara does not have a filing on record from the SCCCPAC for this period of time. It appears that the SCCCPAC did not comply with the FPPC established filing deadlines for this period.

FINDING 4 –
Year 2013 – The SCCCPAC reported $10,360 in expenditures on fundraising and office supplies. Additionally, SCCCPAC did not have any election contributions or expenditures in 2013.

Potential Violation 4
The SCCCPAC should have adjusted its designation from a County General Purpose Committee to a City General Purpose Committee in 2013 since 82.3% of SCCCPAC's 2012 election costs were for local (City of Santa Clara) candidates. There is nothing on record of the SCCCPAC amending its designation to a City General Purpose Committee. Additionally, the SCCCPAC did not file any campaign disclosure forms thereafter with the City of Santa Clara.

FINDING 5 –
Year 2014 – SCCCPAC reported $55,594 in expenditures and contributions for the year. Expenditures and contributions consisted of $30,458 in fundraising, bank fees, and professional services fees. Additionally, SCCCPAC expended $25,136 in election contributions supporting three City of Santa Clara council candidates and three other County of Santa Clara candidates.

Potential Violation 5
The SCCCPAC contributed 93.2% ($23,419) of its total contribution ($25,136) to support three City of Santa Clara council candidates in 2014. The remaining 6.8% ($1,717) was split between three candidates running for assembly and school board within the County of Santa Clara.

At the time of these expenditures and contributions, the SCCCPAC remained designated as a County General Purpose Committee. SCCCPAC made more than 70% of its contributions or expenditures to support candidates in the City of Santa Clara. Based on its contributions, the SCCCPAC should have changed its reporting committee status from a County General Purpose Committee to a City General Purpose Committee with the City of Santa Clara on the Statement of Organization form (Form 410) and also should have filed required campaign disclosure forms thereafter with the City of Santa Clara.

A 93.2% SCCCPAC contribution for candidates in the City of Santa Clara does not qualify as a County General Purpose Committee. The SCCCPAC hit the 70% threshold during the fourth quarter of the reporting period and, upon that, should have amended its campaign disclosure filing within the FPPC requirements. The FPPC regulation (see Definitions) states "A general purpose committee shall verify its filing jurisdiction quarterly at the end of March, June, September and December." There is nothing on record of the SCCCPAC amending its designation to a City General Purpose Committee. Additionally, the SCCCPAC did not file any campaign disclosure forms thereafter with the City of Santa Clara.

SUMMARY FINDINGS

Based on the contribution percentages from 2010 through 2014, the SCCCPAC should have designated itself as a City General Purpose Committee and thereafter should have filed all FPPC campaign disclosure forms with the City of Santa Clara's City Clerk's Office.

Based on the City Auditor's review, SCCCPAC did have more than 70% of its contributions or expenditures to support or oppose candidates or measures voted on in only one city (City of Santa Clara).

Table 1: Summary of SCCCPAC Contribution and Expenditures (by %) – 2010 through 2014

Year	% in County of Santa Clara	% in City of Santa Clara	Comments/Notes
2010	0	100%	
2011	0	0	No election. SCCCPAC reported fundraising expenditures with the County.
2012	17.7%	82.3%	There is no SCCPAC filing for the period of October 21 through December 2012 on file at the County of Santa Clara or City of Santa Clara.
2013	0	0	No election. SCCCPAC reported fundraising expenditures with the County.
2014	6.8%	93.2%	

The above findings show that the SCCCPAC should have designated itself as a City General Purpose Committee. There is no amended Form 410 for the years reviewed, 2010 through 2014. It should be noted that SCCCPAC is still out of compliance with properly designating itself as a City General Purpose Committee. Given the above findings, a separate review is warranted for the years 2015 through 2018 (present).

NEXT STEPS

Upon the above findings and potential violations, the City Clerk's Office contacted the FPPC to seek guidance on how to address the appropriate campaign disclosure filing

status for the SCCCPAC. Upon discussion with a representative from the FPPC, it was requested that the City forward the matter to the Enforcement Unit for review. Based on the City Auditor's findings, and City Clerk's confirmation, the attached filings are being sent to the FPPC for further review and determination.

POTENTIAL FINES AND PENALTIES

The burden of correctly filing all FPPC disclosure forms per PFFC requirements is not placed on the Office of the City Clerk, City Auditor, City of Santa Clara, or County of Santa Clara. Organizations engaged in activities that require the filing of these types of FPPC forms are responsible for making correct determinations about how to file their forms and in accordance with the PFFC requirements. In this case, the Treasurer of SCCCPAC, Mr. David Tobkin, should have completed the FPPC required due diligence to "verify its filing jurisdiction quarterly at the end of March, June, September and December."

The law requires that when it is determined that filings have not been correctly filed, that fines and penalties will be applied. Given these findings, there is a potential for fines and penalties due to the absence of correctly filing these forms for the years 2010 through 2014.

Late Fines: According to Government Code Section California Government Code 91013 (a) and (b)), a late filing penalty of up to $10 per day may be assessed for each day the statement is late. The FPPC or a local filing officer cannot extend a filing deadline. A committee may request a waiver of late fines assessed by the local filing officer or the Secretary of State.

Failure to File: Filing officers must refer committees to the FPPC or another enforcement agency if a committee fails to file a campaign statement. Administrative penalties of up to $5,000 per violation may be assessed. (See Government Code Section 83116.) Committees fined by the FPPC Enforcement Division are listed on the FPPC website.

Issued on October 29, 2018, in the City of Santa Clara, to the Mayor and City Council by the City Clerk and City Auditor:

Nadine Nader
Appointed City Clerk
Elections Official

Linh Lam
City Auditor

Attachments:

1. *Santa Clara News* article, dated October 9, 2018
2. *Santa Clara Weekly/Silicon Valley Voice*, dated October 11, 2018
3. City Clerk's Letter, dated May 4, 2010
4. NOT ATTACHED--FPPC Campaign Disclosure Forms for SCCCPAC on file with the City Clerk's Office

Attachment 1

≡ Menu

OCTOBER 9, 2018

REPORT: Santa Clara Chamber of Commerce PAC Failed to File Campaign Reports with City for Four Years

By Robert Haugh

Tonight, the City Council will take the next step in finding someone to manage the Convention Center. They got rid of the **Santa Clara Chamber of Commerce** after an audit showed mismanagement and malfeasance.

City staff also referred the info from the audit to the **IRS** and **California Fair Political Practices Commission (FPPC)**.

The City may have more stuff to look into.

According to our research, the Chamber failed to file FPPC reports with the City for four years! Yup. From April 2010 to October 2014 there are no reports with the City Clerk. The Chamber may have filed them with other agencies and forgot to file with the City. Oops.

Here's what's publicly available on the City site:

NetFile, Inc.

152858711	Commerce Political Action Committee (PAC)	10/31/2014	496	Original	
152858513	Santa Clara Chamber of Commerce Political Action Committee (PAC)	10/31/2014	FPPC 496	Original	
152858455	Santa Clara Chamber of Commerce Political Action Committee (PAC)	10/31/2014	FPPC 465	Original	
152858702	Santa Clara Chamber of Commerce Political Action Committee (PAC)	10/31/2014	FPPC 465	Original	
152858740	Santa Clara Chamber of Commerce Political Action Committee (PAC)	10/31/2014	FPPC 465	Original	
152858723	Santa Clara Chamber of Commerce Political Action Committee (PAC)	10/30/2014	FPPC 496	Original	
152788270	Santa Clara Chamber of Commerce Political Action Committee (PAC)	10/24/2014	FPPC 465	Original	

152776063	Santa Clara Chamber of Commerce Political Action Committee (PAC)	10/24/2014	FPPC 465	Original	
152776106	Santa Clara Chamber of Commerce Political Action Committee (PAC)	10/24/2014	FPPC 465	Original	
152775312	Santa Clara Chamber of Commerce Political Action Committee (PAC)	10/23/2014	FPPC 460	Original	
152775959	Santa Clara Chamber of Commerce Political Action Committee (PAC)	10/23/2014	FPPC 496	Original	
152775328	Santa Clara Chamber of Commerce Political Action Committee (PAC)	10/23/2014	FPPC 496	Original	
152788539	Santa Clara Chamber of Commerce Political Action Committee (PAC)	10/23/2014	FPPC 496	Original	
10233138	Santa Clara Chamber of Commerce Political Action Committee (PAC)	04/21/2010	FPPC 410	Original	

1 2 Page size: 20

The last time that this type of violation was discovered was 2016. Then, former City Clerk **Rod Diridon, Jr.** fined **BLUPAC** $9,000 for filing their reports late. BLUPAC is the "dark money" group with ties to the **49ers**.

Who's In Charge of the PAC?

Lou Mariani of **Mariani's Inn** is still the head of Chamber's Government Relations Committee, thought we heard he was cutting ties. We heard others have dropped from the PAC, too.

Accountant **Dave Tobkin** is still the PAC's Treasurer. He's had that role since 2010. Tobkin is technically responsible for the reports. Here's what the FPPC website says:

Campaign treasurers sign campaign disclosure reports under penalty of perjury and are liable in enforcement actions for violations of the Act. It is important to understand the basic rules and requirements associated with transparent campaign disclosure. ***No individual should accept the position of a committee treasurer as a mere figurehead.*** (language in bold on the website)

According to our sources, other PAC members are:

- **Miles Barber – Santa Clara Weekly** Lobbyist/Publisher
- **Dave DeLozier – former Councilman**

- **John Mlnarik** – attorney for Dominic Caserta and **Santa Clara Rotary Club** President
- **Andy Ratermann** – SCUSD board member

According to the Chamber's FPPC report from September 2018, they have less than $13,000 in the bank. They may need that for fines. And maybe more. If BLUPAC got fined $9,000 for being late, how much will the Chamber get fined for not reporting for four years? We'll be following this story closely.

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Attachment 2

THE SILICON VALLEY VOICE
Power To Your Voice

Santa Clara Chamber Of Commerce PAC Filed All Required Finance Reports

Carolyn Schuk

POSTED 04:08 PM, October 11, 2018

"We filed what we were told to file by the [Santa Clara] City Clerk," said Santa Clara Chamber of Commerce PAC treasurer Dave Tobkin. The new — and false — accusation is City Hall's latest offensive against the Chamber.

The Chamber of Commerce is a separate legal entity from the Chamber PAC, although the Council majority refers to the two groups interchangeably.

The City Council summarily pulled the Chamber's longtime contract for operating the Santa Clara Convention Center & Victors Bureau in June, accusing the Chamber of malfeasance and launching an audit.

SPONSORED



At Tuesday night's Council meeting Santa Clara Vice Mayor Kathy Watanabe reported that she read in fired Weekly sports writer Robert Haugh's "online blog" that the Santa Clara Chamber of Commerce PAC didn't file finance reports between 2010 and 2014.

Watanabe asked, with some urgency, that the City Manager investigate this.

The City Manager won't have to look far. The Chamber PAC filed all the required campaign finance reports during those years with the Santa Clara County Registrar of Voters.

Those reports were filed with the County because the PAC endorses county, state assembly and school board candidates and measures, as well as those in the City of Santa Clara. Tobkin says that the PAC later decided to file also with the City, even though they were told by then-City Clerk Rod Diridon Jr. that they didn't have to.

State law requires that "committees formed or existing primarily to support or oppose candidates or local measures *to be voted upon in any number of jurisdictions within one county* … shall file the original … with the elections official of the county."

The County only started publishing the forms digitally in 2016, so if you want to see reports prior to that you have to visit the ROV's office on Berger Drive in San José. However, the record of the reports that have been filed is published online.

All this information can be found on the California Secretary of State's website, and candidates and officeholders in California are expected to know what the laws are.

Santa Clara
All-America City
2001

CITY OF SANTA CLARA
CITY CLERK'S OFFICE

5/4/2010

Mr. David Tobkin
Treasurer
Santa Clara Chamber of Commerce PAC
1850 Warburton Avenue
Santa Clara, CA 95050

Dear Mr. Tobkin,

This letter is to follow-up on conversations between representatives of the Santa Clara Chamber of Commerce Political Action Committee and the City Clerk's Office. It has been confirmed for the City Clerk's Office that your committee is a county committee and not a Santa Clara city committee.

As such, your local filing officer is the County Registrar of Voters. However, it is important to note that in some instances you may be obligated by the Elections Code to file with the City Clerk's Office in the City of Santa Clara.

Please call me at 615-2220 or the FPPC at (866) 275-3772 if you have any questions.

Sincerely,

Rod Diridon, Jr.,
City Clerk and Auditor

Statement of Organization
Recipient Committee

Type or print in ink

STATEMENT OF ORGANIZATION

Date Stamp
RECEIVED
APR 21 2010
City Clerk's Office
City of Santa Clara

CALIFORNIA FORM 410
For Official Use Only

Statement Type

☒ Initial
Not yet qualified ☐ or
04 / 15 / 10
Date qualified as committee

☐ Amendment
List I.D. number:
#
/ /
Date qualified as committee (If applicable)

☐ Termination – See Part 5
List I.D. number:
#
/ /
Date of Termination

1. Committee Information

NAME OF COMMITTEE
Santa Clara Chamber of Commerce Political Action Committee (PAC)

STREET ADDRESS (NO P.O. BOX)
1850 Warburton Ave.

CITY	STATE	ZIP CODE	AREA CODE/PHONE
Santa Clara	CA	95050	408-244-8244

MAILING ADDRESS (IF DIFFERENT)

OPTIONAL: FAX / E-MAIL ADDRESS
408-244-7830 / www.santclarachamber.org

COUNTY OF DOMICILE	COUNTY WHERE COMMITTEE IS ACTIVE IF DIFFERENT THAN COUNTY OF DOMICILE
Santa Clara	

Attach additional information on appropriately labeled continuation sheets.

2. Treasurer and Other Principal Officers

NAME OF TREASURER
David D. Tobkin
STREET ADDRESS (NO P.O. BOX)
2397 Forest Ave. Suite A

CITY	STATE	ZIP CODE	AREA CODE/PHONE
San Jose	CA	95128	408-247-7642

NAME OF ASSISTANT TREASURER, IF ANY
Donna Tobkin
STREET ADDRESS (NO P.O. BOX)
2607 Birchtree Lane

CITY	STATE	ZIP CODE	AREA CODE/PHONE
Santa Clara	CA	95051	408-984-8299

NAME OF PRINCIPAL OFFICER(S)
David D. Tobkin
STREET ADDRESS (NO P.O. BOX)
2397 Forest Ave. Suite A

CITY	STATE	ZIP CODE	AREA CODE/PHONE
San Jose	CA	95128	408-247-7642

3. Verification

I have used all reasonable diligence in preparing this statement and to the best of my knowledge ~~the information contained~~ herein is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on 4/21/10 (DATE) By David D. Tobkin (SIGNATURE OF TREASURER OR ASSISTANT TREASURER)

Executed on _____ (DATE) By _____ (SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, OR STATE MEASURE PROPONENT)

Executed on _____ (DATE) By _____ (SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, OR STATE MEASURE PROPONENT)

Executed on _____ (DATE) By _____ (SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, OR STATE MEASURE PROPONENT)

Statement of Organization
Recipient Committee

STATEMENT OF ORGANIZATION
CALIFORNIA FORM **410**

INSTRUCTIONS ON REVERSE

COMMITTEE NAME
Santa Clara Chamber of Commerce Political Action Committee (PAC)

I.D. NUMBER
Applied for

4. Type of Committee Complete the applicable sections.

Controlled Committee

- List the name of each controlling officeholder, candidate, or state measure proponent. If candidate or officeholder controlled, also list the elective office sought or held, and district number, if any, and the year of the election.
- List the political party with which each officeholder or candidate is affiliated or check "non-partisan."
- If this committee acts jointly with another controlled committee, list the name and identification number of the other controlled committee.

NAME OF CANDIDATE/OFFICEHOLDER/STATE MEASURE PROPONENT	ELECTIVE OFFICE SOUGHT OR HELD (INCLUDE DISTRICT NUMBER IF APPLICABLE)	YEAR OF ELECTION	PARTY
			☐ Non-Partisan
			☐ Non-Partisan

- List the financial institution where the campaign bank account is located (controlled "candidate election" committees only)

NAME OF FINANCIAL INSTITUTION	AREA CODE/PHONE	BANK ACCOUNT NUMBER

ADDRESS	CITY	STATE	ZIP CODE

Primarily Formed Committee Primarily formed to support or oppose specific candidates or measures in a single election. List below:

CANDIDATE(S) NAME OR MEASURE(S) FULL TITLE (INCLUDE BALLOT NO. OR LETTER)	CANDIDATE(S) OFFICE SOUGHT OR HELD OR MEASURE(S) JURISDICTION (INCLUDE DISTRICT NO., CITY OR COUNTY, AS APPLICABLE)	CHECK ONE	
		SUPPORT	OPPOSE
		SUPPORT	OPPOSE

Statement of Organization
Recipient Committee

STATEMENT OF ORGANIZATION

CALIFORNIA FORM 410

INSTRUCTIONS ON REVERSE

COMMITTEE NAME

Santa Clara Chamber of Commerce Political Action Committee (PAC)

I.D. NUMBER

Applied for

4. Type of Committee (Continued)

General Purpose Committee Not formed to support or oppose specific candidates or measures in a single election. Check only one box:

☐ **CITY Committee** ☒ **COUNTY Committee** ☐ **STATE Committee**

PROVIDE BRIEF DESCRIPTION OF ACTIVITY

Review, research and recommend support of and/or opposition to proposed ballot measures and legislation, ordinances of city, county and state bodies

Sponsored Committee List additional sponsors on an attachment.

NAME OF SPONSOR	INDUSTRY GROUP OR AFFILIATION OF SPONSOR

STREET ADDRESS NO. AND STREET	CITY	STATE	ZIP CODE

Small Contributor Committee ☐ ____/____/____ Date qualified

5. Termination Requirements

By signing the verification, the treasurer, assistant treasurer and/or candidate, officeholder, or proponent certify that all of the following conditions have been met:

- This committee has ceased to receive contributions and make expenditures;
- This committee does not anticipate receiving contributions or making expenditures in the future;
- This committee has eliminated or has no intention or ability to discharge all debts, loans received, and other obligations;
- This committee has no surplus funds; and
- This committee has filed all campaign statements required by the Political Reform Act disclosing all reportable transactions.
  - There are restrictions on the disposition of surplus campaign funds held by elected officers who are leaving office and by defeated candidates. Refer to Government Code Section 89519.
  - Leftover funds of ballot measure committees may be used for political, legislative or governmental purposes under Government Code Sections 89511 - 89518, and are subject to Elections Code Section 18680 and FPPC Regulation 18521.5.

City of Santa Clara
The Center of What's Possible

City Clerk & City Auditor

REPORT

October 31, 2018

HONORABLE MAYOR AND CITY COUNCIL
Santa Clara, CA

RE: Review of Santa Clara Chamber of Commerce Political Action Committee (SCCCPAC) Campaign Disclosure Filings, 2015 through 2018

To Honorable Mayor and City Council:

The following completes review of the SCCCPAC Campaign Disclosure Filings for 2010-2018. Attachment 1 includes the City Clerk and City Auditor review for the period 2010-2014.

Table 1 in this report confirms the **potential for minimum fines of $43,250** due from the SCCCPAC for (1) Late Filings and (2) Failure to File with the City of Santa Clara. This report is being forwarded to the Fair Political Practices Commission (FPPC).

PURPOSE

The purpose of this report is to provide the City Clerk and City Auditor's analyses and findings of the SCCCPAC FPPC Campaign Disclosure Forms from 2015 through 2018. A copy of this report will also be forwarded to the FPPC.

BACKGROUND

See Attachment 1.

DEFINITIONS

See Attachment 1.

SCOPE OF REVIEW

See Attachment 1. Table 1, in this report, consolidates a summary of findings for the period 2010-2018 and includes a new column of Potential Fines.

The City Auditor reviewed the SCCCPAC campaign disclosure forms that had been filed with the County of Santa Clara for the years beginning 2015 through the most recent filing (October 26, 2018), analyzing the following questions:

1. Did the SCCCPAC organize properly under Form 410: Statement of Organization of a committee with the County of Santa Clara, or should the SCCCPAC have organized with the City of Santa Clara based on the percentage of contributions made to local candidates?

2. Has the SCCCPAC been filing campaign disclosure forms appropriately with the County of Santa Clara or should the SCCCPAC have been filing these disclosure forms with the City of Santa Clara?

FACTS

See Attachment 1. This review established the following additional facts:

1. From 2010 to 2018, SCCCPAC, designating itself as a County General Purpose Organization, has been filing campaign disclosure forms with the County of Santa Clara rather than with the City of Santa Clara.

2. During the course of our review, on the morning of October 31, 2018, the SCCCPAC filed a Form 496, Independent Expenditure Report, which reflected expenditures for $11,650 for postage, bulk mailing, and graphic design for a mailer. These expenditures would need to be reflected in the final Form 460, Campaign Statement, for the campaign disclosure period by early 2019 and are not reflected in the Form 460, Campaign Statement, analysis in the Findings section of this report.

CITY CLERK AND CITY AUDITOR FINDINGS AND POTENTIAL VIOLATIONS

Based on FPPC Regulations, FPPC definitions for County and City General Purpose Committees, and the above set of facts, each of the SCCCPAC campaign disclosure form filings were analyzed to determine whether contributions or expenditure activity meet the definition of County General Purpose Committee or City General Purpose Committee.

FINDING 1 –
Year 2015 – SCCCPAC reported $8,848 in expenditures for fundraising, professional fees, bank fees, and office supplies. Additionally, SCCCPAC contributed $300 to another State General Purpose Committee in 2015. The contribution amount did not exceed the annual $5,000 threshold that would require SCCCPAC to review its reporting jurisdiction. As such, SCCCPAC should still continue to report under the General Purpose Committee that it has the most contributions with, which is a City General Purpose Committee with the City of Santa Clara. There is nothing on record of the SCCCPAC amending its designation to a City General Purpose Committee or any filings thereafter with the City of Santa Clara.

Potential Violation 1
The SCCCPAC should have adjusted its General Purpose Committee filing from a County General Purpose Committee to a City General Purpose Committee in 2015 since the majority of SCCCPAC's election costs in 2014 were for local (City of Santa Clara) candidates. There is nothing on record of the SCCCPAC amending its designation to a City General Purpose Committee.

FINDING 2 –
Year 2016 – SCCCPAC reported $62,136 in expenditures and contributions for the year. Expenditures and contributions consisted of $44,433 in fundraising, bank fees, and professional services fees. Additionally, SCCCPAC expended $17,703 in election contributions supporting three council candidates, a city clerk and a police chief of the City of Santa Clara and two other County of Santa Clara candidates.

Potential Violation 2
The SCCCPAC contributed 95.1% ($16,831) of its total contribution ($17,703) to support City of Santa Clara candidates in 2016. The remaining 4.9% ($872) was split between two candidates running for school board and school trustee within the County of Santa Clara.

The SCCCPAC should have adjusted its General Purpose Committee filing from a County General Purpose Committee to a City General Purpose Committee since 95.1% of SCCCPAC's election costs were for local (City of Santa Clara) candidates. There is nothing on record of the SCCCPAC amending its designation to a City General Purpose Committee or any filings thereafter with the City of Santa Clara.

FINDING 3 –
Year 2017 – The SCCCPAC reported $25,634 in expenditures on fundraising and office supplies. Additionally, SCCCPAC did not have any election contributions or expenditures in 2017.

Potential Violation 3
The SCCCPAC should have adjusted its designation from a County General Purpose Committee to a City General Purpose Committee in 2016 based on SCCCPAC's 95.1% election contribution percentages in 2016 in the City of Santa Clara elections. There is nothing on record of the SCCCPAC amending its designation to a City General Purpose Committee or any filings thereafter with the City of Santa Clara.

FINDING 4 –
Year 2018 – SCCCPAC reported $18,198 in expenditures and contributions for the year. Expenditures and contributions consisted of $15,033 in fundraising, bank fees, and professional services fees. Additionally, SCCCPAC expended $3,165 in election contributions supporting one council candidate, city clerk and mayor of the City of Santa Clara ***[SEE NOTE BELOW REGARDING 10/31/2018 FORM 496 FILING OF NEW EXPENDITURES IN AMOUNT OF $11,650]*** and two other County of Santa Clara candidates.

As such, SCCCPAC should still continue to report under the General Purpose Committee that it has the most contributions with, which is a City General Purpose Committee with the City of Santa Clara. There is nothing on record of the SCCCPAC amending its designation to a City General Purpose Committee or any filings thereafter with the City of Santa Clara.

Potential Violation 4
The SCCCPAC should have adjusted its General Purpose Committee filing from a County General Purpose Committee to a City General Purpose Committee since the majority of SCCCPAC's election costs dating back to 2010 (see City Clerk and City Auditor Report dated October 29, 2018, Attachment 1) were for local (City of Santa Clara) candidates and, our review revealed, the SCCCPAC never met the 70% election contribution threshold to qualify as a County General Purpose Committee. Our review did confirm that the SCCCPAC always met the 70% election contribution threshold to qualify as a City General Purpose Committee. There is nothing on record of the SCCCPAC amending its designation to a City General Purpose Committee or any filings thereafter with the City of Santa Clara.

Note: During the course of our review, the SCCCPAC filed a Form 496, Independent Expenditure Report, which reflected expenditures for $11,650 for postage, bulk mailing, and graphic design for a mailer. These expenditures would need to be reflected in the final Form 460, Campaign Statement, for the campaign disclosure period by early 2019.

The above activity would qualify expenditures above the 70% threshold, requiring once again that the SCCCPAC should amend its Form 410, Statement of Organization, from a County General Purpose Committee to a City General Purpose Committee.

SUMMARY FINDINGS
Based on the contribution percentages from 2010 through 2018, the SCCCPAC should have designated itself as a City General Purpose Committee and thereafter should have filed all FPPC campaign disclosure forms with the City of Santa Clara's City Clerk's Office. The below findings show that the SCCCPAC should have designated itself as a City General Purpose Committee, not a County General Purpose Committee. There is

no amended Form 410, Statement of Organization, for all the years reviewed, 2010 through 2018. It should be noted that SCCCPAC is still out of compliance with properly designating itself as a City General Purpose Committee.

The pattern of SCCCPAC's failure to file as a City General Purpose Committee has existed since 2010 and has continued through the date of the issuance of this review, with a pattern of contributing to City of Santa Clara elections for amounts higher than the 70% threshold without any record of the SCCCPAC's Treasurer due diligence to correct its jurisdiction from a County General Purpose Committee to a City General Purpose Committee.

Table 1: Summary of SCCCPAC Contribution and Expenditures (by %) – 2010 through 2018

Year	% in County of Santa Clara	% in City of Santa Clara	Potential Fines	Comments/Notes
2010	0	100%	*Pending FPPC Review against statute of limitations.*	SCCCPAC met the 70% contribution threshold for the City General Purpose Committee and therefore should have amended its designation from the County General Purpose Committee to a City General Purpose Committee by early 2011.
2011	n/a	n/a	*Pending FPPC Review against statute of limitations.*	No election. SCCCPAC reported fundraising expenditures with the County.
2012	17.7%	82.3%	*Pending FPPC Review against statute of limitations.*	1. There is no SCCPAC filing for the period of October 21 through December 2012 on file at the County of Santa Clara or City of Santa Clara. **A review for Failure to File should be completed against the statute of limitations.** 2. SCCCPAC met the 70% contribution threshold for the City General Purpose Committee and therefore should have amended its designation from the County General Purpose Committee to a City General Purpose Committee by early 2011. A quarterly due diligence review was required by the SCCCPAC Treasurer along with an amended Form 410.
2013	n/a	n/a	*Pending FPPC Review against statute of limitations.*	No election. SCCCPAC reported fundraising expenditures with the County.

2014	6.8%	93.2%	Fine 1: Late Filing Fee, Annual minimum $3,650 Fine 2: Failure to File, $5,000 **Total Fines: $8,650 minimum** Note: The total fine minimum is subject to further determination against Government Code Section: 82018 (a) Except as provided in subdivisions (b), (c), and (d), "cumulative amount" means the amount of contributions received or expenditures made in the calendar year.	SCCCPAC met the 70% contribution threshold for the City General Purpose Committee and therefore should have amended its designation from the County General Purpose Committee to a City General Purpose Committee by early 2011. A quarterly due diligence review was required by the SCCCPAC Treasurer along with an amended Form 410.
2015	n/a	n/a	Fine 1: Late Filing Fee, Annual minimum $3,650 Fine 2: Failure to File, $5,000 **Total Fines: $8,650 minimum** Note: The total fine minimum is subject to further determination against Government Code Section: 82018 (a) Except as provided in subdivisions (b), (c), and (d), "cumulative amount" means the amount of contributions received or expenditures made in the calendar year.	SCCCPAC's contribution amount was under $5,000; therefore a quarterly due diligence review was not required by the SCCCPAC Treasurer.
2016	4.9%	95.1%	Fine 1: Late Filing Fee, Annual minimum $3,650 Fine 2: Failure to File, $5,000 **Total Fines: $8,650 minimum** Note: The total fine minimum is subject to further	SCCCPAC met the 70% contribution threshold for the City General Purpose Committee and therefore should have amended its designation from the County General Purpose Committee to a City General Purpose Committee by early 2011. A quarterly due diligence review was required by the SCCCPAC Treasurer along with an amended Form 410.

			determination against Government Code Section: 82018, (a) Except as provided in subdivisions (b), (c), and (d), "cumulative amount" means the amount of contributions received or expenditures made in the calendar year.	
2017	n/a	n/a	Fine 1: Late Filing Fee, Annual minimum $3,650 Fine 2: Failure to File, $5,000 **Total Fines: $8,650 minimum** Note: The total fine minimum is subject to further determination against Government Code Section: 82018, (a) Except as provided in subdivisions (b), (c), and (d), "cumulative amount" means the amount of contributions received or expenditures made in the calendar year.	No election. SCCCPAC reported fundraising expenditures with the County.
2018	n/a	n/a	Fine 1: Late Filing Fee, Annual minimum $3,650 Fine 2: Failure to File, $5,000 **Total Fines: $8,650 minimum** Note: The total fine minimum is subject to further determination against Government Code Section: 82018 (a) Except as provided in subdivisions (b), (c), and (d), "cumulative amount" means the amount of contributions received or expenditures made in the calendar year.	During the course of our review, the SCCCPAC filed a Form 496, Independent Expenditure Report, which reflected expenditures for $11,650 for postage, bulk mailing, and graphic design for a mailer. These expenditures would need to be reflected in the final Form 460, Campaign Statement, for the campaign disclosure period by early 2019. The above activity would qualify expenditures above the 70% threshold, requiring once again that the SCCCPAC should amend its Form 410, Statement of Organization, from a County General Purpose Committee to a City General Purpose Committee.

POTENTIAL FINES AND PENALTIES

See Attachment 1.

The burden of correctly filing all FPPC disclosure forms per FPPC requirements is not placed on the Office of the City Clerk, City Auditor, City of Santa Clara, or County of Santa Clara.

See Table 1, Potential Fines column amount to $43,250. Organizations engaged in activities that require the filing of these types of FPPC forms are responsible for making correct determinations about how to file their forms and in accordance with the FPPC requirements. **In this case, the Treasurer of SCCCPAC, Mr. David Tobkin, should have completed the FPPC required due diligence to "verify its filing jurisdiction quarterly at the end of March, June, September and December."**

Issued on October 31, 2018, in the City of Santa Clara, to the Mayor and City Council by the City Clerk and City Auditor:

Nadine Nader
Appointed City Clerk
Elections Official

Linh Lam
City Auditor

Attachment:

1. October 29, 2018, City Clerk and City Auditor Report re SCCCPAC Campaign Disclosure Filings

ATTACHMENT 1

City of Santa Clara
The Center of What's Possible

City Clerk & City Auditor

REPORT

October 29, 2018

HONORABLE MAYOR AND CITY COUNCIL
Santa Clara, CA

RE: Response to City Council Inquiry on the Santa Clara Chamber of Commerce Political Action Committee (SCCCPAC) Campaign Disclosure Filings, 2010 through 2014

To Honorable Mayor and City Council:

The following responds to the City Council's inquiry and direction made at the October 9, 2018 City Council meeting.

PURPOSE

The purpose of this report is to provide the City Clerk and City Auditor's analyses and findings of the SCCCPAC Fair Political Practices Commission (FPPC) Campaign Disclosure Forms from 2010 through 2014. A copy of this report will also be forwarded to the FPPC for its further review and determination of accuracy of jurisdictional filings, as well as potential fines and penalties.

BACKGROUND

At the October 9, 2018 City Council meeting, Vice Mayor Kathy Watanabe requested information about the accuracy of a local media article (*Santa Clara News*, Attachment 1) relative to the SCCCPAC's campaign disclosure filings with the Fair Political Practices Commission (FPPC). Staff was directed to report back whether the media article was correct regarding the absence of the SCCCPAC campaign disclosure filings with the City for the years 2010 through 2014.

The *Santa Clara News* article noted that although the SCCCPAC was an active organization that held political fundraisers and participated in support or opposition of local candidates and measures in the City of Santa Clara, the Office of the City Clerk appeared to not have any SCCCPAC campaign disclosure filings for those specific years. Shortly after the October 9 City Council inquiry, another local media outlet, *Santa Clara Weekly/Silicon Valley Voice*, published an article by Carolyn Schuk, that provided

a response to the previous *Santa Clara News* article and City Council inquiry (Attachment 2).

Staff has reviewed both media articles, along with the SCCCPAC campaign disclosure filings on file with the County of Santa Clara.

DEFINITIONS

The FPPC establishes definitions for both a County General Purpose Committee and a City General Purpose Committee, (FPPC Regulations, Chapter 2, Section 18227.5 (c)(1)(2)). The FPPC also provides regulations regarding the burden of review and verification for which jurisdiction to file the General Purpose Committee disclosure forms (Chapter 2, Section 18227.5 (d)(1)). The FPPC regulation places the burden on the SCCCPAC organization to file with the appropriate agency and to perform due diligence on a frequency established by the FPPC.

The definitions are as follows:

(1) **City General Purpose Committee.** A "city general purpose committee" is a committee that makes more than 70 percent of its contributions or expenditures to support or oppose candidates or measures voted on in only one city, or in one consolidated city and county, including contributions to city general purpose committees in the same city or the same consolidated city and county.

(2) **County General Purpose Committee.** A "county general purpose committee" is a committee that makes more than 70 percent of its contributions or expenditures to support or oppose candidates or measures voted on in only one county, or in more than one jurisdiction within one county, including contributions to county general purpose committees in the same county.

(3) **Review.** A general purpose committee shall verify its filing jurisdiction quarterly at the end of March, June, September and December. An existing general purpose committee that has not made contributions and/or expenditures of $5,000 or more to support or oppose candidates or measures in the preceding quarterly time period is not required to review or change its status.

SCOPE OF REVIEW

The City Auditor reviewed the SCCCPAC campaign disclosure forms that had been filed with the County of Santa Clara for the years beginning 2010 through 2014, analyzing the following questions:

1. Did the SCCCPAC organize properly under Form 410: Statement of Organization of a committee with the County of Santa Clara, or should the SCCCPAC have

organized with the City of Santa Clara based on the percentage of contributions made to local candidates?

2. Has the SCCCPAC been filing campaign disclosure forms appropriately with the County of Santa Clara or should the SCCCPAC have been filing these disclosure forms with the City of Santa Clara?

The City Clerk provided guidance on FPPC timelines, requirements and potential violations. The City Attorney also reviewed this report.

FACTS

The review established the following facts:

1. SCCCPAC provided a copy of their FPPC Statement of Organization Form 410 to the City Clerk designating itself as a County General Purpose Committee Organization in April 2010.
2. On May 4, 2010, former City Clerk, Rod Diridon Jr., provided a letter to the SCCCPAC acknowledging that their local filing officer was the County Registrar of Voters and, appropriately, also noted that "in some instances you may be obligated by the Elections Code to file with the City Clerk's Office in the City of Santa Clara" (Attachment 3).
3. From 2010 to 2014, SCCCPAC, designating itself as a County General Purpose Organization, has been filing campaign disclosure forms with the County of Santa Clara rather than with the City of Santa Clara.
4. Since October 2014 through present, SCCCPAC has filed copies of the various required FPPC campaign disclosure forms and has maintained its designation as a County General Purpose Committee Organization, including:
   - Form 410: Recipient Committee Organization Statement
   - Form 460: Recipient Committee Campaign Statement Expenditure and Contribution Report
   - Form 496: 24-Hour Independent Expenditure Report
   - Form 497: 24-Hour Contribution Report

CITY CLERK AND CITY AUDITOR FINDINGS AND POTENTIAL VIOLATIONS

Based on FPPC Regulations, FPPC definitions for County and City General Purpose Committees, and the above set of facts, each of the SCCCPAC campaign disclosure form filings were analyzed to determine whether contributions or expenditure activity

meet the definition of County General Purpose Committee or City General Purpose Committee.

FINDING 1 –
Year 2010 – SCCCPAC reported $28,224 in expenditures for the year, which consists of $1,224 for fundraising, professional fees, and office supplies. SCCCPAC expended $27,000 in election contributions supporting three City of Santa Clara council candidates. The SCCCPAC's only contribution for the 2010 Election was to support three City of Santa Clara council candidates ($27,000) which represents 100% of SCCCPAC's total contribution to candidates.

Potential Violation 1
The SCCCPAC's only contribution for the 2010 Election was to support three City of Santa Clara council candidates ($27,000) which represents 100% of SCCCPAC's total contribution to candidates. At that time, the SCCPAC's status was a County General Purpose Committee and, based on its contributions, the SCCCPAC should have changed its reporting committee status from a County General Purpose Committee to a City General Purpose Committee with the City of Santa Clara on the Statement of Organization form (Form 410).

A 100% SCCCPAC contribution for candidates in the City of Santa Clara does not qualify as a County General Purpose Committee. The SCCCPAC hit the 70% threshold during the fourth quarter of the reporting period and, upon that, should have amended their filing within the FPPC requirements. The FPPC regulation (see Definitions) states "A general purpose committee shall verify its filing jurisdiction quarterly at the end of March, June, September and December." The SCCCPAC should have amended its Form 410 – Statement of Organization.

FINDING 2 –
Year 2011 – The SCCCPAC reported $5,770 in expenditures for fundraising, professional fees, and office supplies. Additionally, SCCCPAC did not have any election contributions or expenditures in 2011. There is nothing on record of the SCCCPAC amending its designation to a City General Purpose Committee or any filings thereafter with the City of Santa Clara.

Potential Violation 2
The SCCCPAC should have adjusted its General Purpose Committee filing from a County General Purpose Committee to a City General Purpose Committee in 2011 since all of SCCCPAC's 2010 election costs were for local (City of Santa Clara) candidates. There is nothing on record of the SCCCPAC amending its designation to a City General Purpose Committee. Additionally, the SCCCPAC did not file any campaign disclosure forms thereafter with the City of Santa Clara.

FINDING 3(a) –
Year 2012 – SCCCPAC reported $35,264 in expenditures for the year. These expenditures and contributions consist of $15,486 for fundraising, professional fees, and office supplies and $19,778 in election cost supporting three City of Santa Clara council candidates and four other County of Santa Clara candidates. The SCCCPAC contributed 82.3% ($16,278) of its total contribution ($19,778) to support three City of Santa Clara council candidates in 2012. The remaining 17.7% ($3,500) was split between four candidates running for assembly and school board within the County of Santa Clara.

FINDING 3(b) –
The City Auditor has confirmed that the County of Santa Clara does not have a Campaign Disclosure Form on record from the SCCCPAC for the period of time, October 21 through December 31, 2012. It appears that the SCCCPAC did not comply with the FPPC established filing deadlines for this period.

Potential Violation 3(a)
The SCCCPAC contributed 82.3% ($16,278) of its total contribution ($19,778) to support three City of Santa Clara council candidates in 2012. The remaining 17.7% ($3,500) was split between four candidates running for assembly and school board within the County of Santa Clara.

At the time of these expenditures and contributions, the SCCCPAC remained designated as a County General Purpose Committee. SCCCPAC made more than 70% of its contributions or expenditures to support candidates in the City of Santa Clara. Based on its contributions, the SCCCPAC should have changed its reporting committee status from a County General Purpose Committee to a City General Purpose Committee with the City of Santa Clara on the Statement of Organization form (Form 410).

An 82.3% SCCCPAC contribution for candidates in the City of Santa Clara does not qualify as a County General Purpose Committee. The SCCCPAC hit the 70% threshold during the fourth quarter of the reporting period and, upon that, should have amended their filing within the FPPC requirements. The FPPC regulation (see Definitions) states "A general purpose committee shall verify its filing jurisdiction quarterly at the end of March, June, September and December." The SCCCPAC should have amended its Form 410 – Statement of Organization and filed all disclosure forms thereafter with the City of Santa Clara.

Potential Violation 3(b)
Campaign disclosure form filings should be made during an election year according to the timelines established by the PFFC. The SCCPAC filed its first semi-annual

statements and subsequent pre-election statements through October 20, 2012. There is no SCCPAC filing for the period of October 21 through December 2012. The City Auditor and the City Clerk's Office has confirmed that the County of Santa Clara does not have a filing on record from the SCCCPAC for this period of time. It appears that the SCCCPAC did not comply with the FPPC established filing deadlines for this period.

FINDING 4 –
Year 2013 – The SCCCPAC reported $10,360 in expenditures on fundraising and office supplies. Additionally, SCCCPAC did not have any election contributions or expenditures in 2013.

Potential Violation 4
The SCCCPAC should have adjusted its designation from a County General Purpose Committee to a City General Purpose Committee in 2013 since 82.3% of SCCCPAC's 2012 election costs were for local (City of Santa Clara) candidates. There is nothing on record of the SCCCPAC amending its designation to a City General Purpose Committee. Additionally, the SCCCPAC did not file any campaign disclosure forms thereafter with the City of Santa Clara.

FINDING 5 –
Year 2014 – SCCCPAC reported $55,594 in expenditures and contributions for the year. Expenditures and contributions consisted of $30,458 in fundraising, bank fees, and professional services fees. Additionally, SCCCPAC expended $25,136 in election contributions supporting three City of Santa Clara council candidates and three other County of Santa Clara candidates.

Potential Violation 5
The SCCCPAC contributed 93.2% ($23,419) of its total contribution ($25,136) to support three City of Santa Clara council candidates in 2014. The remaining 6.8% ($1,717) was split between three candidates running for assembly and school board within the County of Santa Clara.

At the time of these expenditures and contributions, the SCCCPAC remained designated as a County General Purpose Committee. SCCCPAC made more than 70% of its contributions or expenditures to support candidates in the City of Santa Clara. Based on its contributions, the SCCCPAC should have changed its reporting committee status from a County General Purpose Committee to a City General Purpose Committee with the City of Santa Clara on the Statement of Organization form (Form 410) and also should have filed required campaign disclosure forms thereafter with the City of Santa Clara.

A 93.2% SCCCPAC contribution for candidates in the City of Santa Clara does not qualify as a County General Purpose Committee. The SCCCPAC hit the 70% threshold during the fourth quarter of the reporting period and, upon that, should have amended its campaign disclosure filing within the FPPC requirements. The FPPC regulation (see Definitions) states "A general purpose committee shall verify its filing jurisdiction quarterly at the end of March, June, September and December." There is nothing on record of the SCCCPAC amending its designation to a City General Purpose Committee. Additionally, the SCCCPAC did not file any campaign disclosure forms thereafter with the City of Santa Clara.

SUMMARY FINDINGS

Based on the contribution percentages from 2010 through 2014, the SCCCPAC should have designated itself as a City General Purpose Committee and thereafter should have filed all FPPC campaign disclosure forms with the City of Santa Clara's City Clerk's Office.

Based on the City Auditor's review, SCCCPAC did have more than 70% of its contributions or expenditures to support or oppose candidates or measures voted on in only one city (City of Santa Clara).

Table 1: Summary of SCCCPAC Contribution and Expenditures (by %) – 2010 through 2014

Year	% in County of Santa Clara	% in City of Santa Clara	Comments/Notes
2010	0	100%	
2011	0	0	No election. SCCCPAC reported fundraising expenditures with the County.
2012	17.7%	82.3%	There is no SCCPAC filing for the period of October 21 through December 2012 on file at the County of Santa Clara or City of Santa Clara.
2013	0	0	No election. SCCCPAC reported fundraising expenditures with the County.
2014	6.8%	93.2%	

The above findings show that the SCCCPAC should have designated itself as a City General Purpose Committee. There is no amended Form 410 for the years reviewed, 2010 through 2014. It should be noted that SCCCPAC is still out of compliance with properly designating itself as a City General Purpose Committee. Given the above findings, a separate review is warranted for the years 2015 through 2018 (present).

NEXT STEPS

Upon the above findings and potential violations, the City Clerk's Office contacted the FPPC to seek guidance on how to address the appropriate campaign disclosure filing

status for the SCCCPAC. Upon discussion with a representative from the FPPC, it was requested that the City forward the matter to the Enforcement Unit for review. Based on the City Auditor's findings, and City Clerk's confirmation, the attached filings are being sent to the FPPC for further review and determination.

POTENTIAL FINES AND PENALTIES

The burden of correctly filing all FPPC disclosure forms per FPPC requirements is not placed on the Office of the City Clerk, City Auditor, City of Santa Clara, or County of Santa Clara. Organizations engaged in activities that require the filing of these types of FPPC forms are responsible for making correct determinations about how to file their forms and in accordance with the FPPC requirements. In this case, the Treasurer of SCCCPAC, Mr. David Tobkin, should have completed the FPPC required due diligence to "verify its filing jurisdiction quarterly at the end of March, June, September and December."

The law requires that when it is determined that filings have not been correctly filed, that fines and penalties will be applied. Given these findings, there is a potential for fines and penalties due to the absence of correctly filing these forms for the years 2010 through 2014.

Late Fines: According to Government Code Section California Government Code 91013 (a) and (b)), a late filing penalty of up to $10 per day may be assessed for each day the statement is late. The FPPC or a local filing officer cannot extend a filing deadline. A committee may request a waiver of late fines assessed by the local filing officer or the Secretary of State.

Failure to File: Filing officers must refer committees to the FPPC or another enforcement agency, if a committee fails to file a campaign statement. Administrative penalties of up to $5,000 per violation may be assessed. (See Government Code Section 83116.) Committees fined by the FPPC Enforcement Division are listed on the FPPC website.

Issued on October 29, 2018, in the City of Santa Clara, to the Mayor and City Council by the City Clerk and City Auditor:

Nadine Nader
Appointed City Clerk
Elections Official

Linh Lam
City Auditor

Attachments:

1. *Santa Clara News* article, dated October 9, 2018
2. *Santa Clara Weekly/Silicon Valley Voice*, dated October 11, 2018
3. City Clerk's Letter, dated May 4, 2010
4. NOT ATTACHED--FPPC Campaign Disclosure Forms for SCCCPAC on file with the City Clerk's Office

Attachment 1

≡ Menu

OCTOBER 9, 2018

REPORT: Santa Clara Chamber of Commerce PAC Failed to File Campaign Reports with City for Four Years

By Robert Haugh

Tonight, the City Council will take the next step in finding someone to manage the Convention Center. They got rid of the **Santa Clara Chamber of Commerce** after an audit showed mismanagement and malfeasance.

City staff also referred the info from the audit to the **IRS** and **California Fair Political Practices Commission (FPPC)**.

The City may have more stuff to look into.

According to our research, the Chamber failed to file FPPC reports with the City for four years! Yup. From April 2010 to October 2014 there are no reports with the City Clerk. The Chamber may have filed them with other agencies and forgot to file with the City. Oops.

Here's what's publicly available on the City site:

NetFile, Inc.

152858711	Commerce Political Action Committee (PAC)	10/31/2014	496	Original	
152858513	Santa Clara Chamber of Commerce Political Action Committee (PAC)	10/31/2014	FPPC 496	Original	
152858455	Santa Clara Chamber of Commerce Political Action Committee (PAC)	10/31/2014	FPPC 465	Original	
152858702	Santa Clara Chamber of Commerce Political Action Committee (PAC)	10/31/2014	FPPC 465	Original	
152858740	Santa Clara Chamber of Commerce Political Action Committee (PAC)	10/31/2014	FPPC 465	Original	
152858723	Santa Clara Chamber of Commerce Political Action Committee (PAC)	10/30/2014	FPPC 496	Original	
152788270	Santa Clara Chamber of Commerce Political Action Committee (PAC)	10/24/2014	FPPC 465	Original	

152776063	Santa Clara Chamber of Commerce Political Action Committee (PAC)	10/24/2014	FPPC 465	Original	
152776106	Santa Clara Chamber of Commerce Political Action Committee (PAC)	10/24/2014	FPPC 465	Original	
152775312	Santa Clara Chamber of Commerce Political Action Committee (PAC)	10/23/2014	FPPC 460	Original	
152775959	Santa Clara Chamber of Commerce Political Action Committee (PAC)	10/23/2014	FPPC 496	Original	
152775328	Santa Clara Chamber of Commerce Political Action Committee (PAC)	10/23/2014	FPPC 496	Original	
152788539	Santa Clara Chamber of Commerce Political Action Committee (PAC)	10/23/2014	FPPC 496	Original	
10233138	Santa Clara Chamber of Commerce Political Action Committee (PAC)	04/21/2010	FPPC 410	Original	

1 2 Page size: 20

The last time that this type of violation was discovered was 2016. Then, former City Clerk **Rod Diridon, Jr.** fined **BLUPAC** $9,000 for filing their reports late. BLUPAC is the "dark money" group with ties to the **49ers**.

Who's In Charge of the PAC?

Lou Mariani of **Mariani's Inn** is still the head of Chamber's Government Relations Committee, thought we heard he was cutting ties. We heard others have dropped from the PAC, too.

Accountant **Dave Tobkin** is still the PAC's Treasurer. He's had that role since 2010. Tobkin is technically responsible for the reports. Here's what the FPPC website says:

Campaign treasurers sign campaign disclosure reports under penalty of perjury and are liable in enforcement actions for violations of the Act. It is important to understand the basic rules and requirements associated with transparent campaign disclosure. ***No individual should accept the position of a committee treasurer as a mere figurehead.*** (language in bold on the website)

According to our sources, other PAC members are:

- **Miles Barber – Santa Clara Weekly** Lobbyist/Publisher
- **Dave DeLozier – former Councilman**

- **John Mlnarik** – attorney for Dominic Caserta and **Santa Clara Rotary Club** President
- **Andy Ratermann** – SCUSD board member

According to the Chamber's FPPC report from September 2018, they have less than $13,000 in the bank. They may need that for fines. And maybe more. If BLUPAC got fined $9,000 for being late, how much will the Chamber get fined for not reporting for four years? We'll be following this story closely.

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Telegram Email More

Like this:

Like

Be the first to like this.

Attachment 2

THE SILICON VALLEY VOICE
Power To Your Voice

Santa Clara Chamber Of Commerce PAC Filed All Required Finance Reports

Carolyn Schuk

POSTED 04:08 PM, October 11, 2018

"We filed what we were told to file by the [Santa Clara] City Clerk," said Santa Clara Chamber of Commerce PAC treasurer Dave Tobkin. The new — and false — accusation is City Hall's latest offensive against the Chamber.

The Chamber of Commerce is a separate legal entity from the Chamber PAC, although the Council majority refers to the two groups interchangeably.

The City Council summarily pulled the Chamber's longtime contract for operating the Santa Clara Convention Center & Victors Bureau in June, accusing the Chamber of malfeasance and launching an audit.

SPONSORED



At Tuesday night's Council meeting Santa Clara Vice Mayor Kathy Watanabe reported that she read in fired Weekly sports writer Robert Haugh's "online blog" that the Santa Clara Chamber of Commerce PAC didn't file finance reports between 2010 and 2014.

Watanabe asked, with some urgency, that the City Manager investigate this.

The City Manager won't have to look far. The Chamber PAC filed all the required campaign finance reports during those years with the Santa Clara County Registrar of Voters.

Those reports were filed with the County because the PAC endorses county, state assembly and school board candidates and measures, as well as those in the City of Santa Clara. Tobkin says that the PAC later decided to file also with the City, even though they were told by then-City Clerk Rod Diridon Jr. that they didn't have to.

State law requires that "committees formed or existing primarily to support or oppose candidates or local measures *to be voted upon in any number of jurisdictions within one county* … shall file the original … with the elections official of the county."

The County only started publishing the forms digitally in 2016, so if you want to see reports prior to that you have to visit the ROV's office on Berger Drive in San José. However, the record of the reports that have been filed is published online.

All this information can be found on the California Secretary of State's website, and candidates and officeholders in California are expected to know what the laws are.

Santa Clara
All-America City
2001

CITY OF SANTA CLARA
CITY CLERK'S OFFICE

5/4/2010

Mr. David Tobkin
Treasurer
Santa Clara Chamber of Commerce PAC
1850 Warburton Avenue
Santa Clara, CA 95050

Dear Mr. Tobkin,

This letter is to follow-up on conversations between representatives of the Santa Clara Chamber of Commerce Political Action Committee and the City Clerk's Office. It has been confirmed for the City Clerk's Office that your committee is a county committee and not a Santa Clara city committee.

As such, your local filing officer is the County Registrar of Voters. However, it is important to note that in some instances you may be obligated by the Elections Code to file with the City Clerk's Office in the City of Santa Clara.

Please call me at 615-2220 or the FPPC at (866) 275-3772 if you have any questions.

Sincerely,

Rod Diridon, Jr.,
City Clerk and Auditor

Statement of Organization
Recipient Committee

Type or print in ink

STATEMENT OF ORGANIZATION

Date Stamp
RECEIVED
APR 21 2010
City Clerk's Office
City of Santa Clara

CALIFORNIA FORM 410
For Official Use Only

Statement Type

☒ Initial
Not yet qualified ☐ or
04 / 15 / 10
Date qualified as committee

☐ Amendment
List I.D. number:
#
/ /
Date qualified as committee (If applicable)

☐ Termination – See Part 5
List I.D. number:
#
/ /
Date of Termination

1. Committee Information

NAME OF COMMITTEE
Santa Clara Chamber of Commerce Political Action Committee (PAC)

STREET ADDRESS (NO P.O. BOX)
1850 Warburton Ave.

CITY	STATE	ZIP CODE	AREA CODE/PHONE
Santa Clara	CA	95050	408-244-8244

MAILING ADDRESS (IF DIFFERENT)

OPTIONAL: FAX / E-MAIL ADDRESS
408-244-7830 / www.santclarachamber.org

COUNTY OF DOMICILE	COUNTY WHERE COMMITTEE IS ACTIVE IF DIFFERENT THAN COUNTY OF DOMICILE
Santa Clara	

Attach additional information on appropriately labeled continuation sheets.

2. Treasurer and Other Principal Officers

NAME OF TREASURER
David D. Tobkin
STREET ADDRESS (NO P.O. BOX)
2397 Forest Ave. Suite A

CITY	STATE	ZIP CODE	AREA CODE/PHONE
San Jose	CA	95128	408-247-7642

NAME OF ASSISTANT TREASURER, IF ANY
Donna Tobkin
STREET ADDRESS (NO P.O. BOX)
2607 Birchtree Lane

CITY	STATE	ZIP CODE	AREA CODE/PHONE
Santa Clara	CA	95051	408-984-8299

NAME OF PRINCIPAL OFFICER(S)
David D. Tobkin
STREET ADDRESS (NO P.O. BOX)
2397 Forest Ave. Suite A

CITY	STATE	ZIP CODE	AREA CODE/PHONE
San Jose	CA	95128	408-247-7642

3. Verification

I have used all reasonable diligence in preparing this statement and to the best of my knowledge ~~the information contained~~ herein is true and complete. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on 4/21/10 (DATE) By David D. Tobkin (SIGNATURE OF TREASURER OR ASSISTANT TREASURER)

Executed on _____ (DATE) By _____ (SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, OR STATE MEASURE PROPONENT)

Executed on _____ (DATE) By _____ (SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, OR STATE MEASURE PROPONENT)

Executed on _____ (DATE) By _____ (SIGNATURE OF CONTROLLING OFFICEHOLDER, CANDIDATE, OR STATE MEASURE PROPONENT)

Statement of Organization
Recipient Committee

STATEMENT OF ORGANIZATION
CALIFORNIA FORM **410**

INSTRUCTIONS ON REVERSE

COMMITTEE NAME
Santa Clara Chamber of Commerce Political Action Committee (PAC)

I.D. NUMBER
Applied for

4. Type of Committee Complete the applicable sections.

Controlled Committee

- List the name of each controlling officeholder, candidate, or state measure proponent. If candidate or officeholder controlled, also list the elective office sought or held, and district number, if any, and the year of the election.
- List the political party with which each officeholder or candidate is affiliated or check "non-partisan."
- If this committee acts jointly with another controlled committee, list the name and identification number of the other controlled committee.

NAME OF CANDIDATE/OFFICEHOLDER/STATE MEASURE PROPONENT	ELECTIVE OFFICE SOUGHT OR HELD (INCLUDE DISTRICT NUMBER IF APPLICABLE)	YEAR OF ELECTION	PARTY
			☐ Non-Partisan
			☐ Non-Partisan

- List the financial institution where the campaign bank account is located (controlled "candidate election" committees only)

NAME OF FINANCIAL INSTITUTION	AREA CODE/PHONE	BANK ACCOUNT NUMBER

ADDRESS	CITY	STATE	ZIP CODE

Primarily Formed Committee Primarily formed to support or oppose specific candidates or measures in a single election. List below:

CANDIDATE(S) NAME OR MEASURE(S) FULL TITLE (INCLUDE BALLOT NO. OR LETTER)	CANDIDATE(S) OFFICE SOUGHT OR HELD OR MEASURE(S) JURISDICTION (INCLUDE DISTRICT NO., CITY OR COUNTY, AS APPLICABLE)	CHECK ONE	
		SUPPORT	OPPOSE
		SUPPORT	OPPOSE

Statement of Organization
Recipient Committee

STATEMENT OF ORGANIZATION

CALIFORNIA FORM 410

INSTRUCTIONS ON REVERSE

COMMITTEE NAME

Santa Clara Chamber of Commerce Political Action Committee (PAC)

I.D. NUMBER

Applied for

4. Type of Committee (Continued)

General Purpose Committee Not formed to support or oppose specific candidates or measures in a single election. Check only one box:

☐ **CITY Committee** ☒ **COUNTY Committee** ☐ **STATE Committee**

PROVIDE BRIEF DESCRIPTION OF ACTIVITY

Review, research and recommend support of and/or opposition to proposed ballot measures and legislation, ordinances of city, county and state bodies

Sponsored Committee List additional sponsors on an attachment.

NAME OF SPONSOR	INDUSTRY GROUP OR AFFILIATION OF SPONSOR

STREET ADDRESS NO. AND STREET	CITY	STATE	ZIP CODE

Small Contributor Committee ☐ ____/____/____ Date qualified

5. Termination Requirements

By signing the verification, the treasurer, assistant treasurer and/or candidate, officeholder, or proponent certify that all of the following conditions have been met:

- This committee has ceased to receive contributions and make expenditures;
- This committee does not anticipate receiving contributions or making expenditures in the future;
- This committee has eliminated or has no intention or ability to discharge all debts, loans received, and other obligations;
- This committee has no surplus funds; and
- This committee has filed all campaign statements required by the Political Reform Act disclosing all reportable transactions.
  - There are restrictions on the disposition of surplus campaign funds held by elected officers who are leaving office and by defeated candidates. Refer to Government Code Section 89519.
  - Leftover funds of ballot measure committees may be used for political, legislative or governmental purposes under Government Code Sections 89511 - 89518, and are subject to Elections Code Section 18680 and FPPC Regulation 18521.5.

STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street • Suite 3000 • Sacramento, CA 95814-2329

November 13, 2018

Nadine Nader
Via email: nnader@santaclaraca.gov

RE: **FPPC Case No. 2018-01283**; Santa Clara Chamber of Commerce Political Action Committee (COM-10302018-02590 & 11012018-02615)

Dear Ms. Nader:

This letter is to notify you that the Enforcement Division of the Fair Political Practices Commission will investigate the allegation(s), under the jurisdiction of the Commission, of the sworn complaint you submitted in the above-referenced matter. You will next receive notification from us upon final disposition of the case. However, please be advised that at this time we have not made any determination about the validity of the allegation(s) you have made or about the culpability, if any, of the person(s) you identify in your complaint.

Thank you for taking the time to bring this matter to our attention. If you have any questions regarding this letter, please contact Chloe Hackert at chackert@fppc.ca.gov.

Sincerely,

GWest

Galena West, Chief
Enforcement Division

GW/ch

cc: Santa Clara Chamber of Commerce Political Action Committee

18-1361 **Agenda Date: 11/27/2018**

REPORT TO COUNCIL

SUBJECT

Action on the City's Response to the Performance Audit "Santa Clara Convention Center and Convention-Visitors Bureau: Restructuring Operations Can Strengthen Accountability, Performance and Revenue" and Analysis of the Chamber's Response

BACKGROUND

On May 22, 2018, by Council direction, the City hired TAP International to complete a performance audit of the Santa Clara Convention Center (SCCC) and Convention-Visitors Bureau (CVB). On September 18, 2018, TAP International presented its audit scope, audit findings, and recommendations (Attachment 1) in its report, "Santa Clara Convention Center and Convention-Visitors Bureau: Restructuring Operations Can Strengthen Accountability, Performance and Revenue" (Audit).

The Audit found that the fiscal health of the SCCC and CVB is good when evaluated separately, but that the City could strengthen the financial performance of both entities when evaluated together. The CVB and SCCC also received high customer satisfaction scores by users. The Audit also revealed serious failures to manage public assets with appropriate stewardship, accountability and transparency by the Contractor (Santa Clara Chamber of Commerce, referred to as the Contractor in the Audit and "Chamber" in this staff report).

Additional key findings include: problematic accounting practices of public funds by the Chamber; Chamber's apparent misuse of government assets; improper payment of commissions and bonuses without proper disclosure or transparency, which need further review; potential improper actions relative to the Santa Clara Chamber of Commerce's Political Action Committee (SCCCPAC); unmanaged conflicts of interests by Chamber staff and Board; and, City's improper oversight of contracts for the SCCC and CVB.

On September 18, 2018, the Council directed the City Manager to issue a 180-day notice to terminate the Convention Center Management Agreement, while simultaneously engaging in a competitive procurement process for the management and operation of the Convention Center and take necessary actions to stabilize its operations and to minimize further impact to public resources and assets. On October 9, the Council approved a procurement strategy for a contract award to manage the Convention Center and related sales and marketing services as well as procurement process integrity and conflict of interest guidelines. These guidelines provide a fair opportunity to participants through a competitive process for the award of the future management contract. At the same meeting, the Chamber announced that it had posted to its website a document entitled "Santa Clara Chamber of Commerce Response to Audit Findings and Concerns with City Actions" (Chamber Response) (Attachment 2). Response from both TAP International (#18-699) and City staff (Discussion section below) are provided on the November 27, 2018 Council agenda.

DISCUSSION

This section of the report provides response to the City Council on the City actions taken to address this Audit, as well as response to the Chamber's response to the Audit. Key to the Audit report is continued demonstration by the Chamber of its absence of basic working knowledge of management of public contracts, governance and authority, conflicts of interest, and the management of public assets and resources (that differ significantly from private sector practices). Equally absent was the City's dedicated oversight and management of these contracts to ensure the public's interest with dutifully managing this public assets and properly monitoring these contracts.

CITY ACTIONS TO SCCC/CVB AUDIT

(1) City Implementation of Audit Recommendations

Audit Recommendations & Tracking --Staff reviewed the 26 audit recommendations and developed an audit implementation plan matrix (Attachment 3). This plan lists the audit recommendations and the standard designation for the status of the recommendations such as Complete, Partially Complete and Not Implemented. The audit matrix is a conventional tool to track progress. Table 1 summarizes the current status of the recommendations grouped by RFP Related, Future Management Contract, and City Action Related.

Table 1: Summary of Audit Recommendations Status - November 2018

	RFP Related	Future Management Contract	City Action Related	Total
Complete	0	0	3	3
Partially Complete	11	0	0	11
Not Implemented	0	10	2	12
Total	**11**	**10**	**5**	**26**

Table 1 shows that 21 of 26 audit recommendations relate to the Request for Proposals (11 recommendations) or new operator contract (10 recommendations).These recommendations are intended to address the structural insufficiency of the current contracts. The audit recommendations categorized as "City Action Related" pertain to City actions required to address internal controls (Recommendation 2.G and 2.T), staff assignment for effective contract oversight (Recommendation 2.K), referral of audit findings to other public agencies (e.g., IRS and FPPC) (Recommendation 3), and CVB contract close-out activities (Recommendation 4).

City Staffing and Oversight -- Council has approved resources for staff to implement the SCCC audit and manage the new contracts (e.g., 1.0 FTE Assistant to the City Manager and 0.5 FTE Office Specialist III position). Recruitment is underway and the funding source is the SCCC and, possibly, the TID (see TID Audit regarding City responsibilities).

Referral of Audit Findings to State and Federal Agencies -- The Audit found that there were several instances in which referrals to other agencies should be made for possible investigations, specifically state and federal agencies. Based on the Audit recommendation, the City Attorney and

City Manager referred the matters to the Internal Revenue Service (IRS) and California Fair Political Practices Commission (FPPC) (Attachments 4 and 5). On October 9, 2018, the FPPC provided a response and the matter is now with the District Attorney for review (Attachment 6).

CVB Contract Close-out Activities - At Council's direction, the City Manager executed an amendment to the TAP International's contract to provide: (1) Financial analysis and review of revenue and cost allocation by the Chamber of Commerce for the Convention-Visitors Bureau (CVB); (2) Reconciliation of the American Express credit card statements to review allocation of CVB-generated expenses; and, (3) Other contract close-out activities to ensure that all invoices submitted to the City contained proper support and that expenses were allowable and reasonable under the CVB contract. (City staff has reviewed allocation of expenses from Chamber credit card statements to either CVB or Convention Center accounts since May 2018.)

CITY COMMENTS ON CHAMBER'S SCCC/CVB AUDIT RESPONSE

(1) Public Sector Governance

Staff's analysis of the Chamber Response revealed a significant lack of understanding of several basic governance and contract principles, particularly with a public agency, which together form the root cause of the numerous inaccuracies and misstatements in the Chamber Response. These basic principles include: public sector governance and authority; distinction between public sector vs. private sector conventional business practices; budget, contracting, oversight, and contract authority; and, auditing standards and purpose.

City of Santa Clara Charter and Municipal Code provide that the City Council shall formulate policy and establish rules and regulations for the governing of the City through ordinances, resolutions and oral motions or orders duly passed and entered in the official minutes of its meetings. The City Manager, as the chief executive officer, is responsible to the Council for the proper administration of all affairs of the City and to that end, has the authority, among other items: 1) to prepare the budget annually for Council approval and manage its implementation upon adoption and 2) make investigations into the affairs of this City, or any department or division thereof, or any contract, or the proper performance of any obligation to the City.

All actions taken by the City staff regarding the Convention Center and CVB have been consistent with the City Council direction/strategic pillars, Charter authorities, existing Chamber contracts, and professional standards/ethics. The Chamber Response does not recognize that through its two public contracts for the SCCC and CVB, it is bound and responsible to the City's governing body, common public sector regulations and contract practices, and non-profit/tax exempt corporation fiduciary responsibilities. The fact that the Chamber's Response does not acknowledge these responsibilities, illustrates its inability to have correctly managed these contracted services where it sees itself as responsible to the public and City Council for the transparent and responsible use of these public resources. It is unfortunate for both the Chamber and City that the conditions went unrecognized for several decades, costing both the inappropriate expenditures of public funds, persistent mismanagement of a public asset, and an unstable relationship between both governing bodies, e.g., Chamber Board and City Council.

City Communications -- As one of its strategic pillars, Council adopted “Enhance Community Engagement and Transparency.” Consistent with the Council’s policy objective, open and frequent communication with the community has been an active effort of the Administration and has been embraced by the City Council and community. Open communication with the Santa Clara community regarding City issues and events has been promoted through the City Manager bi-weekly blog; robust launch of MySantaClara customer relations management system; regular press releases; more frequent social media posting of public services and activities; and, multiple open letters to the community on City matters. Chamber Response states its belief that the City misused its authority by inappropriately communicating on this matter as an attempt to harm the Chamber is simply not true.

It should not be a surprise, or unwelcomed, that the City would want to be transparent about matters surrounding SCCC and CVB given the magnitude of findings that both confirm the shortcomings of management by the Chamber and City. Further, as both the City Council’s directions and actions of specific City Councilmembers were mischaracterized by the Chamber and local media, press releases and letters were mailed to increase the reach of the accurate communication to clarify the City’s position. The City has always had, and will always maintain, the right to communicate broadly to the Santa Clara community and it is completely responsible and appropriate for the City to correctly communicate the City’s position for the public purpose which the actions support. The investment of approximately $7,000 per mailing to communicate to the Santa Clara community is appropriate to support the principle of an open and transparent government- these actions were neither political, harmful, nor fraudulent.

Public Sector vs. Private Sector Practices -- The Chamber Response reflects a lack of basic understanding about the differences between public sector and private sector business practices and governance, as well as a misunderstanding of its duty as a tax-exempt nonprofit. While the Chamber explains its actions of fee waivers, discounts and compensation bonuses as conventional practices in the industry, it fails to acknowledge that it is not a private sector provider/operator in this industry, rather a non-profit/tax exempt management company of a public facility using 100% of public funds through a public contract. As such, the Chamber is bound to conventional public sector practices required to manage public contracts, resources, and assets in a transparent manner where the Chamber is directly responsible to the City Council (which holds the ultimate fiduciary responsibility of these contracts, the public funds, and the public asset).

Moreover, it is not at all clear that a nonprofit corporation can legally provide undisclosed fee waivers, discounts, and compensation bonuses, as part of a private sector business practice, when these types of remuneration go to Boardmembers and their friends and family. No matter how these practices are viewed, the Chamber had a fiduciary obligation to be transparent in its management and to ensure that no self-dealing took place; Chamber staff’s booking the SCCC; and, to establish proper protocols for these disclosures to the City Council.

Given that the City’s General Fund was the backstop for operational financial shortcomings, the Chamber should have been transparent about how its business practices impacted the larger public good and adhered strictly to its own discount/fee waiver policies-which the Audit found it did not. Had the Chamber properly managed these discounts and fee waivers, it would have (1) established a transparent process and established a segregated fund to issue and track discounts and subsidies so that public reports could be issued as part of required quarterly reports and (2) adhered to its own facility discount policy of 20 percent on rental charges. Figure 27 on page 39 of the Audit summarizes fee discounts in the amount of $16.1 million granted during the audit period (FY 2011-

2012 to FY 2017-2018 [April]), which constitute about 45% of the total gross facility charges in the amount of $36 million. The Audit described that 53.6% of all bookings were discounted (Page 39 of Attachment 1). The Audit confirmed that the Chamber did not adhere to its own policy for issuing discounts and/or waivers. The Chamber Response attempts to express that the City doesn't understand the industry, but incorrectly uses a private sector methodology while completely out of compliance with its own policy, as its explanation to justify its lack of transparency incompliance with proper public sector contracts.

Public Sector Budget Appropriation -- As the governing body, decision of the Council are made at Council meetings by majority vote and only such action binds the City (unless expressly delegated to the City Manager by a formal action of the City Council or City Charter). It is a well-known fact that individual members of the City Council do not have authority to bind the City on funding, contracts, or other matters. In the private sector, there may be more authority granted to individuals to make these fiscal and policy commitments, but that is not the case in local government. To argue that Mayor Gillmor and Councilmember Davis "authorized" a nearly tripling of the Chamber's Management Fee, from a flat fee of $50,000 in FY 2015/16 to 2% of gross revenue or $136,699 in FY 2016/17, as described in Chamber internal emails, demonstrates a lack of understanding of the authority of individual Councilmembers and public sector governance. Councilmembers engaging in any discussion with the Chamber do not constitute a binding action of the City Council. The City Council is only authorized to take action when properly noticed topics, consistent with the Brown Act, are publicly presented at a City Council meeting and by an affirmative majority vote. This is the only way the City Council can act on behalf of the City. The Chamber Response shows a misunderstanding of public sector governance and how the City Council takes action.

Further, there was no authority for: the Chamber to insert an increase in its budget for a Management Fee based on conversation with two Councilmembers; authority for the City staff to process increased payments; or, to leave the matter undisclosed when the City Council was presented with a revised budget for SCCC operations. As such, the Chamber Response asserts that the City Council approved the increase is wrong, because it was not properly disclosed to and publicly approved by the City Council. Further, a budget appropriation does not legally bind the City. Budget appropriations reflect expenditure plans and limits, but do not authorize the City Manager to expend funds absent proper contracts or delegated authority. For example, if the City Council approves a project budget for a dog park, it does not authorize the City Manager to execute agreements to construct the dog park.

The City Manager must publicly and competitively procure contractual services and seek Council approval to (1) enter into a contract and (2) appropriate funds or disclose the availability of funds for the specific contract purpose. It is a fact that neither actions took place with respect to the Management Fee increase (e.g., contract to issue payments); the Chamber cannot claim that an undisclosed budget increase appropriation and discussions with the Mayor and one Councilmember constitutes proper approval. In fact, the Mayor and Councilmember disagree with the Chamber's characterization of those meetings.

Public Sector Contracting & Existing Legal Obligations -- The Chamber Response also reveals a lack of understanding about contract scope and proper management of scope obligations. The Chamber held two public contracts, one to manage the SCCC and another in support of CVB activities. Each of these public contracts contains legal obligations for the Chamber to fulfill, yet the Chamber Response illustrates a lack of knowledge of their contractual requirements and legal

relationship to these contracts.

For example, the City's contract with the Chamber provided funds for CVB services. The City did not hire CVB employees and they were/are employees of the Chamber-any statement by the Chamber, its Boardmembers, or local media that the City terminated CVB employees is simply not true. The Chamber took action to terminate their employees, before the date for which the City provided transition funding and before the Chamber could implement its own transition plan to comply with the SCCC contract obligations. This action reflects poorly on the Chamber because it could not meet its legal reporting requirements to the City Council, relative to the requirements for the SCCC contract, as demonstrated in its incomplete 4th quarter SCCC Performance Report and statement that it cannot sustain booking/marketing activity for the SCCC.

The CVB contract had been structured as a one-year contract requiring renewal annually. Council's consideration of the contract was discretionary, meaning Council could have chosen to approve or deny the funding request during any given year. In June 2018, the Council chose to allow the CVB contract to expire without a replacement contract for FY18/19. As with any other business that experiences a loss of revenue, it was up to the Chamber to establish a contingency plan for its needs, as well as determine how to best manage its own organization in response to the loss of funding. Nevertheless, understanding the potential human impact of the Council's decision, Council authorized payment of an amount equal to 60 days of salaries for CVB employees in order to provide some continuity and for the close-out transition for the Chamber and its employees with respect to CVB activities. The Council also authorized the City Manager to move funding for some employees to the SCCC contract for the purpose of maintaining compliance with the SCCC public contract. The Council's action did not change the status of the existing SCCC contractual legal requirements on the part of the Chamber. However, the Chamber's action revealed the following contract confusion:

- There were two companion contracts: 1) annual CVB contract and 2) Convention Center Management Agreement. The CVB contract included convention center sales and marketing as a core part of its scope of services. The scope of services under the SCCC Management Agreement provides that the Chamber would "market, advertise, and promote the convention center…" for the purpose of booking. The SCCC maintains some booking activity, as confirmed in the Audit.

- The expiration of the CVB contract did not modify the scope of services required under the SCCC Management Agreement. As explained at the July 16 and August 21 Council meetings, staff could not enter into an Agreement with a third party to provide these same services, because the Chamber (through the SCCC Management Agreement) was already contractually required to provide these same services. Despite the fact that the City Council and City Manager authorized funding for some employees to be transferred over to the SCCC, it does not appear that any effort was made which impaired the Chamber's ability to uphold its legal obligations outlined in the SCCC Management Agreement. Had the Chamber better understood the Council's actions, it could have engaged in more meaningful conversations to transfer some of its CVB employees to the SCCC Management Agreement for proper and stable transition: instead the Chamber took broad action to destabilize the SCCC, terminate TID funded employees, and close out the CVB without proper actions.

- The Chamber Response correctly points out that the City (through Assistant City Manager

Ruth Shikada) advised the Chamber that there was not an expectation that CVB services, under the CVB contract, continue to be provided beyond the expiration of the contract. However, the Chamber in error used this communication to relieve itself of SCCC contractual obligations requiring the Chamber to "market, advertise, and promote the convention center…" for the purpose of booking. The Chamber's lack of understanding of its existing SCCC contract obligation and, use of this direction to attempt to establish contradictory direction from the City, illustrates that the Chamber does not understand its contractual obligations under the SCCC Management Agreement and, through its own actions, created a much higher level of chaos within its organization and for its employees. In fact, on several occasions both public and private, the Chamber/Convention Center was advised by City staff that the Chamber could transfer some employees to the SCCC operations to sustain booking and other services (per SCCC Management Agreement), but the Chamber took no action to maintain these functions through its SCCC Management Agreement and at its own peril.

- The City made a payment to the Chamber consistent with Council direction (payment of 60 days of salaries) prior to the expiration of the CVB contract. The Chamber's broad sweeping actions to terminate TID employees jeopardized its TID "Fiscal Agent" obligations of the TID, unnecessarily. In fact, given that the TID employees were funded by non-CVB funds, for which the City Council has taken no action, the City advised the Chamber that it could move fundings for transfer of employees to the Convention Center Management Agreement for the purpose of continuity and sustainment of TID obligations. The Chamber, on its own, terminated its TID funded employees which further rendered itself unable to continue the services and obligations as Fiscal Agent of the TID. The Chamber's overly broad actions to terminate its employees (without regard to its legal obligations under the SCCC contract, CVB contract and Council transition action, and TID fiscal agent obligations), without regard to the Council's offer to fund some employees moving to the SCCC contract, has placed itself in a position where it is no longer able to fulfill its contractual obligations that still exist and, therefore, negatively impacting future bookings of events at the Convention Center and hotel room bookings within the TID and the City as described publicly by TID representatives. These actions demonstrate the Chamber's inability to distinguish its legal obligations for the various public agreements or obligations that it holds/held (e.g., CVB, TID fiscal agent, and SCCC operations).

- Since the Management Agreement requires marketing, advertising and promotion of SCCC, and the SCCC Management Agreement is still valid, there is a legal obligations that some form of these services are and will continue to be provided. CVB files were transferred by City staff to the SCCC staff after CVB offices closed. Since the Chamber remained the responsible entity for marketing, advertising and promotion of SCCC, it would have seemed prudent that after the Chamber made a decision to release CVB employees from employment, a transition of records and work effort between its own internal staff would have occurred in order to execute the organization's continuing responsibilities under the SCCC Management Agreement. However, the City had to initiate this transfer of documents for the Chamber for the continuance of SCCC required services. This further illustrates the lack of knowledge on the part of the Chamber of its legal obligations within the existing management contract, but demonstrates how it removed itself of SCCC oversight when the CVB contract expired.

Chamber Contract Authority - The SCCC operates under an agreement between the City of Santa Clara and the Chamber. The 1984 Management Agreement only provides the Chamber with authority

to operate the SCCC and to enter into agreements for operations. Particularly, the SCCC Management Agreement does not vest any property rights from the City of Santa Clara to the Chamber as part of operations, nor does it allow the Chamber to convey the City's property rights or part of the facility to a third party. Therefore the Chamber was not authorized to enter into leases for space at the Convention Center. Only the City Council, acting as the owner for City property, can authorize a transfer of the City's property rights. There was a complete absence of recognition by the Chamber when it allowed the Convention Center staff (who had no legal authority to bind the Chamber or City in such lease agreement) to a lease agreement with UPS. As the UPS Lease Agreement was not authorized by the City, there is not a legal relationship between the City, Chamber, and a third party for the UPS store in the SCCC-a public facility. Chamber Response does not reflect an understanding of two core contracting principles: 1) there was no contract authority for the Chamber, or SCCC operations, to enter into a Lease Agreement that binds the City of Santa Clara and 2) without a valid Lease Agreement that only the City Council can approve, there were never any legitimate rights to transfer from the previous UPS tenant to a new UPS tenant (the Chamber Boardmember). The absence of the Chamber's understanding of its contractual limits and obligations through the SCCC Management Agreement to operate the SCCC illustrates how several of these actions could have occurred.

Business and Industry Oversight -- Management of a publicly owned Convention Center and the public funds involved, requires an understanding of the public sector obligations and practices, as well as industry practices and business trends. The Chamber Response establishes that it does not understand the requirements to manage a public facility or funds and, instead, depends on "hand shake" deals as an explanation/justification for management shortcomings and oversight.

The Chamber was responsible for management oversight of the SCCC and CVB, which should have included business practices and models to maximize revenue and independence from the General Fund, versus dependence on the General Fund for operations and capital projects. The City requested, and the Chamber provided, one year of its Board meeting minutes to understand and substantiate the Board's extent of oversight at its regular meetings. A review of the minutes shows a shallow oversight role of the SCCC and CVB, both by way of oversight of operations and its review of business and industry practices and trends. The weaknesses in the model, identified by both Jones Lang LaSalle, a consultant company, and the Audit were never reflected in the Chamber meeting minutes and, in fact, its minutes show no focus/diligence on strategies to improve performance through critical analysis of their existing practices and industry trends. Had the Chamber conducted such evaluations, it would have discovered the Audit's finding of internal conflict between the CVB multi-day bookings and Convention Center one-day booking practices that disadvantaged the multi-day bookings over one-day bookings, as a loss of hotel bookings and potential greater revenue generation. The fact that the Chamber, as part of its management oversight of SCCC and CVB operations, did not recognize its own internal operational flaws and internal conflicts with bookings, illustrates its significant gaps in managing these services.

(2) Conflicts of Interests

The Chamber Response also demonstrated disturbing and unmanaged conflicts of interests; however, it positively acknowledges the Chamber's recent admission of efforts to implement conflict of interest training for its organization. The Chamber demonstrates a need for training, management of its "real" and/or "perceived" conflicts, and corrective action for inaccurately filing of its IRS Form 990: Exempt from Income Tax with respect to its maintenance of a conflict of interest policy.

Apart from the Audit, and as directed by the City Council, staff's analysis found that the Chamber filed IRS Form 990 inaccurately by declaring under penalty of perjury for multiple years that it did not maintain a conflict of interest policy, when it affirmatively confirmed with the City, and produced such policy, that it did maintain a Conflict of Interest Policy. The likeliness that the Chamber did not manage conflicts of interest is more credible, as reflected in the actions of the Board and the significant delay in producing conflicts of interest documents when requested by the City (most of which were executed by Board members during the period of time for which the request was outstanding).

For example, the Chamber, through its own Conflict of Interest policy, holds itself to a threshold standard of avoiding a "perception" of a conflict of interest, let alone a "real" conflict. The Chamber Response incorrectly defends its actions regarding the findings of conflicts in the Audit, in that the Chamber did not meet its own standards to avoid even the "perception" of a conflict, nor did it correctly disclose the perception/real conflict to the "appropriate level of authority" which is the City Council given that the conflicts arise from certain Boardmember's inappropriate use of public assets and/or resources. The City Council is the appropriate authority because the Board is the governing body of the Chamber activities and it responsible for the implementation of the SCCC and CVB publicly funded contracts. The Chamber's Conflict of Interest Policy clearly states:

A conflict of interest exists when officers, board members or staff has a direct or indirect business, professional or personal situation or relationship that may influence or be perceived to influence the judgment or action of the officer, Board Member or staff when servicing the Santa Clara Chamber of Commerce & Convention-Visitors Bureau…***All real or perceived conflict of interest will be disclosed to the appropriate level of authority necessary*** for consideration, resolution and direction. [emphasis added]

The Chamber Response explains that there were no conflicts of interest when Mr. Miles Barber, owner of the Santa Clara Weekly and Boardmember of the Chamber, had the CVB marketing staff advertise in his local publication. The Chamber Response uses various irrelevant reasons to explain away the real conflict and focuses on the CVB's intentions to advertise for the purpose of booking the SCCC, e.g., targeting local corporations, decline of media publications, seasoned marketing staff making decisions, under market pricing by Mr. Barber. The Chamber Response also states the absence of a conflict as it was approved by various chain of command levels within the Chamber (e.g., CEO/President, Board Chair, and CVB Supervisor).

The explanation illustrates the Chamber's complete lack of knowledge of how to manage and avoid conflicts of interest, which do not take into consideration the intention of individual's actions to offset a violation. According to the Chamber Response, neither Mr. Barber declined to profit from CVB funds when approached for advertisements, which he should have done to avoid a "real" and "perception" of an economic interest resulting from profits to his personal business while concurrently holding a Boardmember role. If Mr. Barber had upheld the Chamber's Conflict of Interest Policy, he should have declined the CVB's request to advertise in the Santa Clara Weekly to prevent even the "perception" of a conflict of interest-- the threshold established in the Chamber's own policy. He did not.

More disturbing is that the Chamber explains the properness of its actions by stating that the transaction between the CVB and Mr. Barber were reviewed and approved at various levels within

the Chamber, e.g., CEO/President, Board Chair, and CVB Supervisor. This chain of command review and approval by the Chamber does not remedy or establish that there was no conflict; to make this matter worse, it does show that the "real" and "perception" of a conflict was not detected at multiple levels within the Chamber organization to prevent it from occurring, which instead of it serving as a correction to the conflict of interest, demonstrates a complete failure at all levels within the Chamber to uphold the Chamber's Conflict of Interest Policy and prevent violations of it. This is disturbing because the Boardmember did not decline the advertising and profits and the Chamber staff did not detect the conflict.

In addition to its internal failures to prevent this conflict of interest, when the City did inquire about these events, the Chamber failed to provide a consistent response to the economic advantage afforded Mr. Barber through these violations. The Chamber has provided three responses to the actual value of publicly funded economic benefit that Mr. Barber received from these violations, for example:

- in June 26, 2018, Mr. Kasper stated at the City Council meeting that Mr. Barber charged "fair market price" for the advertisement suggesting that there was no conflict because the CVB received no discounted pricing,
- at that same meeting, the City Manager referenced Mr. Kasper's correspondence which stated that Mr. Barber had provided the advertisement at a 30% discount from normal pricing after which Mr. Kasper acknowledged the correction that the price offered for CVB advertising was not '"fair market price", and
- the October 2018 Chamber response provides a third explanation that "the Santa Clara Weekly offered 6 full-page color advertisements to the CVB for an under market price of $5,000 (each)." Appendix L to the Chamber Response provides an email from the Santa Clara Weekly sales manager which states that the quoted rates are at a "big discount". The pricing for six ads quoted at $4,284 each amounts to a total package cost of $25,704 from the CVB to the Santa Clara Weekly.

Putting aside the multiple versions from the Chamber, disclosure to the City should have occurred consistent with the Chamber's Conflict of Interest requirements, which states, "All real or perceived conflicts of interest will be disclosed to the **appropriate level of authority** necessary for consideration, resolution and direction." The Chamber's failure to understand how it created a completely avoidable conflict of interest and, once created, its failure to report it consistent with its own policy supports staff's concern about the Chamber's ability to manage conflicts. Further, it was only at the City's inquiry about the Chamber's conflict of interest policy and its practices of compliance, did the Chamber produce documents dated largely between February - May 2018, which did not satisfy proof that the Chamber actively managed conflicts or its Conflict of Interest Policy.

Similarly, the Chamber also failed to uphold its Conflict of Interest Policy when it allowed for a Boardmember to operate a UPS Store in the Convention Center, without any effort to manage the "perception" of a conflict of interest or disclose it to the City-the owner of the facility. The Chamber focuses its response on an existing lease agreement between the Convention Center and the UPS Store and an invalid agreement provision that speaks to the transferability of the franchisee to another operator (e.g., a Chamber Boardmember), without any regard to the Chamber's lack of

authority to lease out space (see earlier discussion under Public Sector Governance). This example, unfortunately, is much broader than the conflict of interest, because the:

1. SCCC Management Agreement does not authorize the Chamber to lease public facility space, which the Chamber erroneously allowed without any approval or disclosure to the City-the owner,
2. Chamber allowed a Boardmember to move in to the space and operate a private business without any disclosure to the City, the owner, per its Conflict of Interest Policy which states, "All real or perceived conflicts of interest will be disclosed to the **appropriate level of authority** necessary for consideration, resolution and direction." Had the Chamber disclosed this Lease Agreement, the Council could have approved it or advised the Chamber that it would not approve a lease agreement, thus avoiding the Conflict of Interest leading to a Boardmember occupying the space, and
3. To complicate the matter, the Chamber allowed a Boardmember to move into the space without proper completion of required legal paperwork, which had the Chamber done so, the inappropriateness of the action to lease out public space would have been detected (and corrected) and saving the Boardmember of the expectation to provide business at the SCCC under the UPS lease agreement and avoiding personal expenditure of his own funds. When the City inquired about the status of this matter, the SCCC General Manager stated that no transfer agreement had been executed to allow the Board member to operate, despite the fact that he has been operating at the UPS Store at the SCCC. Given the absence of City Council action to enter into a lease agreement with UPS Store to operate in the SCCC, City provided notice that any lease agreements, or transfers, should remain unexecuted until further notice.

Had the Chamber performed its obligations under the SCCC Management Agreement appropriately, it would have sought City approval to lease out public space, managed a competitive process with transparent and equal access to all vendors seeking to operate a private business in a public facility, and worked with the City to enter into a legally binding agreement for space in a publicly owned facility. The Chamber allowed for a "real" and "perception" of a conflict of interest to develop by authorizing the Boardmember to move into a public facility to operate his private business. The above illustrates the Chamber's lack of knowledge of operating a publicly owned facility, adhering to its own Conflict of Interest Policy, and its contractual obligations to the City as it managed a publicly owned facility using public funds. The Chamber Response does not address these issues in its response which cause concern.

(3) Tourism Improvement District Audit

As the fiscal agent, the Chamber Response also shows a lack of understanding of basic governance of the Tourism Improvement District (TID), a levied assessment approved by the City Council in accordance with state law. While the TID Advisory Board has bylaws, the TID is not a legal entity authorized to conduct business in the State of California: in fact, the TID is solely an advisory body that provides input on how to implement the funds collected through approved levied assessment action and recommend a budget outlining an expenditure plan to achieve the mission for which the funds are collected. The TID has no contracting authority and its recommended expenditures must adhere to the City Council approved budget, according to state law, and administered appropriately by its Fiscal Agent (Chamber). As discussed at the August 28 Council meeting, although the TID was established in 2005, the TID has not enacted assessments in a manner consistent with State Law

since 2006. The funds collected by the TID are public administered funds, not Chamber or hotel funds, and can only be used for limited purposes designated by state law and articulated in a Council approved Ordinance. The Council authorized and directed a performance audit of the TID on August 28, 2018.

The presentation of the audit and its findings is a separate item on the November 27, 2018 Council meeting agenda; however, related to the Convention Center audit by both its commingling of funds with CVB activity and as a reinforcement of the pattern of fiscal mismanagement by the Chamber.

The TID Audit makes similar findings of the Chamber management practices with respect to mismanagement of public funds, poor accounting practices, and lack of adherence to policy for which to apply fee discounts or waivers, and substantial expenditures that have no supporting documentation. Of concern is that the Chamber currently holds a $600,000 TID Reserve for the City which it has not released, despite the fact that the TID Advisory Board took action to release it as Fiscal Agent. The audits of the Chamber's management of the Convention Center, CVB, and TID all reinforce the finding that the Chamber did not manage public facilities or funds properly and did not understand its legal obligations of how to manage public funds.

Additionally, the Chamber's assertion that the City directed the TID Advisory Board to stop conducting business with the Chamber is a complete misunderstanding of the TID Advisory Board's authority. The TID Advisory Board exists only by the City Council action to approve its creation and authority to levy revenue for a specific purpose. The levied funds are submitted to the City, who in turn distributes the funds to the TID Advisory Board's Fiscal Agent for implementing the Council approved budget and expenditure plan. The Chamber's role as Fiscal Agent was responsible for the proper expenditure of funds, per the budget and expenditure plans, and both the City and Fiscal Agent were responsible for complying with state laws. The TID is a business activity of the City, permissible under state law and for specific purpose, for which the City serves as the governing body annually authorizing the levied assessments, budget approval, expenditure authorization, and authority to continue with its activity. The City acted appropriately when advising the TID Advisory Body of the City's concern regarding the Chamber's fiscal mismanagement of public funds, as proven true in the TID Audit which demonstrated additional fiscal mismanagement by the Chamber as Fiscal Agent. The City has full authority to inquire of the TID Advisory Body about its Fiscal Agent and how it is managing levied public funds under the City Council's authority.

Last, while working on this Audit and the TID Audit, City staff received a copy of the Chamber's TID Management Letter which reinforced the importance of proper fiscal management and accounting. Specifically, the October 25, 2017 Management Letter (Chamber Commissioned Independent Financial Audit by Johanson & Yau, Accountancy Corporation) states:

> Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, ***we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies***.
>
> A deficiency in internal control exists when the design or operation of a control does not

> allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis.
>
> A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet imp01tant enough to merit attention by those charged with governance. ***We consider the deficiencies in Santa Clara Tourism Improvement District's internal control presented on page 2 of this letter to be significant deficiencies***. ***[Emphasis Added***]

While the Chamber has denied adamantly its poor fiscal controls and management of public contracts or funds, the Chamber's own internal documentation by their commissioned professional accountants to produce independent financial audits of its financial statements serve as evidence that they were made aware of their "significant deficiencies" with managing public funds (e.g., TID funds). Instead, the Chamber has taken a different route by attempting to discredit TAP International, City staff, and/or assign the City's intent as political motivation. The Chamber should have been more transparent with the City Council, City staff, and public of its own evidence documenting its "significant deficiencies" with respect to financial mismanagement and accounting.

(4) Obligations to Report: Preliminary Observations & Staff Findings

Performance auditing is an important part of the accountability process because it provides an independent view on the extent to which government officials are faithfully, efficiently, and effectively carrying out their responsibilities. As a public agency, the City is expected to uphold itself to high standard regarding disclosure of information to ensure transparency and accountability and earn the public's trust. Auditors of governmental entities hold themselves to similar standards.

The Chamber Response takes issue with both the Auditor and City staff for its public disclosures of preliminary audit observations and staff's research findings. In fact, the Chamber has publicly criticized the City for disclosing preliminary audit observations and staff findings in advance of the final audit report, characterizing such actions as politically motivated or unprofessional. The Chamber's position further demonstrate that it completely misunderstands the role of audit, governance, Council direction to staff and follow-up reporting, and how critical these matters are with respect to the use of a public facility and resources. Suggesting that the Auditor or City staff are politically motivated, while convenient for the Chamber to use as an explanation during an election and during their own political activities, is an illustration of how unprepared the Chamber is to manage a public facility. An Auditor and City staff always maintains the right to report directly to the City Council on its activities with respect to implementing City Council action.

In July 2018, City staff explained in writing of the requirements to release preliminary observations by the Auditor, as well as staff findings, the Chamber finds other attributions to explain simple City Council direction and professional standards. In fact, the July 2018 memo specifically quotes the Auditor's purpose for releasing the preliminary observations, "***when there is preliminary evidence of potential fraud, waste or abuse, it is an audit requirement to immediately report it to the client (the City). The Chamber/CVB and CC providing discounts to Chamber members at the Convention Center, including full discounts to the Chamber and other entities that use***

Convention Center facilities triggered this requirement."

Specifically, auditing standards used by TAP and other government auditors are documented in the *United States Government Accountability Office Government Auditing Standards*, also known as the "Yellow Book". The Yellow Book is used by auditors of government entities, entities that receive government awards, and other audit organizations performing Yellow Book audits. The Yellow Book outlines the requirements for audit reports, professional qualifications for auditors, and audit organization quality control. Auditors of federal, state, and local government programs use these standards to perform their audits and produce their reports. Yellow Book Section 6.78 provides that:

Auditors report deficiencies in internal control, fraud, noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse. **For some matters, early communication to those charged with governance or management may be important because of their relative significance and the urgency for corrective follow-up action.** Further, when a control deficiency results in noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse, early communication is important to allow management to take prompt corrective action to prevent further noncompliance.

Yellow Book Section 6.49 also provides that "Determining the form, content, and frequency of the communication is a matter of professional judgment, although written communication is preferred." As stated in the July 17, 2018 Informational Memo to Council, TAP International was required to inform the City Council, via the City Manager, of its preliminary audit findings per professional standards. TAP's report on preliminary observations included:

- Chamber members were provided discounts for use of the Convention Center without an established City policy or City approval
- Free use of the Convention Center by Chamber and others without an established City policy or City approval

In fact, prior to the public disclosure of the above preliminary audit findings, the Council was presented in Closed Session with additional Auditor preliminary observations, but the Auditor worked with City staff to establish how to provide disclosure in public session. Disclosure of these preliminary observations led to the change in the SCCC's practices regarding free or discounted use for public presentation at the City Council meeting. Additionally, disclosure of staff's findings resulted in changed practices of the Convention Center's access to the City's general checking account and established greater due diligence for disbursement of public funds.

The Chamber Response objects to the information provided in the Audit and its findings. The Auditor made multiple requests for information, both at a staff level and by City Council, and provided the Chamber with a draft copy of the audit for review and correction of facts. According to TAP International, the Chamber requested many changes and had full access to the information in the Audit. As articulated in the Yellow Book, the charge of an Auditor is to conduct high-quality engagements with competence, integrity, objectivity, and independence. Changes in the audit were made when appropriate documentation supporting the change was submitted by the requestor (e.g., Chamber). To preserve the independence and integrity of the Auditor and Audit itself, requested changes modifying interpretation and or presentation of information without supporting documentation were not made. The Chamber was never denied time to review the Audit in draft or

final form, and the Chamber attempted to characterize the postponement of the report to the City Council as a political effort in complete disregard to the Auditor's unavailability resulting from a personal matter.

The Chamber Response also takes issue with the Administration's disclosure and reporting of the preliminary observations and execution of actions recommended in the audit report. Again, the Chamber lacks an understanding of public sector governance and practices. With the Council's policy decision to commission an audit, the Council became the client of the auditor and the City Manager had to report preliminary audit observations to the City Council, as well as report Council directed research and related findings on the part of staff. The City's actions appropriately support the principles of transparency and openness, as well as the authority of the City Council to initiate an Audit and to receive updates of the audit per professional standards.

The Chamber was well aware of the City's request for IRS Form 990s and Conflict of Interest forms and that the City staff evaluation was underway, by several requests for this information over weeks or months which were discussed publicly and even requested by Councilmember Davis at a City Council meeting. There is not another forum, other than a City Council meeting, to report the staff findings based on our review or the Auditor's preliminary observations. The Chamber's attempts to characterize staff's actions as unprofessional or politically motivated on the part of TAP International or City staff are simply a meritless attempt to deflect attention from its own misdeeds. These audits at City Council direction were an exercise in fiscal responsibility over public funds and assets; TAP International was adhering to its professional ethics/practices in providing its preliminary research and observations. Ultimately, the public is entitled to know what is going on with its money and property. City staff should not be faulted for being too transparent or too early in reporting on serious risks to the City.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a) as it has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

FISCAL IMPACT

There is no additional cost to the City associated with this report other than staff time and expense.

COORDINATION

This report has been coordinated with the City Attorney's Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Action on 1) the City's Response to and 2) Analysis of the Chamber's Response related to the Performance Audit "Santa Clara Convention Center and Convention-Visitors Bureau: Restructuring Operations Can Strengthen Accountability, Performance and Revenue"

Reviewed by: Ruth Shikada, Assistant City Manager
Approved by: Deanna R. Santana, City Manager

ATTACHMENTS

1. Performance Audit by TAP International on September 18, 2018
2. Santa Clara Chamber of Commerce Response to Audit Findings and Concerns with City Actions
3. Audit Implementation Plan Matrix
4. Chamber Conflict of Interest Policy
5. IRS Referral
6. City letter to FPPC
7. FPPC response letter to City



TAPInternational

SANTA CLARA CONVENTION CENTER AND CONVENTION-VISITORS BUREAU: RESTRUCTURING OPERATIONS CAN STRENGTHEN ACCOUNTABILITY, PERFORMANCE AND REVENUE

FINAL REPORT

September 18, 2018

ACKNOWLEDGEMENTS

TAP International, Inc. appreciates the assistance and cooperation received by City staff and all of the Contractor's CVB and SCCC employees who contributed to this review.

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Report Brief

Why the Assessment was Conducted

The City of Santa Clara (City) has contracted with a local non-profit business organization (Contractor) since 1975 to operate and manage the Convention and Visitors Bureau (CVB) and since 1984 to manage the Santa Clara Convention Center (SCCC) that opened in 1986. The City raised concerns about the Contractor's operations, practices, and financial performance of the CVB and the SCCC. Other concerns include delays in information submitted to the City by the Contractor, hindering the City's ability to perform its own full assessment of the Contractor's operations of the CVB and the SCCC.

In May 2018, the City contracted with TAP International, Inc. to conduct an assessment of the Contractor-operated SCCC and the CVB. This review did not encompass all operations or all financial management activities of these entities. This report describes the fiscal health of each entity, the nature of revenues collected, and their spending. This report also assesses the adequacy of structures, systems, operations, and the processes in place by the Contractor and finally, evaluates the potential changes needed to enhance the SCCC's sustainability and overall performance.

Summary of Key Results

The SCCC has satisfactory fiscal health because it can support operations using its own operating revenues. Across a ten-year period ending in FY 2016-17, revenues cumulatively totaled about $60.4M[1] and expenses cumulatively totaled about $55.8M, resulting in net income levels of $4.7M. Had the SCCC assume responsibility for the CVB's operation, the SCCC could not have supported itself, resulting in a $9.4M net income loss by the end of the ten-year time period. By factoring into the analysis other sources of revenue that other cities allocated to convention centers and visitors bureaus, such as Transient Occupancy Taxes (TOT), Tourism Improvement District (TID) fees, and Sales Tax, then the SCCC may have had mixed financial performance, ending the nine-year period[2] with about $310,000 net income.[3] The fiscal health of the SCCC could have been stronger if it had reduced the frequency and the amount of the discounts offered to event sponsors. Facility discounts totaled $14.7M between FYs 2011-12 to 2016-17. Issuing discounts is allowable under some circumstances in accordance with SCCC's booking policies.

The CVB's year-end fiscal performance was satisfactory. While losses occurred in six of the past ten years, none of the losses exceeded ten percent of its budget. In the past ten years, total revenues cumulatively totaled $15.8M and expenses cumulatively totaled $15.5M, resulting in

[1] Excludes Restricted Revenue
[2] Nine-year period was used as Capital expenditure information from FY 2007-08 was unavailable.
[3] TOT tax, TID fees, and Sales Tax projections based on CVB revenue estimates. It would be assumed that sales tax generated from Convention Center partners would be included in Sales Tax estimates.

excess revenue of about $278,000. The CVB reported revenue surpluses in four of ten years – FYs 2011-12, 2012-13, 2015-16, and 2016-17.

While the types of revenues and expenses incurred by the SCCC and the CVB are aligned with their mission and purpose, each entity paid added compensation to its sales staff that needs further review. The SCCC paid commissions and the CVB paid bonuses, referred to as incentive pay. The sales industry uses this form of compensation. However, the City Council should have provided approval of the commissions because the added pay was not addressed in the City's agreement with the Contractor nor clearly identified in the SCCC's operating budget. Further review is needed for the incentive payments to the CVB staff because the payments were funded by the Santa Clara Tourism Improvement District without a formal contract or agreement.

The Contractor could have had better structures, systems, controls, and processes to support the SCCC and the CVB operations. The Contractor's governance structures and business activities have created the appearance of, and actual, conflicts of interests, mis-use of government assets, and mis-use of government-sponsored resources while other concerns present may need further review by other agencies. In addition, the Contractor's financial management of the CVB's operations has weaknesses in its internal controls, especially in the area of bill payment, while its information management activities have structural gaps that if addressed, could enhance managerial decision-making. The Contractor and the City each share responsibility for the issues described in this report. The City, which is responsible for ensuring that outsourced operations provide services in a transparent and accountable manner, did not have strong agreements in place nor implemented effective contract oversight until recently with the hiring of a new City Manager. The Contractor's implementation of operations led to accountability and compliance concerns.

A key change needed to increase the SCCC's operational sustainability and performance is to update the overall marketing strategy. Several operational challenges hinder the ability of the CVB to enhance their own overall performance and to increase the financial performance of the SCCC. These challenges include: (1) scheduling more events that last less than a day versus scheduling events longer in duration that would also need hotel room nights; (2) the rising number of potential clients (also known as leads) required to schedule an event, as the total number of leads received has declined; (3) inefficient utilization of staff time to work leads because an inordinate amount of time is spent entering information into various databases; (4) not dedicating multiple sales staff in successful target areas, such as the corporate sector; and (5) a limited advertising budget. Both the SCCC and the CVB operate as separate entities and could benefit from an integrated and comprehensive marketing plan.

In June 2018, the Santa Clara City Council directed City management to retain assistance in the development of options for the provision of convention and visitor services. The development of these options should include analysis of varying business structures to operate the SCCC that would result in the strongest level of accountability over operations. Business structures used in other California convention centers and CVB's differed. These business structures included a city-

established nonprofit organization, city-established districts, authorities, and out-sourcing operations to a third-party.

Conclusions

The City's Contractor was instrumental over 40 years ago in working with the City to establish the CVB and to serve as the first operator of the SCCC. The Contractor had key successes, especially with the overall satisfaction of the CVB and the SCCC employees and the financial performance of the SCCC. The Contractor, however, also had key accountability problems and could have had implemented a better strategy to maximize the SCCC's financial potential. Should the City implement changes to the SCCC's and the CVB's operations, including how the City conducts contract oversight over these operations, the potential changes should include sound governance coupled with effective and strong leadership that would ensure administration of a transparent and accountable business environment.

Recommendations

1. The City Manager, in response to prior City Council direction to develop options for the SCCC and the CVB operations, should include a feasibility study to assess the advantages and disadvantages of various business structures to run each or both operations. The feasibility study should include analysis of financial projections in the short and long term for each option.

2. Regardless of any change in the business structure, the City Manager should consider implementing the following activities to ensure better accountability of operations and to build on the financial performance of the SCCC:
   a. Develop a comprehensive and integrated business and marketing strategy.
   b. Develop better event scheduling policies that address renting SCCC facilities to nonprofit organizations, the use of discounts, and document specific criteria for prioritizing event scheduling.
   c. Transition into booking more same day events to area hotels to allow greater availability of calendar time for multi-day events at the SCCC.
   d. Reduce the SCCC's scheduling of events to six months in advance.
   e. Strategically align more sales staff to industries that frequently rent the SCCC.
   f. Integrate all marketing and sales activities between the SCCC and the CVB.
   g. Consolidate accounting systems used between the SCCC and the CVB.
   h. Consider elimination of Sales Commissions.
   i. Modernize the SCCC.
   j. Prohibit comingling of City funds with other nongovernmental revenue sources.
   k. Establish a clear leadership structure and team to administer effective City oversight of operations.
   l. Establish requirements to avoid, disclose, and mitigate conflict of interests.

m. Establish financial disclosure requirements for the SCCC and the CVB contractors who make decisions on the behalf of the City.
n. Establish requirements that describe and define appropriate and reasonable expenditures.
o. Establish requirements and controls for purchasing, including the use of the credit cards and purchase cards.
p. Establish contracting and contract management requirements for the SCCC and the CVB.
q. Establish stronger requirements for financial reporting on operations.
r. Establish the requirement to develop, track, and report on progress in meeting key performance benchmarks for the SCCC and the CVB operations.
s. Establish employee compensation policies.
t. Establish controls that ensure accuracy and completeness of the SCCC and the CVB performance reporting.
u. Establish requirements for the storage and archiving of financial and operational data.
v. Conduct ethics and conflicts of interest training to the SCCC and the CVB employees.
w. Conduct training on the principles of good governance to the SCCC and the CVB employees.

3. The City Manager should review the accountability issues and concerns described in this report and refer them, if needed, for further review by the City or by other agencies.

4. The City should conduct contract oversight activities by reconciling (a) the Contractor's allocation of CVB's revenues and expenses and (b) the Contractor's credit card statements.

Background

City Agreements Guide Operations at the Convention Visitor's Bureau and the Santa Clara Convention Center

The City did not have a CVB organization until a local nonprofit organization approached the City with the concept as a way to help area businesses. Since 1975, the City authorized the local nonprofit organization (referred to herein as the Contractor) to operate the Convention and Visitors Bureau (CVB). The CVB is a destination marketing, sales and service organization whose purpose is to promote the City of Santa Clara as a destination point and to promote the City's hotels and convention center. The agreement, referred to as the CVB Agreement, was updated in 2017. According to the CVB agreement, the City expects the CVB to increase City revenues by increasing visitor and convention spending in hotels, the Convention Center, visitor attractions, restaurants, and other businesses in the City as measured by Transient Occupancy Tax (TOT), Tourism Improvement District (TID), and retail sales tax.[4]

The City also expects the Contractor to:

- Target sales and promotion efforts to various market sectors (e.g. corporate business, association and SMERF (social, military, educational, religious, fraternal) and sports groups)
- Generate "mid-week" for the Convention center and hotels that will pay the mid-week hotel room rates, including holiday and weekend business in selected months
- Attract City-wide groups as newly defined by the CVB as needing 750 hotel room nights per event at the event's peak. (City-wide groups were historically defined as needing 600 hotel room nights at the event's peak).
- Perform sales calls and city bid presentations to prospective businesses and organizations
- Conduct city site inspections showcasing the City of Santa Clara, hotels, convention center, stadium, entertainment and attraction venues, and local businesses
- Sponsor exhibits in key tradeshows, attend industry related meetings and sponsor special industry related events
- Implement direct mail, e-marketing/social media and e-blasts
- Advertise in key trade publications, newsletters, directories, and social media platforms

[4] The City requires that any person or business engaged in the renting of any number of rooms for lodging, dwelling, or sleeping purposes, must collect, report and remit 9.5 percent of the lodging fee per night. In FY 2016-17, the City collected about $20M in TOT tax. The City assesses an added $1 per room night among the eight (at the time of our review) participating hotels that comprise the Tourism Improvement District. These same hotels contribute an extra two percent to help pay off $40M used by the Community Facilities District for infrastructure to facility the Stadium project.

- Develop convention sales and marketing materials
- Advertise and promote the City and Convention Center.

The City also works with the same Contractor to manage the SCCC. Owned by the City of Santa Clara, the SCCC is located on just over 25 acres and provides 302,000 square feet of meeting and exhibit space. The SCCC hosts conventions, trade shows, weddings, receptions, corporate meetings, banquets, and any type of special occasion. The SCCC's purpose is to maximize revenue and economic impact to the City of Santa Clara.

In 1984, a contract (referred to as the Management Agreement) was entered between the City and the Contractor to manage the SCCC. The contract required the Contractor, among other activities, to:

- Operate and maintain the SCCC in a first-class matter
- Advertise and promote the Convention Center
- Coordinate the use of the SCCC
- Book events, theatre performances, shows, conventions, exhibitions, and meetings
- Schedule and administer daily operations as required.

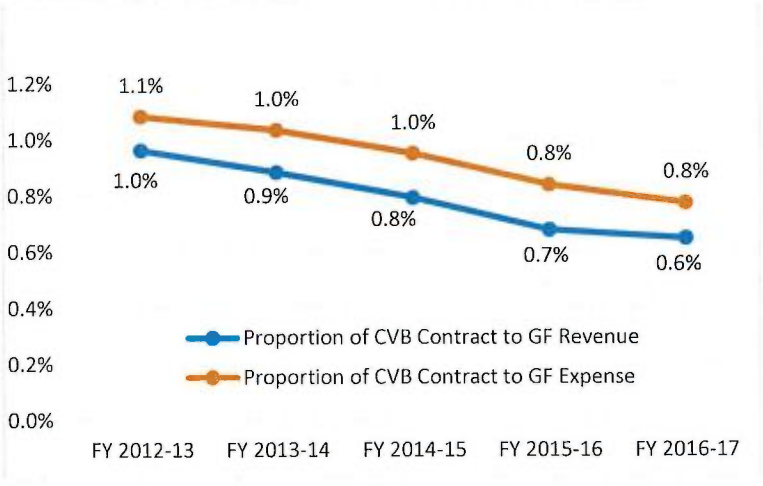
Any excess operating revenues generated from the SCCC operations are deposited to a City enterprise fund account.

City's General Fund Supports Contractor's Activities

Under the terms of the 1984 Management Agreement, the City is to pay the Contractor for the management of the SCCC. The fee ranged from $45,000 to $50,000 annually. The increase in this fee is later discussed in this report. Under the 2017 CVB agreement, the City is to pay the Contractor no more than nearly $1.5M annually for its operations of the CVB.

City funds supporting the Contractor's activities equal less than one percent of the City's General Fund revenues and expenses, as shown in Figure 1. Over time, as the City's revenue and expenses increased, the proportion of all General Fund revenues appropriated to the Contractor has declined. Figure 1 shows only the direct financial impact of the contractual agreements and excludes the City's funding for maintenance

Figure 1. Proportion of General Fund Revenues and Expenses to Fund the CVB Contract



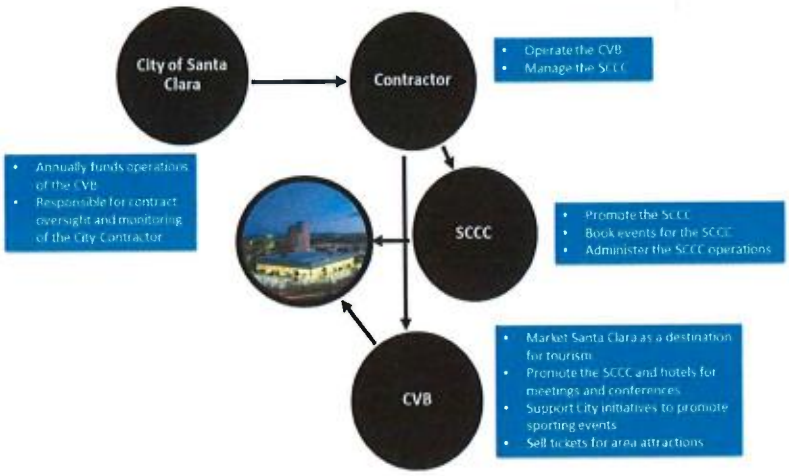
Source of data: TAP International, Inc. analysis based on the CVB and City of Santa Clara financial data.

district expenses and other capital project improvement plans.

The CVB and the SCCC are Managed Separately

Organizationally, the CVB has two Vice-Presidents (VPs) who serve as National Sales Managers. One National Sales Manager oversees convention sales and marketing while the other oversees marketing and advertising. These two VPs are supported by 11 other Contractor/CVB employees. The SCCC has a General Manager/CEO overseeing its operations supported by 43 other Contractor/SCCC employees.

Figure 2: Role of the City, Contractor, the SCCC and the CVB



The President and Chief Executive Officer (CEO) of the Contractor's organizations is responsible for operations of the CVB and the SCCC. In recent years, the Contractor's CEO position has experienced frequent turnover. In 2017, the SCCC's General Manager/CEO assumed management of the CVB until the Contractor's Board formally hired a new Executive Director, who accepted the position in June 2018.

Figure 2 illustrates the roles and relationships between the City, the Contractor, the CVB and the SCCC.

The CVB and the SCCC Receive High Customer Satisfaction Scores

Guests of the SCCC and clients of the CVB have high satisfaction over operations. Based on a total of 322 surveys spanning from 2010 to date, the average annual performance is a satisfaction score of 4.45, as illustrated in Figure 3. A score of "1" is low satisfaction and a score of "5" is high satisfaction. The SCCC and CVB met or exceeded its own

Figure 3: Average Annual Customer Satisfaction Score



Source of data: TAP International, Inc. analysis of 322 customer satisfaction surveys administered by the SCCC, 2010 to date.

performance benchmark in five of the ten years.

As described in Figure 4, guests gave their **highest scores** to the SCCC and the CVB Professionalism. Although high marks, guests gave their **lowest scores** to:

- SCCC facility (condition)[5]
- Catering Services (pricing and food quality).

Figure 4: Annual Guest Satisfaction Score, SCCC and CVB

Survey Category	Average Score
Convention Center Administration	4.66
Convention Visitor Bureau	4.64
Int'l Alliance of Theatrical & Stage Employee's (Local 134)	4.62
Event Management	4.58
Telecommunications	4.58
Booking & Scheduling	4.57
Room Set Up & Housekeeping	4.52
Audio/Visual Services	4.47
Engineering Services	4.45
The UPS Store	4.43
Building Security	4.39
Facility	4.31
Catering Services	4.28
Grand Total	**4.49**

Source of Data: TAP International, Inc. analysis of 322 individual customer satisfaction surveys administered by the SCCC, 2010 to date.

Recent City Council Action Stopped Contractor Payments

In recent City Council meetings, the Santa Clara City Council acted to temporarily end Contractor payments. In May 2018, the Santa Clara City Council (City Council) directed the City Manager to suspend the Contractor's management fee for the SCCC. In June 2018, the City Council did not approve a $1.5M request to fund a FY 2018-19 contract with the Contractor to operate the CVB, and instead, directed the City Manager to provide funds to the Contractor for the sole purpose of funding salaries and specific related costs for up to 60 days. In July 2018, the Contractor's Executive Director addressed the revenue cuts by requesting the CVB employees to vacate the Contractor's office and then issuing termination notices.

[5] The Management Agreement states the Contractor is to maintain the Convention Center, the equipment and furniture situated therein, and related facilities in good order and repair and to request such repairs in the SCCC's annual budget or separate City Council action.

Objective, Scope and Methodology

Objectives

The City contracted with TAP International to address the following questions:

(1) Assess the fiscal health, including the nature of revenues and spending by the SCCC and the CVB.

(2) Assess the adequacy of structures, systems, controls, and processes that affect financial management of the Convention Center, especially whether the City reviewed and approved the contract increases.

(3) Determine the types of changes needed, if any, to enhance Convention Center sustainability and performance.

Scope

The time period covered by this review varied depending on the type of analysis. Where data was available, TAP International analyzed data based on the prior Fiscal Year (FY) only or up to ten years of operations, beginning in FY 2007-08. We describe throughout this report, the time period covered in our analysis. The availability of complete and reliable information determined the time period of analysis.

For our review of structures, systems, controls and processes, the business functions reviewed included governance, financial management, information management, and contract management..

Our scope of work did not include an assessment of the operations of the TID. A separate performance audit of the TID is underway.

The scope of work did not include:

- An assessment of the SCCC's security operations. In FY 2017-18, the SCCC had 62 total incidents, or about five per month related to visitor health issues, fire alarms, visitor and worker injuries, and parking lot related thefts. The low level of incidents precluded further review.
- An assessment of human resources management by the Contractor or on the staffing assignment and reassignment decisions by the Contractor's Board of Directors.
- An assessment of contract compliance with the Management Agreement and the CVB Agreement.
- An evaluation of how the Contractor serves its members and member organizations. Where necessary, transaction activity resulting from the Contractor's core services were reviewed to assess the effectiveness of internal controls governing the CVB.

Methodology

To assess the fiscal health of the Convention Center and the CVB, TAP International computed and analyzed eight key metrics: quick ratio, current ratio, operating margin, net income ratio, days cash on hand, days payable outstanding, debt service coverage ratio, and operating cash flow. These metrics assess the ability of these entities to generate revenue and pay bills and debt, and their ability to generate a profit including cash flow. The sources of data relied upon for the analysis included the City's consolidated audited financial statements and the Contractor's audited financial statements from Fiscal Years (FYs) 2007-08 to 2016-17. Because the Contactor's audited financial statements combines its financial reporting with that of the CVB, we further analyzed the ability of the Contractor to manage the CVB within the contract amount provided by the City. The sources of data relied upon for this analysis were the Contractor's audited financial statements and other financial reports generated by the Contractor from FYs 2007-08 to 2016-17.

To assess the nature of revenues and spending by the SCCC and the CVB, TAP International examined each entity's check register and general ledger, which show in detail the payments made to vendors. The period of the review covered was FYs 2007-08 through 2016-17. We further examined the Contractor's core organization and the CVB documentation to verify the accuracy of the CVB's financial transactions reported in its financial system.

To assess the adequacy of structures, systems, controls, and processes of the Convention Center and the CVB, TAP International analyzed data and conducted interviews with key City, SCCC, CVB, and Contractor staff to discuss operation related to:

- Governance structure and activities
- Use of information systems
- Internal control structure to ensure compliance and effective information sharing, fiscal monitoring, and review and authorization
- Purchasing and contracting activities to ensure compliance to policies and procedure.

TAP International reviewed City documents and interviewed City employees to assess internal controls, contract management, and oversight activities of the City's Contractor.

For all audit activities, TAP International collected and analyzed:

- Advertisements
- Contracts
- Guest satisfaction surveys
- Organizational charts
- Marketing materials
- Performance measurement reports
- Policies and procedures for financial management, procurement, and contracting

- Purchase orders
- Strategy and marketing plans
- Training programs
- Reports and data given to the City by the entities.

To determine the types of changes needed, if any, to enhance the sustainability of the SCCC, TAP International reviewed the SCCC's and the CVB's marketing operations and performance. We independently computed various performance metrics using leads, bookings, and cancellation data provided by the Convention Center and the CVB. Finally, we collected information on the business structures of other convention centers and convention-visitors bureaus in California. The convention centers selected for this analysis were the Cities of San Jose, Sacramento, Stockton, San Francisco, Fresno, and Oakland.

Finally, to adhere to generally accepted government auditing standards, TAP International assessed the reliability of the financial and marketing data collected by the SCCC and the CVB. Data that was reliable is included in this report.

This audit is known as a performance audit. A performance audit evaluates the economy, efficiency and effectiveness of programs, services, and operations. We conducted this performance audit from May through July 2018, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. A draft report was provided to the City and the Contractor for review. Comments were incorporated as applicable throughout the report.

Principle Results

Section 1A: The City Can Build on the Financial Performance of the SCCC and the CVB

SCCC's Fiscal Health is Good Although can be Made Stronger

A fiscal health assessment serves to determine whether it is a self-sustaining operation. As an enterprise operation of the City, the SCCC needs to generate enough revenues to fully cover its expenses. If an enterprise operation has a healthy operating position, then fee increases are not needed. Conversely, if an enterprise operation cannot sustain itself, then fee increases may be needed, or the City may need to provide added financial support. TAP International analyzed the fiscal health of the Convention Center using four different approaches: (1) calculating the Convention Center's fiscal health based on its own operating revenues and expenses; (2) comparing trends in operating revenues and expenses; (3) determining the impact on the SCCC's net income if it assumed responsibility for the CVB's operations; and (4) forecasting SCCC's future fiscal health. It is important to note that the convention center industry is influenced by the general economy.

Under the first approach–assessment of fiscal health indicators—the SCCC is a self-sustaining operation and performs well among seven of eight fiscal health indicators across each of the five years from FY 2012-13 to 2016-17, as shown in Figure 5. The most recent five-year period was used in order to provide a more current assessment of fiscal performance. Periods beyond five years may incorporate business operations and environments that are no longer a factor to current performance. These eight indicators measure fiscal health of enterprise operations. Most notably, the SCCC increased its profit level to 18 percent, the highest level among the five years examined and more than nine times the common benchmark. The SCCC also has cash available to pay its bills for more than six months (193 days) if operations were to suddenly shut down. The SCCC continued to perform well financially in FY 2017-18 with over $2.2M in net income.

Figure 5: SCCC Fiscal Health Indicators**

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	Benchmark Performance
Ability to pay short-term bills (Current Ratio)	2.6	2.2	1.0	1.7	3.1	> 1.0
Ability to pay short term bills with available cash (Quick Ratio)	202	1.9	0.8	1.5	2.3	> 1.0
Profit margin (Operating Margin using operating revenues and expense)*	16%	16%	12%	14%	18%	> 2%

Net Income Ratio (Same as Profit Margin/Operating Margin)*	16%	16%	12%	14%	18%	> 2%	
Number of days cash available to pay bills	135	149	21	120	193	60-90	
Number of days it takes to pay bills	24	44	17	21	19	< 30	
Ability to pay debt (Debt Service Coverage Ratio)	No debt	No debt	No debt	No debt	No debt	> 1.0	
Operating Cash Flow Ratio*	1.0	0.7	0.7	0.7	0.8	> 1.0	

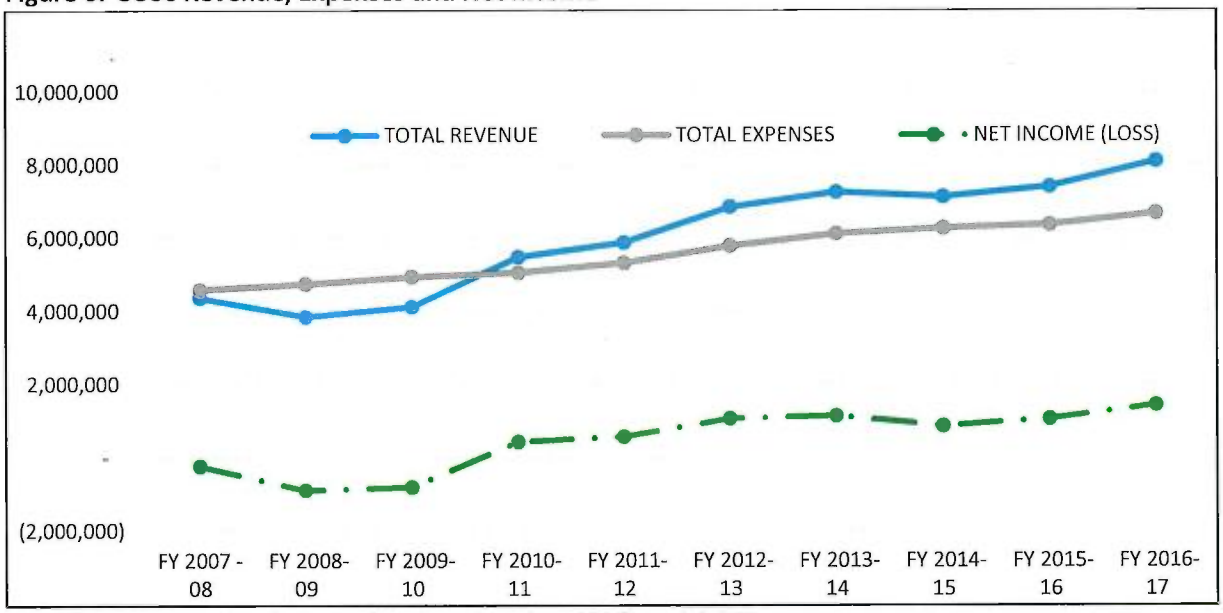
*Excludes restricted income.

** A five-year trend analysis is customarily used in fiscal health analysis because it provides a better assessment of current fiscal health versus examining fiscal health over a 10 year period.

Source: TAP International, Inc. analysis based on the SCCC financial data.

We further examined net income levels for SCCC over a ten-year period to provide a long-term historical look back at SCCC's fiscal health. As shown in Figure 6, the SCCC has slowly improved on its net income levels over a long period of time after three years of profit losses beginning in FY 2007-08.

Figure 6: SCCC Revenue, Expenses and Net Income



Source: TAP International, Inc. analysis based on the SCCC financial data.

At the end of the ten-year period, the SCCC's collected cumulative total revenues of about $60.4M and spent about $55.8M, resulting in net income of nearly $4.7M, as shown in Figure 7.

Figure 7: SCCC Net Income Analysis

	SCCC TOTAL REVENUE	SCCC TOTAL EXPENSES	SCCC TOTAL NET INCOME
FY 2007-08	4,365,268	4,588,650	(223,383)
FY 2008-09	3,856,929	4,744,350	(887,421)
FY 2009-10	4,135,023	4,937,619	(802,597)
FY 2010-11	5,482,042	5,045,617	436,425
FY 2011-12	5,881,508	5,313,299	568,209
FY 2012-13	6,849,158	5,783,261	1,065,897
FY 2013-14	7,254,188	6,106,561	1,147,627
FY 2014-15	7,122,815	6,260,284	862,531
FY 2015-16	7,406,668	6,350,233	1,056,435
FY 2016-17	8,093,763	6,662,438	1,431,326
Cumulative Total	**$60,447,363**	**$55,792,312**	**$4,655,050**

Source: TAP International, Inc. analysis based on the SCCC financial data.

Under the second approach–comparing trends in operating revenues and expenses–TAP International assessed two other measures of fiscal health. The first measure compares the change over time in operating revenues to the change over time in operating expenses. Over the past ten years, the SCCC has sufficiently increased its operating revenue to fully cover the growth in operating expenses. Since FY 2007-08, operating revenues increased by 85 percent to outpace the SCCC's 45 percent increase in operating expenses as shown in Figure 8.[6]

Figure 8: Percent Change in SCCC Operating Revenue and Expenses

	FY 2007-08	FY 2016-17	% Change
Total Revenues	4,365,268	8,093,764**	85%
Total Expenses*	4,588,650	6,662,438	45%
Revenue Less Expenses	**($223,383)**	**$1,431,326**	**741%**

*Includes City Admin Fee

**Excluding restricted revenue

Source: TAP International, Inc. analysis based on the SCCC financial reports.

Under the third approach–determining the impact on net income if the SCCC assumed responsibility for the CVB's operations–the SCCC's fiscal health would have been poor. As shown in Figure 9, if the SCCC had assumed CVB operations, then the SCCC would have operated within its means only for the most recent fiscal year (2016-17),[7] incurring losses of $9.4M over the ten-year period. SCCC's financial performance could have been stronger if it had reduced the amount

[6] Another City-sponsored report that analyzed the fiscal impact of the SCCC showed net losses for most of the last ten years because the report used a different method of analysis that included the City's Maintenance District expenses.

[7] The financial analysis excludes the fees paid to the City's Contractor for operation of the CVB and the management of the SCCC.

and the frequency of facility discounts given to SCCC customers. The discounts totaled $14.7M between FYs 2010-11 and 2016-17,[8] which is discussed in detail later in this report. SCCC management explained that the use of discounts is a marketing tool and that business may have been lost to other convention centers if discounts were not provided.

Figure 9: SCCC and CVB Net Income Analysis

	TOTAL SCCC NET INCOME*	CVB TOTAL REVENUE**	CVB TOTAL EXPENSE	CONSOLIDATED SCCC and CVB NET INCOME
FY 2007-08	(178,383)	163,205	1,608,754	(1,623,932)
FY 2008-09	(842,421)	125,256	1,641,564	(2,358,729)
FY 2009-10	(757,596)	159,875	1,727,812	(2,325,533)
FY 2010-11	481,425	191,344	1,655,725	(982,956)
FY 2011-12	613,209	55,331	1,573,924	(905,384)
FY 2012-13	1,110,897	46,256	1,526,693	(369,540)
FY 2013-14	1,192,627	45,065	1,598,128	(360,436)
FY 2014-15	909,781	42,673	1,605,055	(652,601)
FY 2015-16	1,106,435	62,929	1,218,106	(48,742)
FY 2016-17	1,568,024	21,591	1,360,207	229,408
Cumulative Total	**$5,203,999**	**$913,525**	**$15,515,968**	**($9,398,444)**

*Less City Admin Fee expense

**Less City Contract revenue

Source: TAP International, Inc. analysis based on the SCCC and the CVB financial reports.

Other cities and counties dedicate a portion of the tax revenue generated by out-of-town visitors attending convention center events to fund their local convention and visitor's bureau. The sources of tax revenues and fees are from transient occupancy taxes (TOT), Tourism Improvement District (TID) fees, and sales taxes. Presently, the City does not allocate (TOT) revenue, sales tax revenue, or (TID) fees to the SCCC or to the CVB.

In the City of Santa Clara, hotel lodging expenses include a 9.5 percent transient occupancy tax (TOT) paid by hotel guests staying overnight. Eight hotels participating in the Tourism Improvement District at the time our review also pay $1 per lodging night to the City. Had the City allocated a portion of these taxes and fees been to the SCCC based on the number of hotel lodgings generated for SCCC and hotel events, the SCCC would have made a small profit of about $310,000, as shown in Figure 10 below. This analysis of fiscal health assumes that trends in operating revenues and expenses would continue with operating expenses growing much slower than operating revenues.

[8] Only years in which data was available.

Figure 10: SCCC and CVB Financial Value Analysis

	CONSOLIDATED SCCC and CVB NET INCOME	TOT REVENUE	TID FEES	CITY SALES TAX	GENERAL FUND CAPITAL EXPENSES	TOTAL FINANCIAL VALUE
FY 2008-09	(2,358,729)	571,716	49,930	60,181	222,065	(1,898,967)
FY 2009-10	(2,325,533)	568,589	49,297	59,851	59,629	(1,707,426)
FY 2010-11	(982,956)	719,750	56,071	75,763	202,642	(334,014)
FY 2011-12	(905,384)	842,820	60,299	88,718	222,508	(136,055)
FY 2012-13	(369,540)	1,089,660	69,398	129,039	165,059	753,498
FY 2013-14	(360,436)	1,241,427	70,260	163,346	573,225	541,372
FY 2014-15	(652,601)	1,547,325	76,457	203,595	431,966	742,810
FY 2015-16	(48,742)	1,244,804	59,791	163,790	7,426	1,412,217
FY 2016-17	229,408	995,760	45,640	131,021	464,687	937,142
Cumulative Total	**($7,774,513)**	**$8,821,851**	**$537,143**	**$1,075,304**	**$2,349,207**	**$310,578**

Source: TAP International, Inc. analysis based on the SCCC and the CVB financial reports.
Note: The time period of FY 2008-09 to 2016-17 was used as General Fund Capital Expense information was not available prior to FY 2008-09.

Under the fourth approach – forecasting the SCCC's future fiscal health – TAP International forecasted net income based on two different scenarios.

Under the first scenario, which forecasts net income based on the SCCC's own operating revenue and expenses, the projections forecast between $2.2M and $3.5M over the next four years, as shown Figure 11. Both operating revenues and expenses are expected to grow over the next four years with operating revenue projected to grow at 24 percent over the four years compared to 12 percent for expenses, if operations continue with the same level of service.

Under the second scenario, the analysis includes capital expenditure estimates and projections of potential allocations of TOT tax and TID revenues if the CVB continues its same level of bookings for hotel rooms. As shown in Figure 11 below, projections show an estimated net income between $1.5M and $2.2M across the four-year projections. A four-year time horizon was selected to provide a reasonable projection period without introducing unknown variables. The greater the projection period, the increased likelihood of a changing business economy and environment.

Figure 11: SCCC Fiscal Forecasts

Scenario 1	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Cumulative Four-Year Forecast
Convention Center Revenue	9,047,604	9,726,174	10,455,637	11,239,810	40,469,226
Convention Center Expenses	6,820,238	7,086,227	7,362,590	7,649,731	28,918,787
Projected Net Income	**$2,227,366**	**$2,639,947**	**$3,093,047**	**$3,590,079**	**$11,550,439**

Scenario 2	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Cumulative Four-Year Forecast
Convention Center Revenue	9,047,604	9,726,174	10,455,637	11,239,810	40,469,226
Convention Center Expenses	6,820,238	7,086,227	7,362,590	7,649,731	28,918,787
CVB Expenses	1,545,246	1,605,511	1,668,126	1,733,182	6,552,065
TOT Revenue	995,760	995,760	995,760	995,760	3,983,040
TID Revenue	45,640	45,640	45,640	45,640	182,560
City Sales Tax Revenue	131,021	131,021	131,021	131,021	524,084
Capital Expenditures-GF Expense	304,000	131,800	4,292,000	800,000	5,527,800
Projected Net Income	**$1,550,541**	**$2,075,057**	**($1,694,657)**	**$2,229,318**	**$4,160,259**

Source: TAP International, Inc. analysis based on SCCC financial data.

Table notes:

1. Projections for Convention Center revenue and expenses are based on ten-year averages, discounting the high and low values.
2. TAP International applied the same rate of expense increase by the SCCC to the CVB. The actual average CVB rate of expense increase was not applied because of the value variability and the overall decrease in expenses experienced over the past ten years.
3. TAP International applied the same forecast for TOT, TID, and sales tax revenue, which expect to remain constant. Actual rates of change varied between -20% to +45%.
4. Capital Expenditures are based on City budget forecasts. Projected capital project expenditure of $4.3M in FY 2019-20 is primarily for exhibit halls and grand ballroom air wall replacements and carpet replacement.

Contractor/CVB Fiscal Health is Satisfactory Although Cost Allocation Activities Need Attention

The CVB's revenues and expenses are captured in the Contractor's consolidated financial statement. The results of six fiscal health indicators show the Contractor/CVB meets industry benchmarks for five of them, as shown in Figure 12. Warning signs are present because the strength of Contractor's operating cash flow ratio fell below the benchmark between FYs 2015-16 and 2016-17 because of larger than expected spending by the Contractor's core organization. The Contractor/CVB also had declining financial performance across four other indicators. The Contractor/CVB did reduce the number of days its takes to pay bills to under the benchmark of 30 days.

Figure 12: Fiscal Health Indicators of the City's Contractor/CVB

	FY 2015-16	FY 2016-17	Benchmark	Performance
Ability to pay short term bills with available cash (Quick Ratio)	2.3	0.9	> 1.0	
Ability to pay short-term bills (Current Ratio)	2.8	0.9	> 1.0	
Number of days cash is available to pay bills (Cash on Hand)	123	110	60-90	
Number of days it takes to pay bills (Days Payable Outstanding)	31	22	< 30	
Ability to pay debt (Debt Service Coverage Ratio)	9.6	2.2	> 1.0	
Operating Cash Flow Ratio	1.8	0.03	> 1.0	

Source of Data: TAP International, Inc. analysis based on Contractor's audited financial statements.
Table Note:

1. Financial data required to calculate the fiscal ratios was not provided by the Contractor prior to FY 2015-16.

CVB's Year End Fiscal Performance Varied but Within Ten Percent of Total Budget

The Contractor had satisfactory performance in fiscally managing the CVB's total revenue, comprised of the City's contract, ticket sales, and other service fees. As shown in Figure 13, the Contractor's CVB operations had positive net income for four of the past ten years and incurred year-end losses for the remaining six years. None of these year-end deficits exceeded ten percent of the total budget.

Over the ten-year period, revenues for the CVB totaled about $15.8M and expenses totaled about $15.5M, showing that the Contractor was ultimately successful in accomplishing a $278K revenue surplus because the Contractor reduced the CVB's operating expenses at a rate greater than the reductions in its revenues.

Figure 13: Comparison of CVB Operating Revenues and Expenses

	CVB OPERATING REVENUES	CVB OPERATING EXPENSES	CVB NET INCOME
FY 2007-08	1,575,000	1,609,000	(34,000)
FY 2008- 09	1,572,000	1,642,000	(69,000)
FY 2009- 10	1,628,000	1,728,000	(99,000)
FY 2010- 11	1,648,000	1,656,000	(8,000)
FY 2011- 12	1,577,000	1,574,000	3,000
FY 2012- 13	1,568,000	1,527,000	41,000
FY 2013- 14	1,567,000	1,598,000	(32,000)
FY 2014- 15	1,564,000	1,605,000	(41,000)
FY 2015- 16	1,584,000	1,218,000	366,000
FY 2016- 17	1,511,000	1,360,000	151,000
Total for the ten year period*	**$15,794,000**	**$15,516,000**	**$278,000**
Percent Change**	**(4.1%)**	**(15.4%)**	**545%**

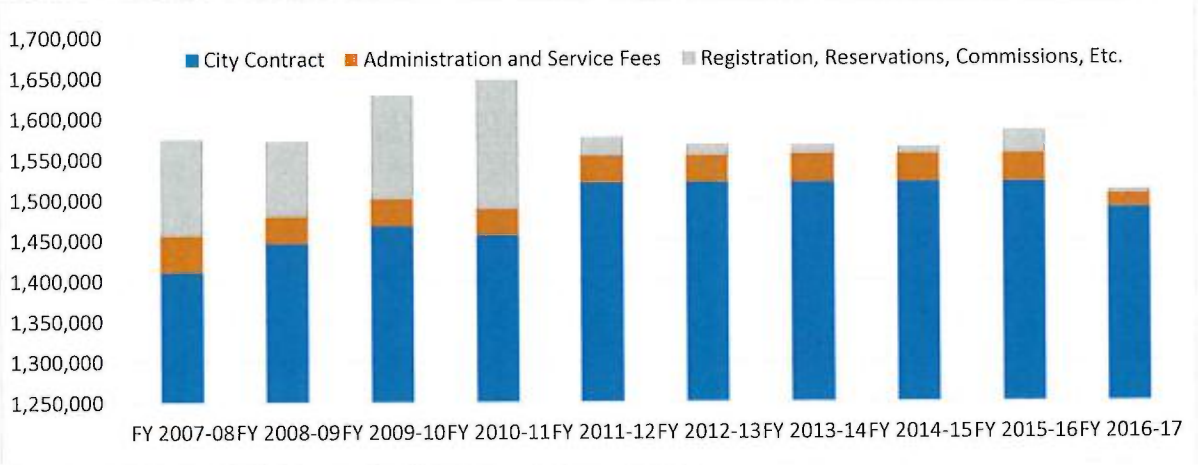
Note: *Revenue and expense amounts rounded to the nearest thousand. **Percent Change based on actual values from CVB financial statements.

Source: TAP International, Inc. analysis based on CVB financial data.

Contractor Opted Against Continuing Conference Registration Services

As illustrated in Figure 14, the CVB's primary source of revenue is the City's contract payments to support operations. Another large source of revenue was registration services. Allowing event sponsors to register their participants for conferences generated up to $149,000 for the CVB until FY 2010-11 when the CVB chose not to renew services. The City had offset the loss in revenue but not at an amount to fully compensate the loss. The SCCC did not assume event registration operations for its clients.

Figure 14. CVB Revenue Sources

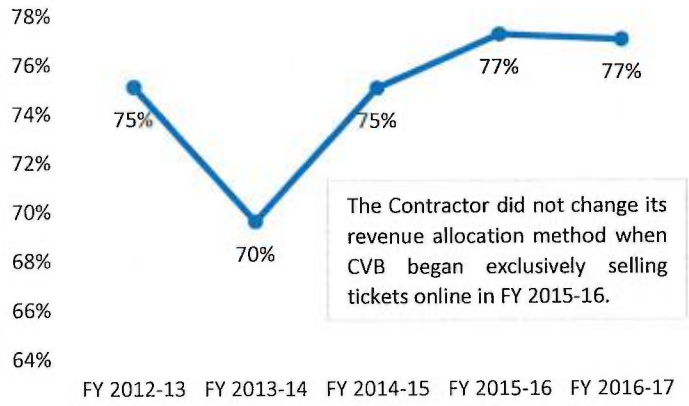


Source: TAP International, Inc. analysis based on CVB financial data.

The CVB's Revenue and Expense Allocations Need Reconciliation

Generally, when administrative services are shared among entities or different business functions, the expenses incurred from performing these services are allocated and charged to each entity or business function. The allocation of these expenses is usually based on a cost accounting study or a corporate policy that shows a reasonable basis for the allocations.

Figure 15: CVB Ticket Sales Allocation Percentage



Source of Data: TAP International, Inc. analysis based on the CVB financial data.

While the contractor does not have a written cost allocation policy, in practice, the allocations differed depending on the type of expense. The Contractor's SCCC and CVB staff reported that it has been a long-standing practice to allocate 80 percent of overhead expenses to the CVB and 20 percent to the Contractor. Our analysis, however, shows that the CVB paid between 70 and 85 percent of the expenses for office supplies and maintenance and between 79 and 86 percent of telephone expenses over the past five years. For accounting services, the Contractor reportedly allocates 85 percent of these expenses to the CVB. However, the Contractor's staff reported that the CVB's accounting activities require less time to complete than the accounting activities for the Contractor's own organization.

When the CVB generates revenue involving Contractor resources, then cost allocation policies can include methods for dividing revenue. Similarly, the contractor does not have a documented policy for revenue allocations, but the Contractor's CVB officials reported that prior to FY 2015-16, the CVB was to retain 70 percent of revenue from ticket sales for area attractions while the Contractor was to retain the remaining 30 percent. In practice, however, as shown in Figure 15, the Contractor allocated between 70 and 77 percent to the CVB. The Contractor's CVB officials explained that beginning in FY 2015-16 when the CVB began selling tickets online exclusively, the CVB should have received all $4,626 in fees collected, but the CVB received $3,569 from FYs 2015-16 to 2016-17.

The CVB's Value is Generating Tax Revenue for the City

One of the key's goals of the CVB is to promote the SCCC and the City as a destination area. These efforts result in generating several types of tax revenue when visitors use the SCCC, area hotels, businesses, and restaurants. These taxes include transient occupancy taxes that collect 9.5 percent on hotel lodgings; sales tax of nine percent when purchases are made; and other revenue

in the form of TID fees which assess $1 per room night among eight participating hotels in the Tourism Improvement District.

The CVB's marketing and promotion efforts on behalf of the City directly led to 441,716 hotel room nights between FYs 2010-11 and 2016-17, resulting in added tax revenue and fees for the City. Had the City allocated a performance-based portion of TOT tax, TID fees, and sales tax to the CVB, the CVB's net financial impact over ten years could have been an estimated $11.5M, as shown in Figure 16.

Figure 16: Net CVB Financial Impact

	TOTAL CVB REVENUES	TOTAL CVB EXPENSES	CVB NET INCOME (LOSS)	TOT REVENUE	TID REVENUE	CITY SALES TAX REVENUE	NET CVB IMPACT
FY 2007- 08	1,574,883	1,608,754	(33,871)	710,498	51,117	74,789	802,533
FY 2008- 09	1,572,218	1,641,564	(69,346)	571,716	49,930	60,181	612,481
FY 2009- 10	1,628,401	1,727,812	(99,411)	568,589	49,297	59,851	578,326
FY 2010- 11	1,647,870	1,655,725	(7,855)	719,750	56,071	75,763	843,729
FY 2011- 12	1,576,857	1,573,924	2,933	842,820	60,299	88,718	994,770
FY 2012- 13	1,567,782	1,526,693	41,089	1,089,660	69,398	129,039	1,329,186
FY 2013- 14	1,566,591	1,598,128	(31,537)	1,241,427	70,260	163,346	1,443,496
FY 2014- 15	1,564,199	1,605,055	(40,856)	1,547,325	76,457	203,595	1,786,521
FY 2015- 16	1,584,455	1,218,106	366,349	1,244,804	59,791	163,790	1,834,734
FY 2016- 17	1,510,906	1,360,207	150,699	995,760	45,640	131,021	1,323,120
Total for the ten year period	**$15,794,162**	**$15,515,968**	**$278,194**	**$9,532,349**	**$588,260**	**$1,150,093**	**$11,548,896**

Source: TAP International, Inc. analysis based on SCCC and CVB financial data. It is assumed that SCCC partner's sales tax is included in the City Sales Tax Revenue.

Section 1B: SCCC's and CVB's Revenue Sources and Spending Generally Align with Missions

The SCCC and the CVB Have Customary Revenue Sources

The SCCC generates income customary for their mission, collecting revenue from 23 general sources. As highlighted in Figure 17, the SCCC's largest revenue sources are:

- Space Rentals (Exhibit Halls, Ballrooms, Meeting Rooms, Great America, and Theater)
- Catering Commissions
- Audio-Visual Commissions
- Telecommunication Commissions.

Since FY 2007-08, 16 of the 23 revenue sources experienced an increase in revenue, ranging from 4 to 515 percent. Another six revenue sources experienced declines, ranging from -4 to -68 percent.

Figure 17: SCCC Revenue Sources

Revenue Source	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	% Change FY 2008-09 to 2016-17
Space-Exhibit Halls	1,265,660	1,194,129	1,113,905	1,090,620	1,142,031	1,352,496	1,261,166	1,337,354	1,416,000	1,353,372	7%
Space-Ballrooms	209,948	221,195	488,060	622,105	598,929	711,857	823,143	801,308	873,944	915,085	336%
Space-Meeting Rooms	207,984	194,893	180,207	219,685	207,900	239,957	237,630	237,580	262,125	275,466	32%
Space-Great America	286,623	271,593	220,997	214,889	274,632	291,742	360,661	385,969	358,770	404,850	41%
Space-Theater	193,640	189,026	151,590	208,620	203,376	211,483	218,644	200,892	208,720	201,000	4%
Space-Cancellation	63,650	163,594	76,138	24,641	15,899	111,523	72,799	77,641	95,995	60,810	(4%)
Merchant Fees			(25,191)	(34,347)	(38,468)	(54,177)	(60,668)	(58,205)	(63,372)	(79,196)	---
Labor-Miscellaneous	10,933	8,915	9,565	19,270	11,168	6,825	5,420	9,139	8,655	8,400	(23%)
Equipment Rental	64,854	58,374	55,466	99,048	55,400	92,744	76,773	120,308	106,638	123,897	91%
Electrical Comm.	107,391	159,844	105,585	140,410	192,214	222,042	184,879	222,373	203,486	277,045	158%
Electrical Services In-House	94,506	53,573	66,840	164,515	156,749	117,605	107,866	111,470	133,650	58,485	(38%)
Audio-Visual Comm.	270,992	271,929	362,512	395,825	411,300	462,273	605,755	594,217	609,736	638,611	136%
Services - Misc.	5,810	18,472	4,360	6,525	5,773	5,658	7,100	639	3,930	3,495	(40%)
Incoming Freight	3,690	3,675	3,175	6,065	9,543	3,764	3,314	2,631	3,423	6,649	80%
Cell Site Revenue	23,009	17,794	17,794	17,794	17,980	18,233	18,936	18,090	26,236	33,039	44%
Telecomm Commission	175,127	127,363	175,520	295,797	327,993	447,915	446,187	432,566	527,971	638,933	265%
Catering Commission	1,262,009	800,499	1,037,616	1,900,070	2,195,799	2,509,846	2,809,971	2,566,610	2,572,066	3,060,064	142%
Insurance Revenue	2,610	2,245	2,085	2,170	2,135	2,853	3,115	1,995	1,750	2,030	(22%)
Interest Revenue	72,998	65,877	57,670	42,934	43,423	20,004	14,025	10,752	7,175	23,689	(68%)
Advertising Comm.	25,154	26,015	15,976	26,009	32,254	32,536	30,449	26,983	29,658	35,644	42%
Sponsorship Revenue	2,300	1,600	1,800	5,550	5,700	16,500	10,950	4,000	2,800	14,150	515%
Business Center Comm.	5,324	4,123	4,481	5,220	5,645	6,710	12,502	14,802	12,682	10,088	89%
Other Income	11,057	2,204	8,874	8,629	4,134	18,771	3,572	3,702	4,629	28,158	155%
TOTAL	**4,365,268**	**3,856,929**	**4,135,023**	**5,482,042**	**5,881,508**	**6,849,158**	**7,254,188**	**7,122,815**	**7,406,668**	**8,093,763**	**85%**
TOTAL FY 2007-08 to 2016-17											**$60,447,362**

Source: TAP International, Inc. analysis based on CVB financial data.

The CVB also generates income customary for their mission, collecting revenue from nine general sources between FYs 2007-08 and 2016-17. Total revenues from these sources declined by four percent over a ten-year period, as shown in Figure 18. The CVB's Admin and Service Fees include TID revenue, which declined in FY 2016-17. TID revenues received should be reported under a separate income account for better transparency.

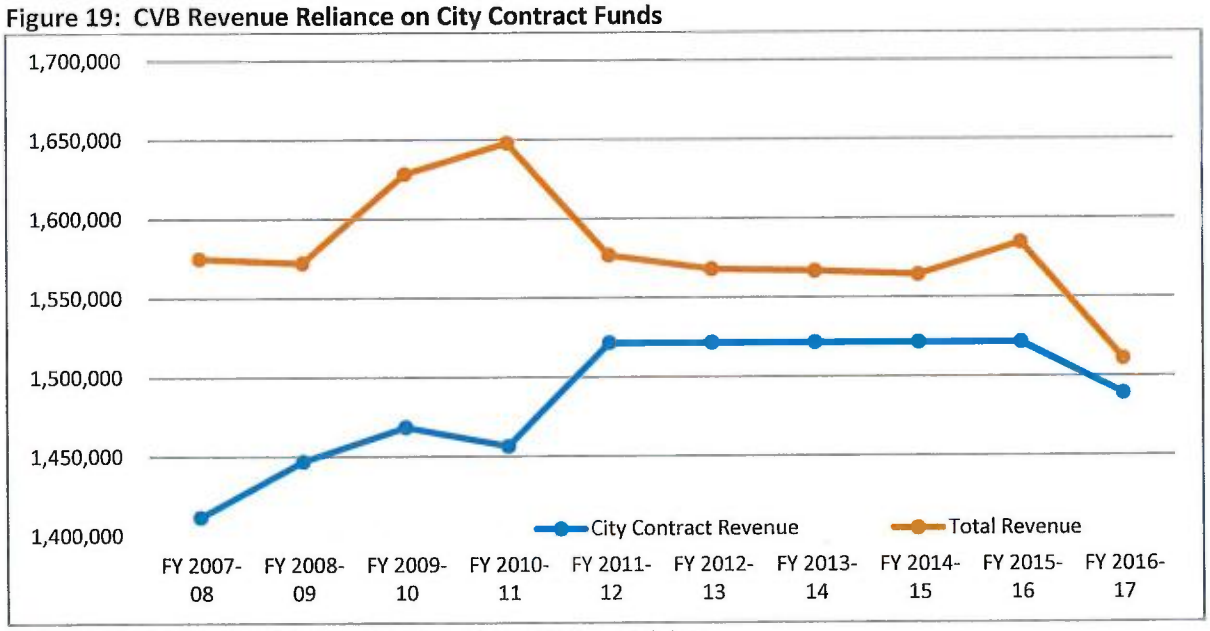
Figure 18: CVB Revenue Sources

Revenue Source	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	% Change FY 2008-09 to 2016-17
Admin and Service Fees	44,580	32,882	32,893	32,265	32,265	32,160	34,500	34,500	34,500	16,750	(62%)
Program Services									50	300	---
On-Line Hotel Reservations	8,111	6,467	2,071	2,261	2,443	2,284	2,625	1,856	1,987	1,047	(87%)
City Contract	1,411,678	1,446,962	1,468,526	1,456,526	1,521,526	1,521,526	1,521,526	1,521,526	1,521,526	1,489,315	5%
Discount Ticket Sales	2,099	3,529	1,983	7,195	13,049	11,274	7,149	5,812	2,114	1,455	(31%)
Registration Services	107,393	81,731	122,351	149,400	7,389	399	735	458			(100%)
Commission Revenue									22,431	1,946	---
Banner Ads									1,800		---
Interest Income	1,022	647	577	223	185	139	56	47	47	93	(91%)
TOTAL	**1,574,883**	**1,572,218**	**1,628,401**	**1,647,870**	**1,576,857**	**1,567,782**	**1,566,591**	**1,564,199**	**1,584,455**	**1,510,906**	**(4%)**
TOTAL FY 2007-08 to 2016-17											$15,794,162

Source: TAP International, Inc. analysis based on SCCC financial data.

Figure 19 highlights that the Contractor by FY 2016-17 became dependent on the contract funds to support operations.

Figure 19: CVB Revenue Reliance on City Contract Funds



Source: TAP International, Inc. analysis based on CVB financial data.

Nearly All SCCC and the CVB Expenses are Customary, Except for Bonuses and Commissions

The SCCC has customary expenses for its mission. As highlighted in Figure 20, the SCCC spent the most on salaries and benefits (reported under labor) at about $5M followed by utilities at $732,000. Labor and utility expenses rose the most in comparison to other expenses. The SCCC reduced its spending in four areas – professional association dues, advertising and promotion activities, telephone charges, and parking fees.

Figure 20: Changes in SCCC Spending

Convention Center Expenses	FY 2007-08	FY 2016-17	$ Increase (Decrease)	% Change
Labor Related	3,530,564	4,983,964	1,453,400	41%
Parking Fees	16,165	8,550	(7,615)	(47%)
City Admin Fee	45,000	136,699	91,699	204%
Other Operating	2,297	39,500	37,203	1620%
Professional Associations	9,525	9,152	(373)	(4%)
Advertising and Promotion	6,447	970	(5,477)	(85%)
Telephone	38,317	8,568	(29,749)	(78%)
Office Expense	55,708	111,525	55,817	100%
Insurance	86,365	169,206	82,841	96%
Employee Expenses (payroll, training, etc.)	41,998	72,780	30,782	73%
Maintenance	135,467	244,576	109,109	81%
Janitorial and Cleaning	90,082	144,713	54,631	61%
Utilities	530,715	732,235	201,520	38%
Total Expense	**$4,588,650**	**$6,662,438**	**$2,073,788**	**45%**

Source: TAP International, Inc. analysis based on the SCCC's financial data.

The CVB also has customary expenses for its mission. As highlighted in Figure 21, the CVB spent the most on salaries and wages at nearly $790,000 followed by advertising and marketing related expenses for the SCCC and the CVB totaling about $179,000 in FY 2016-17. Over time, the CVB reduced its spending in 17 areas with its largest declines in Salaries and Wages and Employee Benefits, respectively.

Figure 21: Changes in CVB Spending

CVB Expenses	FY 2007-08	FY 2016-17	$ Increase (Decrease)	% Change
Salaries and Wages	937,383	787,658	(149,725)	(16%)
Payroll Taxes	76,040	55,347	(20,693)	(27%)
Employee Benefits	174,188	102,194	(71,994)	(41%)
Depreciation/Amort.	10,300	5,093	(5,207)	(51%)
Office Supplies/Maintenance	27,639	17,143	(10,496)	(38%)
Computer Service/Maintenance	0	33,500	33,500	---
Accounting and Audit	27,845	35,320	7,475	27%
Legal Fees	0	10,174	10,174	---
Office Equipment.	1,228	1,356	128	10%
Rent	88,575	91,232	2,657	3%
Telephone	22,292	17,039	(5,253)	(24%)
Insurance and Taxes	7,874	3,448	(4,426)	(56%)
Administrative Meeting	2,893	1,981	(912)	(32%)
Postage	18,590	6,298	(12,292)	(66%)
Mileage	3,059	1,443	(1,616)	(53%)
Payroll Service fee	4,499	5,854	1,355	30%
Inside Santa Clara Newsletter	10,500	7,949	(2,551)	(24%)
Advertising-Convention Marketing	0	4,204	4,204	---
Advertising-Travel Marketing	19,709	17,914	(1,795)	(9%)
Marketing-Servicing	550	0	(550)	(100%)
Marketing-Convention Center Marketing/Sales	103,799	99,086	(4,713)	(5%)
Marketing-Visitors Bureau	52,571	49,620	(2,951)	(6%)
Outside Services	6,242	0	(6,242)	(100%)
Expense Reimbursement	11,015	0	(11,015)	(100%)
Miscellaneous	1,963	6,354	4,391	224%
Total Expense	**$1,608,754**	**$1,360,207**	**($248,547)**	**(15%)**

Source: TAP International, Inc. analysis based on the Contractor's audited financial statements.

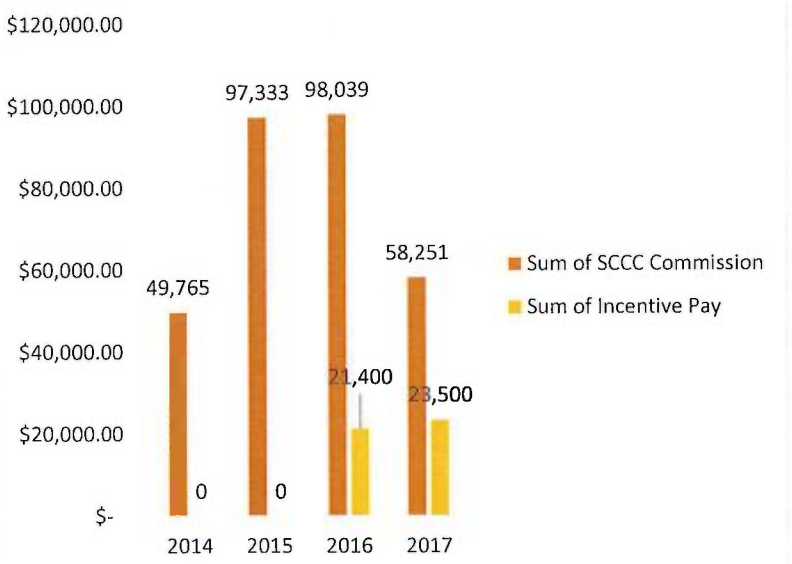
The Contractor Improperly Paid Commissions

Although the Management Agreement does not contain terms or conditions governing the payment of sales commissions, the SCCC Sales Director received commissions based on the number of events scheduled at the Convention Center, the services sold, and the level of new and repeat business that was brought to the facility. In two full calendar years and another two partial years between 2014 and 2017, the SCCC paid its Sales Director approximately $303,000 in commissions in addition to a low base annual salary. Generally, in a sale driven environment, sales staff are provided financial incentives to meet sales goals and targets that can be in the

form of commissions or bonuses. The added compensation can be viewed as opportunity costs for businesses if it leads to revenue growth. Because commissions are not offered in publicly funded operations, the commissions should have been included in the Contractor's formal agreement with the City for subsequent review and approval by the City Council. SCCC management explained that there was no direction by the City to submit employment-related decisions to City Management or City Council for approval.

SCCC management said that the use of commissions has been a long-time practice. The Contractor included the commissions in the SCCC's operating budget under a General Management category although the commission appropriations should have been presented as Commissions in a separate budget category. This absence of transparency led the City Council to inadvertently approve the appropriations for the commissions without policy deliberations. Moreover, offering commissions prevented the full coordination and cooperation between the SCCC and CVB sales staff. CVB sales staff reported that the scheduling of events with lower economic value by SCCC staff received preference over higher valued events. SCCC management disagrees with CVB's assertion. Event scheduling is later discussed in this report.

Figure 22: SCCC Commission and CVB Incentive Pay Expenses



Source of Date: TAP International, Inc. analysis based on SCCC salary reports and CVB incentive pay computation reports.
Table Note: Data was available only for the SCCC Commission payments for six months only for calendar year 2014 and for 2017

Bonus Payments Need Further Review

The Contractor's CVB staff was paid bonuses, referred to as incentive pay, that needs further review. The Contractor paid the CVB's sales staff incentive pay provided that the employees met individual quarterly sales goals and targets. The amount of incentive pay varied by sales manager. We did not have complete data to determine the full amount of incentive pay paid to the Contractor's CVB employees, but for calendar year 2017, incentive pay totaled $23,500. Included

in the payments were amounts for events scheduled in future years like in 2021, but offsets in incentive payments did not occur if events were cancelled. CVB staff explained that event sponsors are required to pay a deposit in the event of a future cancellation, and thus fees are available for the incentive payments.[9] The absence of pay offsets for cancelled events contradicts the purpose of giving performance bonuses. In FY 2016-17, the SCCC collected about $60,000 in cancellation fees.

How the Contractor paid for the incentive payments is of concern. The incentive payments were not paid for by the City's monthly contractual payments, but instead were paid for by funds from another public entity – the Santa Clara Tourism Improvement District (TID)[10] – without a formal contract or written legal agreement in place. Incentives payments could be appropriate if the TID competitively bid for marketing and promotion services and then entered into a formal agreement that contained provisions to pay performance incentives if goals were met. In the absence of a formal agreement, the funds appropriated to the Contractor by the TID need further examination by the City to determine if the TID was in violation of public law that prohibits the giving or lending of public to any person or entity, public or private organizations, except under certain circumstances.[11]

There were no disclosures about the use of incentive pay although the City had imposed oversight requirements on the TID that provided some accountability and transparency over operations. These requirements include submissions of annual reports and an annual financial audit. The TID's operating budget did contain funds for bonuses in its annual operating budget but no disclosure was evident that the bonuses were for another organization. As the City did not require the TID to submit budget documents for review, incentive pay provided to the Contractor's organization would have remained unknown unless direct communication occurred. None of the current City management staff were aware of the incentive pay or of the commission payments.

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[9] Incentive payments are actually paid by the TID. The point made by the CVB staff is that when events are cancelled, revenue is recovered, so there is no direct revenue loss to the City.

[10] The TID, established to promote tourism and enhance marketing activities, received $1 per room night from eight participating hotels that comprise the TID. In FY 2016-17, TID estimated fees totaled $759,009. The Contractor for the SCCC and CVB also managed the TID.

[11] California's Constitution Article XVI, Section 6.

Section 2: Structures, Systems, and Operations Need Strengthening

Contractor Does Not Implement Strong Financial Management Activities

This section describes the activities of the Contractor to administer financial management of the SCCC and CVB.

Financial Management Policies and Procedures Need to Address Content Gaps

Important to an effective financial management structure is the development of policies and procedures. Policies and procedures serve the purpose of:

- Protecting the assets of the organization
- Providing a framework for the organization's financial decision making
- Establishing operating standards and behavioral expectations
- Ensuring compliance with regulations.

In the two agreements between the Contractor and the City, the City required that the Contractor separate its accounting activities for the SCCC and CVB operations and perform other financial management related tasks. The City did not require the development of financial management policies. However, the Contractor had developed two sets of financial management policies. One set governs the CVB and the other governs the SCCC.

TAP International evaluated the content of the SCCC's financial management policies and procedures against guidance issued by the Government Finance Officers Association (GFOA) because SCCC is an enterprise operation and publicly owned. Of 11 financial management areas most applicable to the SCCC, the SCCC had gaps in content among six of them, as shown in Figure 23.

The five areas that need policy development include:

- Reserves
- Contract
- Risk Management and Internal Controls
- Long Term Financial Management Planning
- Capital Management Policies.

Figure 23: SCCC Financial Policies and Procedures Development

Policy Area	Policy Developed by SCCC
Reserves in other funds. Policies that set how much revenue to set aside for later use.	No
Contract: Policies that deal with the administration of contract revenue.	No
Accounting: Policies that address the basis of accounting, the process for implementing journal entries, requirements for bank reconciliation, monthly closing, and recordkeeping.	Partially[12]
Financial reporting: Address procedures and controls for internal financial reporting, tax compliance and tax returns, and payroll reporting.	Partially[13]
Risk management and internal controls: Policies that address risk management and internal control.	No
Procurement: Policies to encourage efficient, effective, and fair procurement.	Partially[14]
Long-term financial planning: A policy that commits the organization to taking a long-term approach to financial health.	No[15]
Capital: Policies that cover the lifecycle of capital assets, including capital improvement planning, capital budgeting, project management, and asset maintenance.	No
Revenues: Policy guidance through the designing of efficient and effective revenue systems that guarantee the generation of adequate public resources to meet expenses.	Partially[16]
Expenditures: Policies addressing a range of issues around how the money is expended, including personnel, outsourcing, and funding long-term liabilities.	Partially[17]
Operating budget: Policies that describe essential features of the budget development process and form, as well as principles that guide budgetary decision making.	Partially[18]

Source: TAP International, Inc. analysis of SCCC financial policies.

TAP International evaluated the content of the CVB's financial management policies and procedures against guidance issued by the National Council for Nonprofits for six key areas for

[12] SCCC policy does not define responsible parties to conduct activities and oversight controls.
[13] SCCC policy does not define procedures or controls to ensure accuracy and completeness of internal financial reports.
[14] SCCC policy does not address proposal and bid process that should ensure fair purchasing and contracting, only Purchase Orders
[15] SCCC policy address bi-annual budget process, but not long-term planning.
[16] SCCC policies have been developed for Revenue Recognition and Cash Receipting, but revenue generation systems and controls are not defined.
[17] SCCC policy address the cash disbursement process, but not management long term liabilities, which is currently not applicable to the SCCC because it does not have long term debt on its accountings records.
[18] SCCC policy does not include a description of budget assumptions to be used the preparation of the budget or the type of budgeting methodology to use.

nonprofit organizations, as described in Figure 24. The CVB's financial policies also had some gaps in each area.

Figure 24: Contractor development of Financial Policies for the CVB

Policy Area	Policy developed for CVB
Accounting: Address the basis of accounting, the process for implementing journal entries, requirements for bank reconciliations, monthly closing, and recordkeeping.	Partially[19]
Financial Planning & Reporting: Address procedures and controls for internal financial reporting, tax compliance and tax returns, and payroll reporting.	Partially[20]
Budgeting Process: Policies that describe essential features of the budget development process and form, as well as principles that guide budgetary decision making.	Partially[21]
Revenue and Accounts Receivable: Policies guiding invoice preparation, revenue recognition, cash receipts, and deposits.	Partially[22]
Expense and Accounts Payable: Policies describing Purchases & Procurement and the use of Independent Contractors.	Partially[23]
Invoice Approval and Processing: Procedures describing how cash will be disbursed, petty cash procedures and amounts, use of credit card, and employee reimbursements.	Partially[24]

Source: TAP International, Inc. analysis of CVB financial policies.

SCCC and CVB Could Benefit from an Integrated Financial Accounting System

An important financial management tool is the use of accounting systems to collect, store, and process financial and accounting data and produce informational reports for managerial review and decision-making. The Contractor uses two different accounting systems – one for the CVB and the other for the SCCC. Without an integrated accounting system, financial reports must be

[19] CVB policy does not define responsible parties to conduct activities and oversight controls.
[20] CVB policy does not define procedures or controls to ensure accuracy and completeness of internal financial reports.
[21] CVB policy does not include a description of budget assumptions to be used the preparation of the budget or the type of budgeting method to use.
[22] CVB policies defines payment types and bank deposits but does not address invoice preparation or how information is used to create journal entries.
[23] CVB cash disbursement policy provides overview of payment types and check processing but does not address use of independent contractors.
[24] CVB policy does not define spending limits and authorization for use of credit cards.

prepared and reviewed separately, and errors must be manually identified and corrected.[25] Our review found CVB financial reports did not include adequate detail about transaction history. For example, the CVB did not have explanations of gaps in check numbers or check numbers found out of sequence. The Contractor explained that the printer damaged the subject check numbers. In comparison, the SCCC's financial data system kept a detailed record of all voided checks even those destroyed by printing–a standard internal control activity. The SCCC's General Manager/CEO sought to integrate the two accounting systems in FY 2016-17 without success after a Board member of the Contractor's organization opted against system integration.

"Separate Accounting" Activities between the Contractor's Organization and the CVB Needs Stronger Internal Controls

The updated 2017 CVB agreement between the City and the Contractor requires "separate accounting" between the CVB and the Contractor. The agreement does not include a definition of "separate accounting" or clarifies the City's intent on whether the City intended to require separate accounting systems or separate bank accounts. The absence of specificity in the agreements has led the Contractor to deposit into the same bank account all revenues received for its own organization (including member dues and donations), the City's contract revenue, other CVB revenue, TID revenue, and SCCC payroll payments into one bank account. In FY 2016-17, the SCCC's General Manager/CEO, sought to appropriately establish separate checking accounts for the CVB and for the Tourism Improvement District. A former Board member of the Contractor's organization gave authorization only to set up a separate bank account for the Tourism Improvement District.

To comply with the requirement to provide "separate accounting", the Contractor records financial transactions on either the CVB's General Ledger or on the Contractor's own General Ledger depending on which entity incurred the expense. A general ledger holds account information on individual financial transactions and contains data on revenues, expenses, assets, liabilities, and equity for use in financial reporting. The recording of these transactions on the correct general ledger is vital to ensuring accounting financial reporting.

Our review of 49 financial transactions between FY 2006-2007 and FY 2017-2018 showed that the Contractor recorded about half (24) of the transactions correctly. Another 11 transactions had some type of exception. For these exceptions, the Contractor did not effectively implement internal controls. The exceptions we noted are as follows:

- The absence of an account code that would describe whether to post the expense on the CVB or the Contractor's ledger

[25] SCCC's financial reports and disbursements are provided to the City for the City to manually perform enterprise accounting activities. The accounting of fixed assets for the SCCC is captured separately on an MS Excel spreadsheet.

- Different expense amounts shown on the General Ledger in comparison to payment documentation and the invoice amount
- Approval of purchase orders after incurring the expense. A purchase order describes the purpose of the expected expense and the proposed vendor so that management can review and approve the expense prior to its occurrence.

For the remaining 14 transactions, it was not possible to determine whether the Contractor posted the expenses to the correct general ledger because of the unavailability of invoices and records that show accounting instructions. The weaknesses in internal controls did not materially affect the Contractor's audited financial statements because these statements combined the CVB's and the Contractor's financial position.

Our sample of SCCC financial transactions did not find exceptions to internal controls.

TAP International further examined the Contractor's controls governing the use of credit cards. The Contractor managed one credit card account for use by seven employees working for the Contractor, CVB staff, and SCCC staff. Using the same credit card account for three entities needs to have strong business processes to reconcile receipts to the expenses on a timely and accurate basis. However, the Contractor did not implement uniform credit card reconciliation processes or implement other internal controls, as follows.

- The SCCC requires receipts to be given to its accounting department immediately after the purchase but the Contractor does not consistently collect these receipts for the CVB. Missing receipts were clear across the three credit card statements selected for review. Without receipts, the Contractor cannot review the allowability of the expenses incurred.

An effective internal control requires submission of receipts or expense reports immediately after purchases or at month-end.

- Travel request forms that show the planned dates of the trip, the purpose of the trip, and expected expenditures can allow Contractor staff to cross-check dates of approved travel with corresponding credit card expenses. Neither the SCCC nor the CVB require travel requests to be prepared so that credit cards could be effectively reconciled. Without the approved travel requests, Contractor staff do not have a basis to determine whether executive management had given approval of the travel related charge prior to its

Another control is to prepare travel request forms for pre-approval of expected expenses.

A third control is to prepare purchase orders. A purchase order describes the purpose of the expense and the estimated costs for review and approval by management prior to incurring the expense.

occurrence. SCCC management explained that their employees do not perform out of town travel and would not need to prepare travel orders. However, travel to attend future training, seminars or conferences should be authorized through a travel order.

- While the SCCC requires purchase orders for internal needs such as printing, office supplies, and small equipment items; the CVB did not consistently use them. Without purchase orders, the CVB staff are making purchases without advance knowledge by management. The Contractor's financial policies do not comprehensively address credit card use or identify spending limits subject to purchase orders.

Information Management Could be Used More Effectively

This section describes how well the CVB and SCCC manage and uses the information it collects on performance.

The SCCC Has an Opportunity to Fully Leverage the Information it Collects

Information management is the planning, organizing, collecting, analyzing, evaluation, and reporting of information. Vital to information management is performance measurement, which allows development and reporting on key metrics using operational information collected by an organization. The information, when analyzed, can identify when work processes break down or where work processes can be improved for better service delivery. Performance measures can address the timeliness of program activities conducted (process), the direct products and services delivered by the process (outputs), or the results of those processes (outcomes).[26] Effective information management supports better and quicker managerial decisions that increase overall operating effectiveness.

Examples of the types of performance measures tracked by the CVB are primarily output measures, such as:

- Number of leads
- Number of leads lost
- Number of events booked
- Number of events cancelled
- Number of room nights
- Number of guests.

The CVB implements a satisfactory information management system in place. The CVB routinely tracks, collects, and reviews its progress at selling and marketing both the SCCC and area hotels. In addition, the CVB routinely reviews the accuracy of the data captured in its computer systems. The CVB management staff analyzes output measures to identify trends, compute performance bonuses, and to assess progress at meeting annual performance targets.

[26] MANAGING FOR RESULTS: Data-Driven Performance Reviews Show Promise but Agencies Should Explore How to Involve Other Relevant Agencies, February 2013. U.S. Government Accountability Office
PERFORMANCE MEASUREMENT AND EVALUATION, May 2011, US. Government Accountability Office.

The CVB also collects and monitors a key outcome measure – economic impact – to assess the effectiveness of its sales and marketing efforts. The CVB computes this metric using an industry formula that considers lodging revenue, TOT revenue, TID revenue, sales tax, and tourism activities among other things. In FY 2016-17, the total economic impact for SCCC events totaled $122.3M, exceeding its annual performance benchmark of $88M.[27]

The SCCC does not have same level of information management in comparison to the CVB.

The SCCC collects multiple types of data but could do more to analyze the information to assess overall performance. For example, the SCCC administers customer satisfaction surveys, but it does not collectively analyze the surveys to assess overall performance effectiveness and efficiency. In another area, the SCCC collects information on event bookings but does not routinely use the data to assess booking patterns and trends.

Neither the CVB nor the SCCC have developed benchmarks from which to assess their own annual performance. Benchmarks are a standard of performance using the SCCC's and the CVB's own information. Having this information available could allow the Contractor to align sales and promotion efforts with the SCCC rental needs.

Examples of benchmarks and performance measures include:

5-year Average Benchmark	Annual Performance Measure
Facility use rate	% of calendar days that the Convention Center facilities are used
Space utilization	% of SCCC square footage used
Revenue per event	Average direct revenue per event
Total events booked	Total events booked
# of same day bookings	Annual # of same day bookings
# of multi-day bookings	Annual # of multi-day bookings
Total events booked by partner	Average Total events booked by CVB Total events booked by SCCC Total events booked by SCCC partners

The Contractor could benefit from other information to measure business process efficiency. For example, the CVB implements business processes to work leads and to book events with its clients. The CVB staff said that the time required to complete these activities consume about three hours to prepare required forms; time that could be spent working other leads. Changes could be made with how their activities are administered, such as having support staff prepare required forms, but the CVB requests for support staff have been denied. Tracking the efficiency

[27] TAP International, Inc analysis of 10 years of CVB booking data.

or cost-effectiveness of the SCCC and the CVB operations can drive changes to increase productivity.

Another business process that could have better cost data and performance information is how the SCCC administers maintenance operations. Presently, tracking and monitoring of maintenance operations is a manual process that require supervisors to prepare a one-page log for each shift, describing all the items that need repair. For FY 2017-18, the logs contained 2,893 items across two shifts per day. The completion status of each items described on the log was unknown because the SCCC does not record when a work order is completed, or what was done to repair the item. Better information management, including implementation of a formal work order system that can track individual work items, the amount of time and resources spent on each work item, and the completion status of each item could facilitate effective management of maintenance operations.

Contractor's Governance and Other Activities Do Not Facilitate Public Trust

The National Council of Nonprofits states there is no cookie cutter approach to governance of nonprofit organizations, but there are basic activities that help nonprofit organizations accomplish good governance. Good governance in the nonprofit sector promotes the proper use of resources consistent with the organization's mission and applicable laws and it is about maintaining trust and confidence of those the organization serves. This section describes the activities of the Contractor to provide a compliant and accountable operations for the SCCC and the CVB.

The Contractor Had Not Developed Key Governance Policies and Procedures

The Contractor is organized as a 501(c)(6). The U.S. Internal Revenue Services (IRS) describe basic governance activities it desires for nonprofit organizations. Basic governance activities are those described on the IRS Form 990, which is subject to annual filing by nonprofit organizations. Six areas described on the Form 990 assess governance activities. TAP International found the Contractor implemented three of the six activities recommended, as shown in Figure 25.

Figure 25: Contractor Implementation of Basic Governance Activities

Requirements	Implemented
Maintain minutes of all board meetings (and committee meetings for committees that are authorized to act on behalf of the board, such as an executive committee). (See IRS Form 990, Part VI, Section A, line 8)	Yes
Complete a questionnaire about conflicts of interest. (See IRS Form 990, Part VI, Section B, Line 12)	Yes
Disclose to the public the nonprofit's three most recently filed annual returns with the IRS, as well as its application for tax-exemption and related correspondence and attachments.	Yes
Maintain a written whistleblower protection policy (Part VI, Section B, line 13)	No

Maintain a written document retention/destruction policy (Part VI, Section B, line 14)	No
Maintain a written gift acceptance policy to govern the receipt of "non-cash" gifts, such as gifts-in-kind, and unusual gifts (land, vehicles, artwork etc.)	No

Source: TAP International, Inc. analysis of Contractor Form 990 Filings

The Contractor Has Several Self-Disclosed Conflicts of Interests

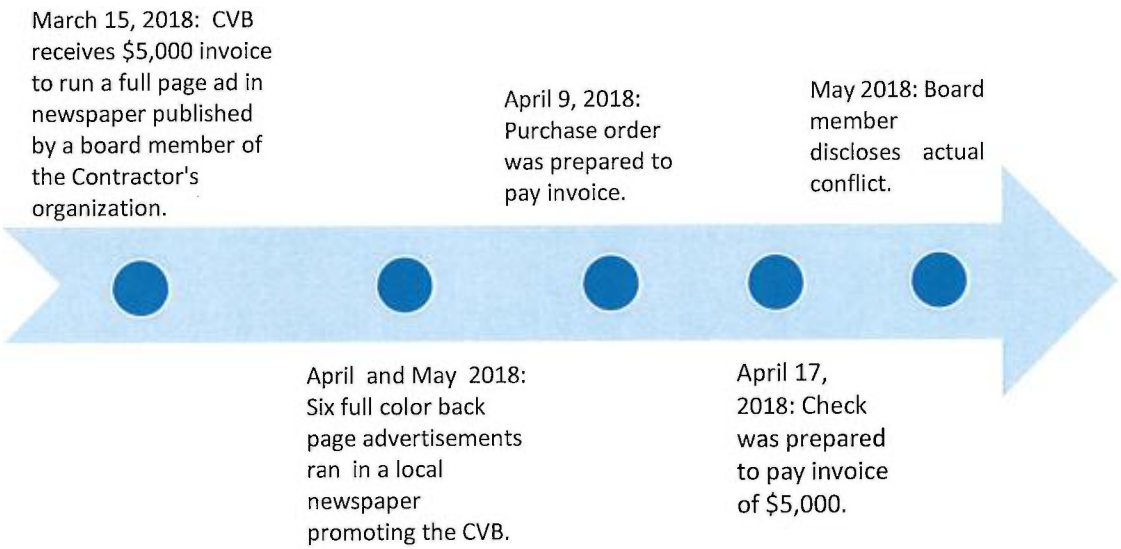
We further examined the effectiveness of the Contractor's efforts to implement one of the three basic governance activities – conflict of interest forms. For any organization, officials and employees are expected to use good judgment, to adhere to high ethical standards, and to act in such a manner as to avoid any actual or potential conflict of interest. A conflict of interest occurs when the personal, professional, or business interests of an employee or Board member conflict with the interests of the organization. Both the fact and the appearance of a conflict of interest should be avoided.

Our review of 19 conflict of interest forms submitted by Contractor officers and employees identified the following:

- The Contractor's employees working for the CVB and the SCCC, and who make decisions on behalf of the City, did not complete the forms because they were not requested to do so by the Contractor.
- Of the 19 forms submitted, three had contained disclosures of conflicts of interest. One of these forms, submitted by a Board Director who is also serving on the Contractor's committee overseeing the CVB, disclosed an actual conflict of interest regarding a business relationship between his company, a local newspaper, and the Contractor's organization. The disclosure occurred in May 2018, after a conflict had occurred, preventing the Contractor's Board or Executive Director from resolving the issue. As shown in Figure 26, the conflict was related to ads purchased in a local newspaper by the CVB.

> "A conflict of interest exists when officers, board members, and staff has a direct or indirect business, professional, or personal relationship that may influence or be perceived to influence the judgement or action of the Officer, Board member, or staff serving the Santa Clara Chamber of Commerce and Convention Visitors Bureau. Such conflict of interests include, but are not limited to, personal and professional affiliations, and business dealings. All real and perceived conflicts of interest will be disclosed to the appropriate level necessary for consideration, resolution, and direction."
>
> Source: Contractor Conflict of Interest Statement

Figure 26: Timeline on Conflict of Interest Disclosure



Although the CVB's National Advertising Manager raised concern about the value of running the ads in that particular local newspaper, the Contractor stated that the CVB staff, without influence from the Board of Directors, believed that it was better business decision to advertise in a more cost-effective media outlet that targets Santa Clara corporations.

In another example of a self-disclosed conflict of interest, a current Board member, reported in April 2018 of future plans to replace a current SCCC vendor responsible for mailing and shipping services. The SCCC General Manager/CEO explained that the current vendor did not comply with contract terms and conditions and the vendor contacted the Board member to serve a replacement, who was subsequently brought to the SCCC's attention.

The SCCC General Manager/CEO further reported the Board member is currently in the process of purchasing the contract from the current vendor. The SCCC did not issue a competitive bid and has not prepared a new contract, noting that it was important to resume business. The lack of an open and competitive bidding process puts SCCC at risk of not securing the lowest pricing for the services. In addition, this practice puts SCCC at cross purposes with public operated entities. The standard practice for publicly supported operations is to prepare new contracts upon changes in corporate ownership requiring a new vendor to complete tax forms, business requirements and insurance requirements.

The Management Agreement does not require the Contractor to follow City procurement policies. However, allowing a Board member of the Contractor's organization to assume mailing and shipping operations gives the appearance of financial self-dealing on a personal and organizational level. It also raises questions about the strength of the Contractor's contracting processes and related decision-making. Going forward, the Contractor's CEO reported that the Board member would have to abstain from any future decisions regarding the SCCC only and

disagreed with our assessment that allowing a Board member to assume the contract without a competitive bid gives the appearance of financial self-dealing.

Other members (and former members) of the Contractor's organization had key[28] contracts for services with the SCCC. One SCCC partner, who has not paid membership dues since 2016 but is still listed on the Contractor's membership directory, provides catering services. The caterer has been a partner for the SCCC since 2008. Another member of the Contractor's organizations provides audio-visual services. Catering and audio-visual are two of the revenue producing services for the SCCC. The SCCC bidding documents we reviewed did not contain any preference of vendors being members of the Contractor's organization, as appropriate. SCCC management explained that these businesses became a member of the Contractor's organization as a business choice on their behalf.

For a third disclosed conflict, an employee of the Contractor, which is not the current or former Executive Director, reported in May 2018 serving as an officer in a risk management association. There was no other information documented on the form that described the circumstances of the reported conflict.

Finally, one of the 19 forms reviewed and submitted by the (former) Chair of the Contractor's Board of Directors in April 2018 was partially completed, neither confirming or denying that a conflict of interest is present.

According to the National Council of Nonprofits, a key part in implementing conflict of interest activities is to manage the conflict. After the Board member and officer made the Contractor aware of their conflicts, consideration should be documented on what action, if any, was taken to resolve the conflict. The Contractor's (new) Executive Director had no prior knowledge if action was taken.

A goal of many organizations when addressing potential or actual conflicts of interests is to raise awareness of the types of situations that may be a conflict and the steps needed to encourage transparency with management when situations arise. The Contractor's CVB and SCCC employees had not received conflict of interest training although the Contractor's newly hired Executive Director began a training on basic governance for nonprofit organizations for the organization's Board of Directors.

The Contractor Appears to Have Misused Government Assets

Our review of the Contractor's conflict of interest activities led to the identification of other serious concerns about its management of the SCCC. The first concern is the Contractor's

[28] (As defined by largest generation of revenue at the SCCC from its vendors.)

frequency and extent of applying discounts on facility charges for use of the SCCC.[29] The Contractor's SCCC management staff explained that the use discounts largely serve to attract events and to be competitive with other convention centers. Offering discounts is common for the convention center industry.

As shown in Figure 27, from FY 2011-12 through April FY 2017-18, the SCCC discounted (i.e. adjusted fees) for more than half of all events that occurred at the SCCC. Throughout the six plus years, the value of the adjustments totaled $16.1M, about half of the $36M gross facility charges. The SCCC's Assistant General Manager approves of all financial adjustments given to event sponsors.

Figure 27: Number of SCCC events (aka bookings) with Fee Discounts (Adjustments)*

Year	Total Scheduled Events	# of Bookings with Discounts	% of Bookings with Discounts	Total Value of Discounts (Adjustments)
FY 2011-12	465	273	59%	(2,756,338.40)
FY 2012-13	513	294	58%	(3,031,425.75)
FY 2013-14	501	287	57%	(2,358,153.08)
FY 2014-15	464	227	49%	(2,385,939.00)
FY 2015-16	422	217	51%	(2,067,983.50)
FY 2016-17	447	228	51%	(2,051,815.12)
FY 2017-18 (April)	395	194	49%	(1,463,526.00)
Total	**3,207**	**1,720**		**($16,115,180.85)**

Source: TAP International, Inc. analysis of SCCC booking data.
*SCCC management explained that discounts are applied to some event sponsors if food and beverage sales or hotel room exceed a minimum level of purchases.

Per the SCCC's booking policy, discounts can be applied when charges from catering services reach a specified level. However, the SCCC did not fully comply with its own policy because the SCCC allowed use of the SCCC facilities to organizations that did not purchase catering services. For instance, in 2012, 2013, and 2015, the SCCC allowed a summer-long event sponsored by a faith-based organization that did not purchases catering services, or any other services offered by the SCCC, and therefore should not have been eligible for a discount. Across the three years, the gross charges totaled about $1.1M and discounts given to the faith-based organization totaled about $1.02M. The Contractor's SCCC staff explained that even though the organization did not purchase catering services, the event came with a substantial need for hotel rooms (450 rooms at the conference's peak) at a time when the hotel industry was suffering from an economic downturn. The TID paid the Contractor $51,000 in subsidies to help offset the facility

[29] When the SCCC facilities are used for events, the related charges are public revenues because the SCCC is a publicly owned facility.

rental charges lost by the SCCC. Further review is needed to determine the allowability of the TID payment. The City should assess legal compliance with laws governing prohibition of gifts of public funds.[30] SCCC management reported that coordination between the SCCC and the TID is an important component in booking future business.

The SCCC's booking policy does not state that the SCCC is prohibited from fully discounting facility rental charges. However, as shown in Figure 28, event sponsors hosting a total of 353 events (or 11 percent of all SCCC events) received a full adjustment on gross charges equaling $2.8M. Allowing full rental facility discounts on a publicly owned facility without official City authorization is potentially misusing government owned assets.

Figure 28: Number of SCCC Events Without Facility Rental Fees

Year	Number of Events with 100% Discount on Rental Fees	Total Discounts Applied
FY 2011-12	64	651,125
FY 2012-13	75	595,848
FY 2013-14	56	319,785
FY 2014-15	42	377,380
FY 2015-16	40	456,140
FY 2016-17	46	226,025
FY 2017-18 (April)	30	205,500
Total	**353**	**$2,831,803**

Source of Data: TAP International, Inc. analysis on SCCC booking data.

On average, the Contractor fully discounted facility charges about 50 times per year and over a long period of time which led to a direct financial loss to the City on facility rental charges. We could not determine the full loss of rental revenue because some organizations that received a full discount on rental facilities in any one year and used the facility the following year, had gross charges applied of $0; therefore, technically, no discount was applied. This happened 31 times in a six year plus period of our analysis.

The types of event sponsors that used the SCCC facilities with no facility charge include:

- City agencies[31]
- Contractor's employees
- Contractor's organization
- County agencies
- Local businesses

[30] There was no violation of the SCCC collective bargaining agreement in allowing the event sponsor to perform their own set up and cleaning of meeting facilities.

[31] City of Santa Clara should pay a fee or a service charge to use the SCCC's facilities given that the convention center is a public enterprise operation.

- Nonprofit organizations that are members of the Contractor's organization
- Individuals and organizations that are members of or who have business ties to the Contractor's organization
- Political action committee associated with the contractor's organization[32]
- SCCC contracted vendors.

The nature of events that took place were birthday parties, wedding receptions, general meetings, parties, and networking events. SCCC management also reported its contracted vendors sometimes use space for employee training.

Further legal analysis is needed to determine if the Contractor: (1) violated its 501(c)(6) tax exempt status when it provided full facility discounts to its members, and (2) engaged in self-dealing when it used its personal or organizational relationships to offer free use of publicly owned facilities, and allowed the Contractor's Board member to assume SCCC services without implementing a competitive bid.

Investigation is needed by the California Fair Political Practices Commission to determine if violation of state law occurred when the Contractor allowed the Santa Clara Chamber Political Action Committee to use SCCC facilities free of rental charges.

Finally, when the SCCC applied full discounts to the Contractor's members and member organizations, the SCCC did not comply with the Contractor's own policy of applying a 20 percent discount up to $1,000 per member. The SCCC management said that full discounts were applied to incentivize membership enrollment to the Contractor's organization and began at the direction of the Contractor's (former) Executive Director although TAP International could not verify this statement. The Contractor does not presently advertise or promote the discount on its website or other materials.

The Contractor's CVB Improperly Issued a Donation Check to a Political Action Committee

In 2012, the Contractor sponsored a web-based fundraising event for a political action committee. During the campaign, the Contractor received checks that totaled about $8,000 made payable to the CVB. Rather than returning the political donors' checks, the Contractor deposited the checks and recorded the deposit on the CVB's accounting records. The Contractor then recorded and issued a check on May 8, 2012 under the CVB accounting records for about $8,000 to the Political Action Committee. Contractor management attributed the problem to donor confusion about to whom to make the check payable. When the CVB sent the payment to the Political Action Committee, it provided a gift for political purposes that needs further review by the California Fair Political Practices Commissions for potential violation of State law. In addition,

[32] The SCCC reported that the Political Action Committee (PAC) received discounts for its food and beverage purchases. Our analysis shows that the PAC was a member of the Contractor's organization and per the Contractor's policy should have received a 20 percent discount on rental charges only.

because the Contractor facilitated the fundraising activity for the Political Action Committee, it may have jeopardized its 501(c)(6) tax exempt status.

The Contractor Misused Government Sponsored Resources

Under California Government Code 8314, using public resources for either personal or political purposes is illegal. Public resources can be classified as: money, staff time, equipment, technology, telephones, furniture, computers, and office supplies, if public funds were used in their purchase. The use of public resources would need to be enough to result in a gain for the user and a loss to the agency that can be estimated as a monetary value. As previously discussed in the report, the City virtually funds all of the operations of the CVB, paying about $1.5M annually to the Contractor.

The CVB shares the same web domain name–santaclara.org–with the Contractor's organization and the City pays for 80 percent of its share of costs although the Contractor does not provide detailed financial reporting on the costs for computer and related services. In early and mid-2018, the Contractor sent email blasts and newsletters (using the web domain name) to the surrounding community in support of its organization's core mission. The newsletters also contained promotional ads for fundraising events by the Santa Clara Chamber Political Action Committee. The shared use of the domain name sent mixed messages to the public because the Contractor is holding the CVB name out to the public as its own entity, thereby benefitting from the lack of distinction between the private and public supported resource.

The Contractor is primarily responsible for the issues described in this section, jeopardizing the level of trust that Contractor decisions are made in the City's best interest. The issues could have been prevented had the Contractor's Board members and Contractor employees received training on the governance, ethics, conflict of interest, use of public resources, and proper internal controls. In July 2018, the Contractor's new Executive Director, implemented a training program in place that is a good first step in conveying the basics of nonprofit governance.

Other Business and Marketing Structures Govern Local Convention Centers and Visitors Bureaus

In June 2018, the City Council directed the City Manager to develop options for the provision of convention and visitor services. Of the six convention and event centers located within a 250 miles range of the SCCC whose cities also have visitors' bureaus, none are managed by a Chamber of Commerce. These cities have used other types of business structures, such as a City formed nonprofit organization, third-party corporation, and formation of a district or authority to operate both the CVB and the convention center.

The fact that other convention centers and CVBs are not operated by a Chamber of Commerce does not necessarily mean that the City should change contractors because other considerations should be factored in, such as overall operating and financial performance, City satisfaction with services, and cost. Nevertheless, the CVB and the SCCC management said that alternative business structures could work well for their operations. The CVB Sales Director explained that the CVB has always operated as a separate entity even though it was under the umbrella of the Contractor's organizational structure and should be organized as a separate entity in the future to fully promote the City as a destination area. The SCCC management reported that integrating the CVB with the Convention Center would work well, promoting coordination between the CVB and the SCCC. Both the CVB and the SCCC management reported that the Contractor's role in their operations had no influence over their performance because of the separation by each from the Contractor's core business.

Contract Management Needs Reform by Both the City and the Contractor

This section describes the level of Contractor oversight by the City and the Contractor's use of the City's budget policies to increase its fees.

The City and the Contractor Share Responsibility for Contractor Issues

Cities routinely contract with vendors to provide services to its residents and taxpayers. The International City Manager's Association (ICMA) writes that public contract management should include key activities, such as the development of metrics to check, track and report on vendor performance.[33] When the City originally drafted the agreements with its Contractor, in the 1970's and 1980's, the agreements primarily addressed financial requirements.[34] The two agreements, however, do not have other key terms and conditions, such as:

- Accomplishment of clear financial and operating performance benchmarks. This information allows the City to monitor the Contractor's progress towards its financial and operational goals and to identify early warning signs of negative performance trends.
- Implementation of key internal controls. These internal controls include (1) prohibition on co-mingling of public and private funds; (2) City review of financial transactions; (3) safe data storage;[35] and (4) development of facility use policies.
- Implementation of financial disclosures rules. Presently, the City does not require the Contractor to submit financial disclosure forms that help identify and to avoid any potential or appearance of a conflict of interest.[36] The Contractor and its employees, who make decisions about on behalf of the City, have not been required to file the California

The two agreements between the City and the Contractor did not contain key terms and conditions. The absence of these requirements coupled with City's lack of past oversight of the Contractor allowed the Contractor to make questionable decision-making about the CVB's and the SCCC's operations.

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[33] Contract Management: A Risk-Based Approach for Local Governments, January 2018, by Kyle O'Rourke, Baker Tilly Virchow Krause, LLP, and Frank Girgenti.

[34] The two agreements have provisions for the Contractor to administer separate accounting activities between the CVB and the SCCC and from its core operations, proper documentation for reimbursements, budget submissions, and annual financial audits.

[35] Both the City's Management Agreement and the CVB Agreement state that the Contractor shall maintain accounting records for the life of the agreement and for three beyond the term of the agreement upon its expiration. However, the agreements do not include requirements for the safeguarding of information. Protecting financial records ensures that the information and data they hold is available any time for review and evaluation. The contractor's absence of strong controls over the maintenance of financial records pose a high risk for the City because the Contractor does not safely safeguard CVB accounting records, storing records below a water pipe that had previously leaked and damaged some of the accounting records. We did not determine the extent of the damage.

[36] The California Fair Political Practices Act requires that a city's conflict of interest code reflect the current structure of the organization and properly identify officials, consultants, and employees who should be filing Statements of Economic Interests (Form 700s). The Form 700 provides necessary information to the public about an officials or consultant's (contractor) personal financial interests to ensure that they are making decisions in the best interest of the public and not enhancing their personal finances. Consultants and contractors must file Form 700s if they make or participate in making governmental decisions.

Form 700 – Statement of Economic Interest – because the City did not identify in its conflict of interest policy that the Contractor would be subject to annual filing.

Without these requirements, the City does not have assurance of proper risk mitigation, which had partly led to the issues described in this report. The Contractor's lack of effective administration over operations discussed throughout this report is also a primary factor.

The absence of key contract requirements can be addressed, in part, by active contract monitoring. The City Manager's Office is responsible for contract oversight although there are no documents available to support any historical activities.[37] Without active contract oversight by the City, the City had historically placed too much reliance on the Contractor to deliver services efficiently and effectively, and in compliance with applicable laws and regulations.

In 2017 and 2018, the City's newly hired City Manager implemented efforts to strengthen the City's contract oversight activities, assigning the City's Finance Director as Contracts Manager, recruiting for a City-wide contracts manager, and implementing activities to enhance and assess the Contractor's performance. These activities include hiring a consultant to enhance marketing activities, implementing monthly oversight of the SCCC accounting activities, and requesting this audit.

Former City Officials Did Not Use the Contracting Process to Change Management Fees

Under the terms of the Management Agreement, the City is to provide an annual management fee to be included in the SCCC's annual operating budget. The payment amount ranged from $45,000 to $50,000 until 2016 when the management fee was increased to two percent of the SCCC's gross sales revenues. In FY 2016-17, these fees totaled $136,699.

Changes in payment terms, like the one requested by the Contractor, are typically subject to contract amendments. Contractor documents show that in March 2017, the City provided instructions to the Contractor to use the budgeting process to change its management fees. However, in April 2017, the City met with the Contractor in budget meetings and a decision was reached that a formal amendment was needed. The Contractor's Board of Directors was to draft an amendment/letter regarding the management fee and that the City would prepare a letter establishing the new payment term of two percent of gross sales. There was no information provided that either the Contractor or the City followed through on these tasks. Having a contract amendment would have allowed for proper discussion and deliberation by the City Council on the merit of the fee increase. The City Council, upon learning that it inadvertently approved the fee increase through the City's budgeting process, voted to suspend payment of the management fee.

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[37] The Contractor's CVB management said that City management had historically held frequent progress meetings with a former and long-time Executive Director. These weekly meetings reportedly stopped after the Contractor's Executive Director left the organization in 2015.

Section 3: Changes are Needed to Enhance SCCC Sustainability and Overall Performance

This section discusses three areas of the Convention Center and the CVB operations that have hampered the CVB efforts to enhance sustainability and overall performance. These areas are:

1. Event Scheduling
2. Marketing and Sales Operations
3. Facility Needs

New Strategies are Needed for Event Scheduling

More Multi-Day Events Should Fill Convention Center Calendar

An important measure to assess marketing effectiveness includes monitoring the number of available dates for potential events. In FY 2016-17, the SCCC event calendar was nearly filled, with few dates available throughout the year to book events. Only about ten percent of the SCCC's calendar was available for events, showing the popularity of the facility.

Another measure is the monitoring of facility space available for potential events. However, the SCCC does not maintain this data to determine the percentage of space available to potentially schedule other events. Monitoring these types of measures can allow the SCCC and the CVB staff to tailor their marketing activities to fully maximize the space offered by the SCCC.

The SCCC, nonetheless, collects other data to assess marketing effectiveness, such as the number of events scheduled, the duration and type of each scheduled event, and gross and net charges resulting from the event. However, as previously discussed in this report, the SCCC does not routinely analyze the information it collects to monitor performance. Our analysis, however, examined the presence of patterns in event scheduling. For instance, as shown in Figure 29, the number of events scheduled at the SCCC has not increased over time other than some fluctuations up and down. However, as shown in Figure 30, the total net financial value of the SCCC events scheduled increased over time.

Same day events average $1,865 in fees per event between FY 2011-12 and FY 2016-17.

Multi-day events averaged $12,000 in fees per event between FY 2011-12 and FY 2016-17.

Figure 29: Total Events Scheduled at the SCCC

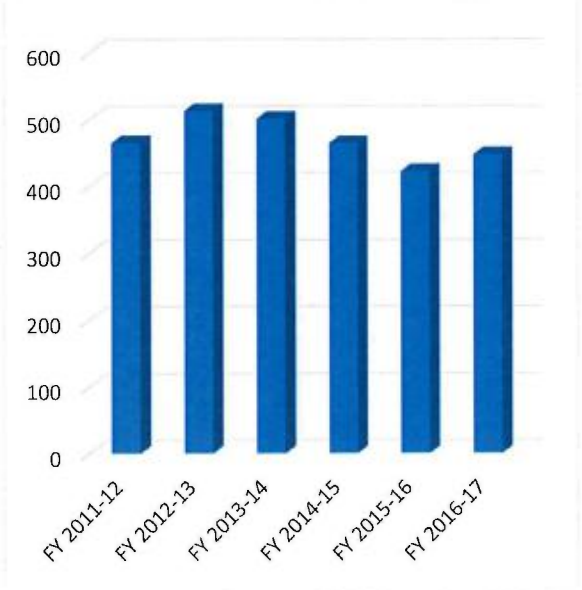
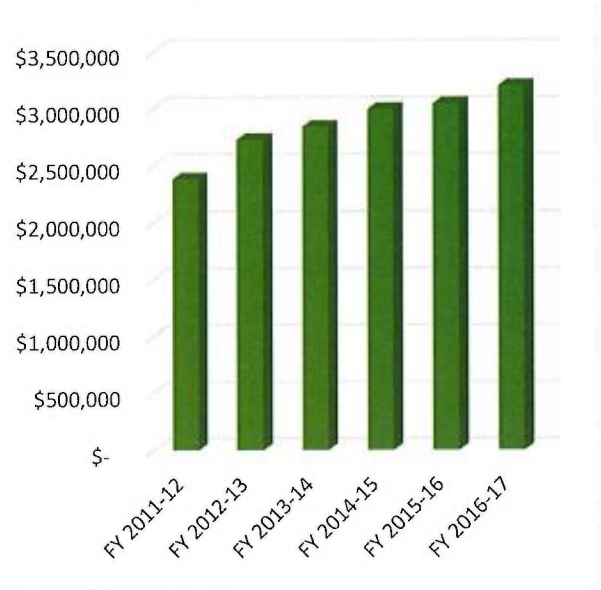


Figure 30: Net Financial Value of Events Scheduled at the SCCC

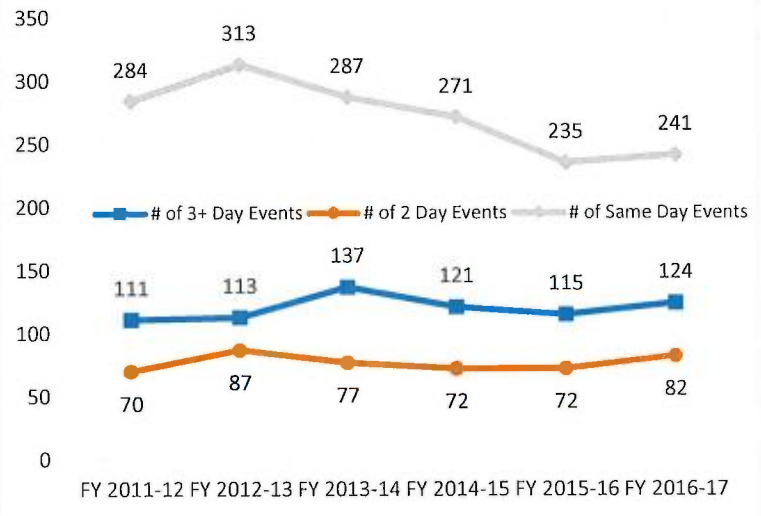


Source: TAP International, Inc. analysis of SCCC booking data

In addition, of the 2,812 total events hosted by the SCCC in the past six years, 58 percent of them began and ended on the same day (herein referred to as same day events). Same day events result in less revenue for the City in comparison to events that span several days.

Nearly 42 percent of the total events hosted over the past six years by the SCCC required two or more days (herein referred to as multi-day events). As shown in Figure 31, events that require three or more days occur more often than events that require two days. The CVB staff have primary responsibility for scheduling multi-day events at the SCCC because these types of events generally need hotel lodging.

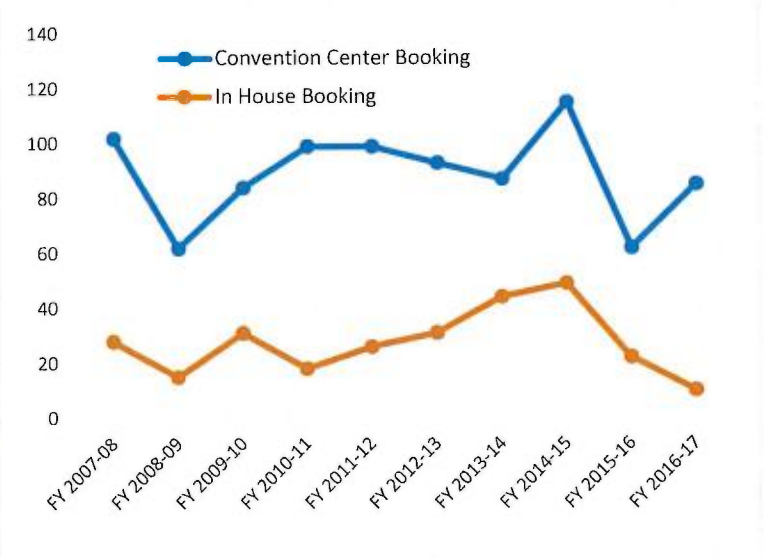
Figure 31: Total Convention Center Events by Event Length and Fiscal Year



Source of Data: TAP International, Inc. analysis of SCCC booking data.

Our analysis of data further shows the CVB has increased its activities to scheduled SCCC events while its scheduling of hotel meeting space (herein referred to as in-house bookings) has declined. Figure 32 suggests that hotels may have the space available to host one-day events that are generally scheduled at the SCCC.

Figure 32: Number of CVB Events Scheduled at the SCCC and at Area Hotels



Source of Data: TAP International, Inc. analysis of CVB booking data.

Better Guidance is Needed in Scheduling Events

The SCCC, SCCC partners, and the CVB are all responsible for scheduling events at the SCCC. With the involvement of multiple entities, guidance should be available to help in decision-making on the types of events to receive priority scheduling. Although the SCCC has available booking policies, the policies do not address event coordination. SCCC management explained that the practice is for CVB's multi-day events to receive priority scheduling and the SCCC to fill the gaps in the event calendar with same-day events. It is unclear whether the SCCC consistently applies this guidance because the SCCC can schedule same day events up to 18 months in advance. The SCCC also reserves the month of December for its clients because SCCC management explained it was a profitable time of year for them, but that it would accommodate if CVB presented a substantial piece of business. CVB staff reported multiple instances of multi-day events that were turned down by the SCCC over the years. In FY 2017-18, there were 32 potential multi-day events with over 55,000 participants (see Figure 33) that had to look elsewhere because proposed dates were unavailable at the SCCC, creating lost economic opportunities for the City (based on the assumption that at least three of 32 potential multi-day events could have been scheduled if the dates were available).

Figure 33: Top Reasons for Losing Multi-Day Events at the SCCC, FY 2017-18

	Meetings	Attendees	Requested Rooms
Convention Center dates unavailable	32	55,168	42,544
Convention Center too small	12	48,816	56,536
Better attendance in another city	45	42,065	40,291
Rates too high	50	36,776	39,178
Event postponed/cancelled	30	30,942	15,467

Source of Data: TAP International, Inc. analysis of CVB Lead and Booking Reports

In addition, the SCCC could develop policies that guide scheduling events requested by nonprofit organizations. For example, some convention centers set aside a limited number of dates to offer facilities at discounted rates or set aside dates that historically have had low facility utilization. Without established guidance, the City does not have assurance that the SCCC event space is leveraged to the maximum economic benefit possible.

In the absence of guidance for scheduling events by nonprofit organizations, the review and approval of potential events takes on greater importance. The review process could consider any number of factors all with the purpose of maximizing potential convention center revenue. For the CVB to successfully confirm a multi-day event, the Contractor's CVB employees prepare a multiple page letter of intent that describes the nature of the event, the services requested, and a preliminary financial analysis. The CVB staff reported that the approval process for each potential booking requires up to three hours. The Contractor's SCCC employees, however, are not subject to the same process even though same-day events have lower potential for revenue generation. The absence of implementing parallel processes raised questions by some CVB employees about whether the SCCC was effectively making decisions on event scheduling. Without documentation on why the SCCC or the CVB events were approved or denied, TAP International had no basis to determine if booking principles regarding allowing priority booking to the highest revenue generating events were consistently applied by the SCCC management. However, given that same-day bookings comprise over half of SCCC events, the City does not have assurance that the review process gives top priority to events with greater economic benefit.

Marketing and Sales Operations can be Enhanced

Marketing Plans Need to be Comprehensive and Integrated

The purpose of a comprehensive marketing plan is to give strategic direction for the success of the SCCC and the CVB. It serves to describe the leadership role for the marketing of meetings and conventions, leisure travelers, and business and cultural events that lead to economic growth for

the City and the surrounding region, including describing how the SCCC and the CVB can distinguish itself from its competitors.

The City hired an industry consultant to determine how best to shape the SCCC and the CVB for the future. The industry consultant, among other activities, held meetings with the CVB and the SCCC to establish new strategies for generating leads and sales goals. In addition, the Contractor had set up its own committee to offer leadership direction for marketing activities. In 2018, the Contractor's committee discussed the need for an updated marketing strategy, but a comprehensive and integrated marketing plan has not yet been prepared. In lieu of an integrated plan, the CVB had developed its own five-year strategic plan and other annual business plans to market and promote the city. These plans included analysis of strengths and weaknesses, development of sales goals, and description of action plans for each market sector. Without a marketing plan that addresses the sales and marketing activities of both the SCCC and the CVB, effective coordination was hampered. The Contractor allowed each entity to generally operate independent of each other.

Staffing Could Be Re-Structured

Staffing is an essential function in any organization. Hiring staff with the right skills, knowledge, and abilities for the role to be performed can contribute to the organization's success. At the CVB, the Contractor hired five sales managers with extensive experience in the tourism and hotel industry. The CVB's two Vice-Presidents also possess extensive experience in the Convention and Visitors Bureau industry. In comparison, the SCCC hired one Sales Director who does not have the same level of experience as the CVB staff at the time of hiring. Experience was developed on the job because the Contractor did not invest in continuous professional training to either the CVB or the SCCC sales staff nor did the City require professional development.

The differences in experience levels did not result in significant differences in performance levels relative to total event bookings by each entity. The CVB books about 42 percent of the events held at the SCCC while the SCCC staff book the remaining 58 percent of all events, on average. It takes the CVB more work and effort to book multi-day events, thus the need for more employees.

The Contractor for the CVB and the SCCC divided the supervision of sales activities. The SCCC's Assistant General Manager oversees its one Sales Director. Two CVB Vice-Presidents oversee five sales managers and six other support staff. The CVB and the SCCC staff reported the absence of effective communication and other information sharing activities because of the fragmented structures. As a result, none of the entities were fully aware of how well the others performed relative to meeting sales goals and targets.

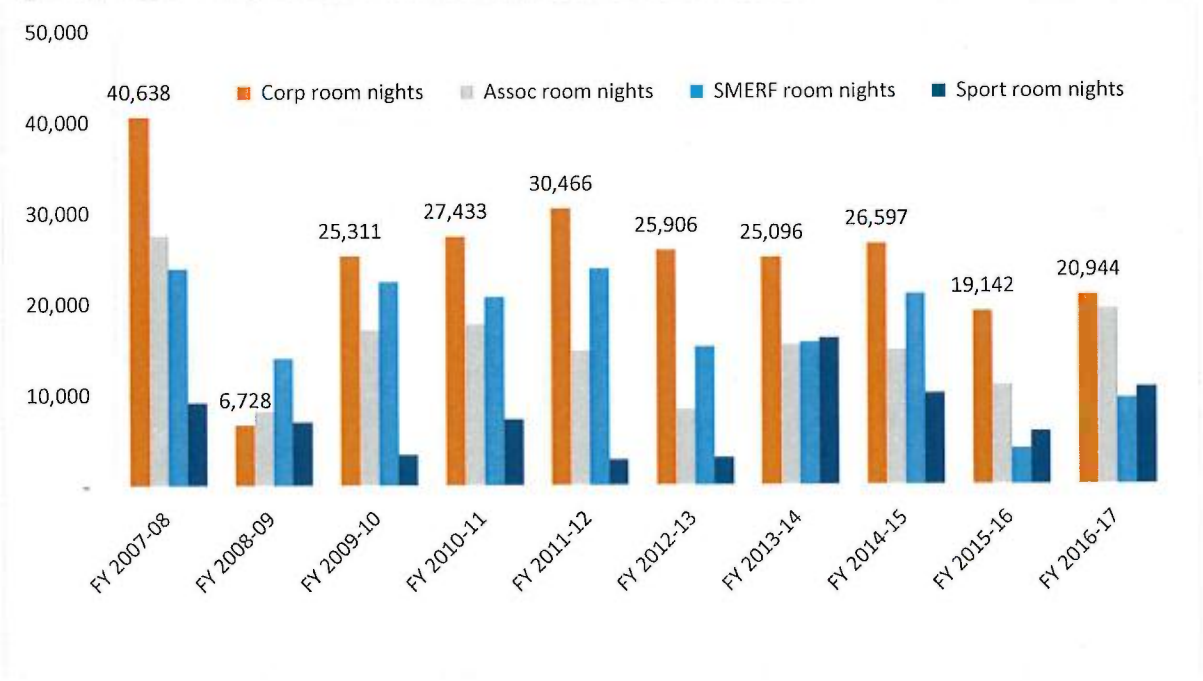
Given that the CVB employs five sales managers, we examined the extent that the CVB strategically utilizes these resources to maximize its performance. Each Sales Manager is

responsible for one of five market areas included in the Contractor's scope of work with the City. These market areas are:

- Corporations
- Social, military, education, religious, and fraternal associations (SMERFs)
- Sports
- Associations
- City-wide events

As illustrated in Figure 34, the CVB books more corporate events in comparison to its other market areas. Given that corporate scheduled events represent the most common type of multi-day event hosted at the SCCC, assigning more staff in this area to work leads could likely result in more events. The CVB could also assign a sales manager to more than one market area that have fewer potential leads and events, such as the Sports and SMERF areas. The CVB management explained that sales managers are reassigned when workloads increase among other managers, but that the CVB needs more support staff to generate and process leads, freeing sales manager to devote their attention to working with the potential client directly. While additional staff have been requested in the budget, the contractor's CVB management explained there was low likelihood the positions would be approved. In FY 2015-16 and FY 2016-17, the CVB did not spend all of its contract funds from the City, leaving up to $517,000 on the balance and enough to hire support personnel.

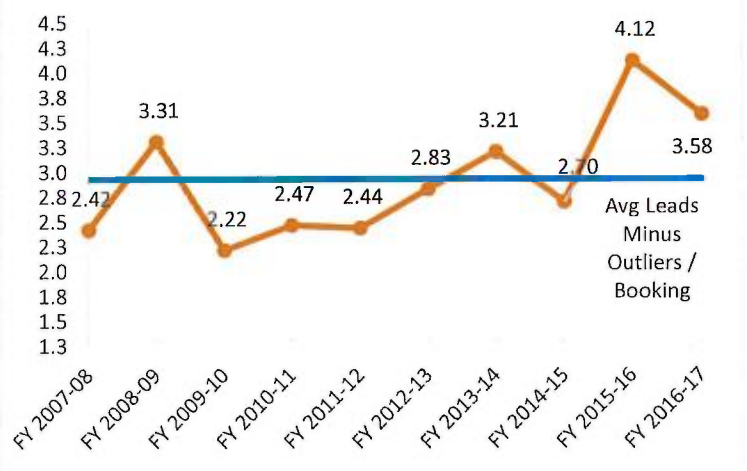
Figure 34: Type of Events and Hotel Room Nights Secured by the CVB



Source of Data: TAP International, Inc. analysis of CVB booking

More Leads are Needed to Successfully Book One Event

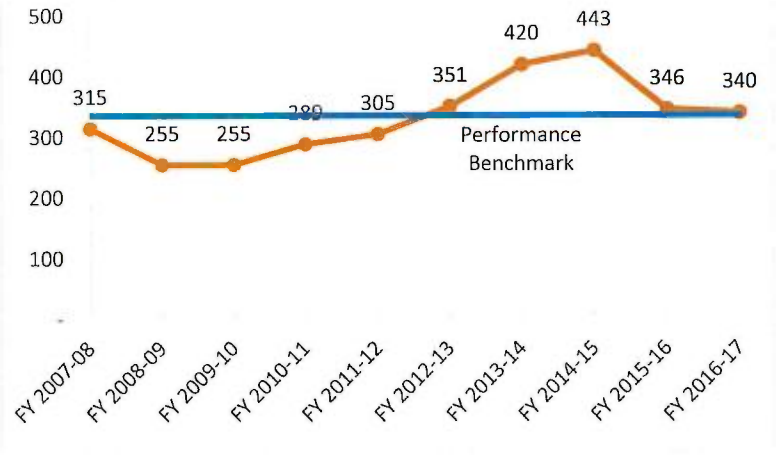
Figure 35: Number of Leads per CVB Booking, Ten-year History



Source of Data: TAP International, Inc. analysis of CVB booking

California has 20 Convention and Event Centers with seven of them located within a 200-mile radius of the SCCC, creating a competitive environment for the CVB to book multi-day events. A key success factor in scheduling the SCCC is generating enough interest, or leads, from potential clients that could result in a scheduled event. A large availability of leads provides ample opportunity for staff to promote the SCCC and area hotels to potential clients. The CVB's own benchmark over a ten-year history averages three leads to schedule one event, but recently, the CVB needs more leads to do so (See Figure 35). Complicating matters is the slight downward trend in total leads available for the CVB in recent years. (See Figure 36). The CVB management reported efforts to pursue other types of lead generation activities that could result in city-wide events, at the recommendation of a City consultant hired to develop enhancements to CVB operations. A city-wide event was originally defined by the CVB as a goal of scheduling events that need 600 room nights at the event's peak. CVB staff explained that this goal was ultimately adjusted to 750 room nights at the time of our review. Leads that involve a substantial amount of room nights require more time to identify and to pursue, said CVB management. At the time of our review, the CVB scheduled two of 22 "city-wide" events targeted.

Figure 36: Number of Total CVB Leads, Ten-Year History

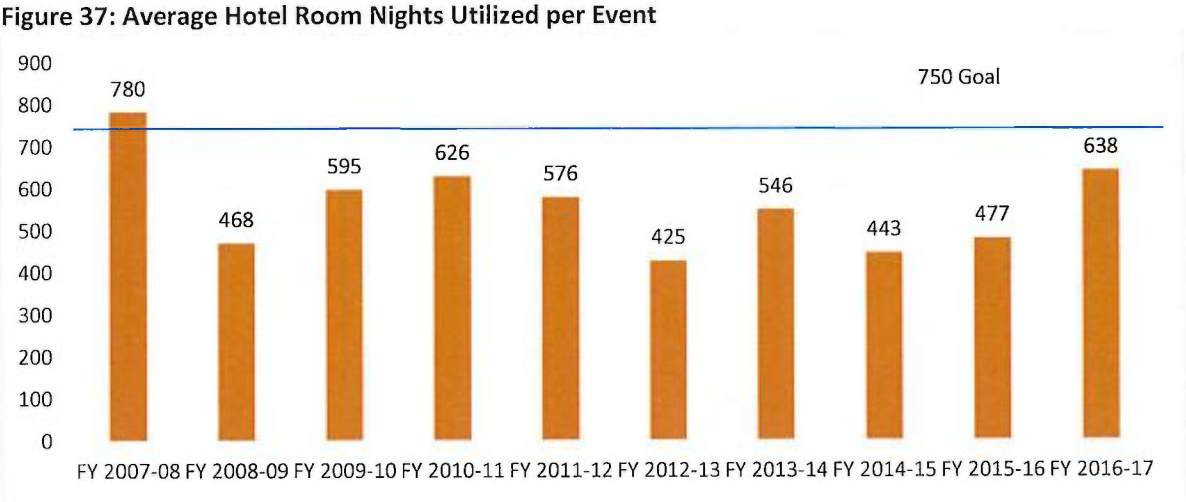


Source of Data: TAP International, Inc. analysis of CVB booking

It is uncertain as to whether the CVB can meet its "city-wide" event goal. Assuming that the SCCC and the CVB operations remain unchanged, three challenges are present. First, as shown in Figure 37, the CVB, historically exceeded its new city-wide goal of 750 room nights per event in one of the last ten years, suggesting that establishing 22 "city-wide" events with 750 room nights at its

peak may be an ambitious goal. Second, CVB employees reported that the surrounding area has a total of 3,800 hotel rooms. To have 750 of these rooms, or 20 percent of all City hotel rooms, available at the same time for any one event, is challenging. Third, the SCCC calendar is nearly full and may not have available dates for these very large events.

Figure 37: Average Hotel Room Nights Utilized per Event



Source of Data: TAP International, Inc. analysis of CVB financial data.

The CVB may not have to focus efforts on scheduling city-wide events. Our analysis of Figure 31 and 32, the SCCC could work towards shifting its one-day events to area hotels resulting in more available dates to schedule multi-day events. The SCCC could also schedule one-day events when needed at the SCCC six months in advance versus 18 months. Had at least three of the 32 potential events that were lost due to unavailable dates (See Figure 33) been successfully scheduled, it could have led up to an additional 4,000 room nights that could have (1) increased the annual overall average per booking for the SCCC; (2) helped the CVB meets its city-wide goal; and, (3) increased the economic impact to the City.

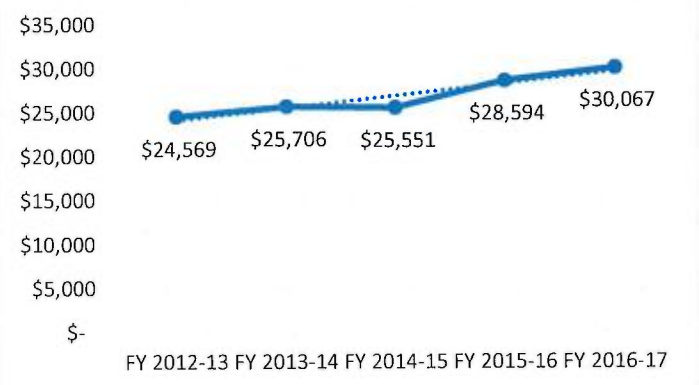
Robust and Strategic Advertising Is Needed

The International Association of Venue Planners state that event planners and attendees are looking for centers that offer unique features, reporting that differentiation is key to attracting more business and larger events. The CVB is implementing current industry marketing strategies to promote the surrounding areas by highlighting restaurants and nightlife, local tours, museums, shops, and outdoor activities, largely through its website. Technology is also leading the way for the SCCC to market itself on the web, by incorporating an interactive map and virtual tour platform, providing useful resources to help in the planning process, making the selection process experience easier for potential clients. Through interactive digital mapping, potential guests can familiarize themselves with the center, as well as the surrounding area, before they arrive.

The CVB also implements direct advertising. While no benchmarks have been established on suggested advertising budgets, the CVB's advertising expenditures ranged between $24,569 to $30,067, as illustrated in Figure 38.[38] Having a small budget for advertising and marketing requires strategic decision-making to leverage limited resources. CVB management explained that it had two goals for advertising and marketing activities: (1) to make the CVB known as a local resource for area businesses to handle its event needs, and (2) to promote the area as a destination for local businesses. At the time of our review, the CVB had:

- Subscribed to various publications and trade tools as well as enrolled in trade and industry associations to help receive leads on prospective clients.
- Performed its own online marketing of the City as a destination area, providing vast information on potential tourist attractions in the local area.
- Received local news coverage to promote its activities.
- Dedicated some of its limited budget to direct advertising and promotion.[39]

Figure 38: Advertising Dollars of the CVB Expenditures



Source of Data: TAP International, Inc. analysis of CVB financial data.

A potential outcome from these activities would be the generation of leads and/or scheduling of events at area hotels or the SCCC. Figure 29 and Figure 36 largely shows an unchanged performed in bookings and in lead generation over time with some fluctuation between the years, suggesting are needed in marketing and advertising strategies.

SCCC Needs Modernizing

The International Association of Venue Planners report that planners do a lot of research before deciding on the best venue, considering factors such as catering services, technology, facility size, and building modernization. As evidenced by Figure 33, the CVB has lost potential clients because the SCCC is too small and both the SCCC and the CVB staff said that condition of the facility needs attention.[40] Figure 39 shows the condition of SCCC's carpeting in place throughout the facility.

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[38] TAP International, Inc. could not develop an apples to apples comparison of CVB's advertising budget with other convention centers.

[39] In the Spring 2018, the CVB spent $5,000 to run six full-page ads in a local newspaper that we discussed earlier in this report as a self-reported conflict of interest.

[40] The Management Agreement states the Contractor is to maintain the Convention Center, the equipment and furniture situated therein, and related facilities in good order and repair and to request such repairs in the SCCC's annual budget or separate City Council action.

The SCCC management explained that the carpeting needs replacement and the kitchen in the Mission City Ballroom requires repair and updating.

The City recognized the need for facility modernization and commissioned a facility assessment in 2017. The facility assessment identified 11 areas that require immediate replacement or modernization. These areas are:

1. Redesign location of Mission City Ballroom, HVAC equipment so that the MCG kitchen becomes functional
2. Replace carpets (Main Building and Great America)
3. Replace tile at base of columns
4. Replace acoustic tile ceiling finishes (Main Building and Great America)
5. Replace fabric faced interior finished (Main Building and Great America)
6. Redesign functionality and replace "air walls"
7. Install reflective coating on flat roofs
8. Provide weather protection for south facing MCG exterior doors
9. Complete replacement of HVAC system
10. Modernization of elevators
11. Provide safety railing at roof perimeters

Figure 39: SCCC Carpet Condition



Photograph by TAP International, Inc.

The 2017 study estimated replacement and modernization costs for these short-term repairs at $5.3M and other long-term repair costs at $57.7M over the next ten years. The City and the SCCC budgeted over $1M to replace the carpeting and budgeted over $4M to update the kitchen in FY 2020-21. Updating the kitchen will likely lead to deficit spending for that year if the SCCC cannot better leverage its bookings. However, in the absence of modernizing the facility, the CVB would be hampered in its ability to attract large events that would require at least 750 room nights.

Appendix A: CVB Revenue, Expenses and Net Income

Figure A1. CVB Revenue, Expenses and Net Income

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
CVB Revenue										
Admin and Service Fees	44,580	32,882	32,893	32,265	32,265	32,160	34,500	34,500	34,500	16,750
Program Services									50	300
On-Line Hotel Reservations	8,111	6,467	2,071	2,261	2,443	2,284	2,625	1,856	1,987	1,047
City Contract	1,411,678	1,446,962	1,468,526	1,456,526	1,521,526	1,521,526	1,521,526	1,521,526	1,521,526	1,489,315
Discount Ticket Sales	2,099	3,529	1,983	7,195	13,049	11,274	7,149	5,812	2,114	1,455
Registration Services	107,393	81,731	122,351	149,400	7,389	399	735	458		
Commission Revenue									22,431	1,946
Banner Ads									1,800	
Interest Income	1,022	647	577	223	185	139	56	47	47	93
All Other Program Services										
CVB TOTAL REVENUE	**1,574,883**	**1,572,218**	**1,628,401**	**1,647,870**	**1,576,857**	**1,567,782**	**1,566,591**	**1,564,199**	**1,584,455**	**1,510,906**
CVB Expenses										
Salaries and Wages	937,383	945,167	1,006,243	1,018,335	900,904	888,877	937,577	918,150	651,150	787,658
Payroll Taxes	76,040	76,234	81,779	83,422	72,967	69,595	70,925	74,100	51,603	55,347
Employee Benefits	174,188	194,517	207,536	202,165	200,299	194,472	208,035	220,383	126,274	102,194
Depreciation/Amort.	10,300	14,994	16,043	9,213	5,963	5,093	5,900	5,093	5,093	5,093
Office Supplies/Maint.	27,639	25,756	24,035	26,104	27,268	26,036	28,207	29,911	25,168	17,143
Computer Service/Maint			1,750	1,094	1,269	958	240	21,810	41,575	33,500
Accounting and Audit	27,845	30,640	31,520	31,150	31,520	32,815	32,656	33,430	34,395	35,320
Legal Fees								35,080	42,894	10,174
Office Equip.	1,228	885	95	722	1,807	360	1,050	1,063		1,356
Rent	88,575	91,232	91,232	91,232	91,232	91,232	91,232	91,232	91,232	91,232
Telephone	22,292	18,899	21,147	21,879	20,079	18,391	17,994	18,634	18,591	17,039

Insurance and Taxes	7,874	10,572	10,904	14,949	17,275	7,994	14,444	11,776	4,633	3,448
Administrative Meeting	2,893	1,952	1,809	1,307	2,479	2,345	1,482	1,739	2,500	1,981
Postage	18,590	15,284	16,660	11,445	13,043	13,283	12,169	14,128	8,176	6,298
Mileage	3,059	3,021	3,102	2,915	2,997	3,192	2,719	2,593	2,332	1,443
Payroll Service fee	4,499	4,347	3,673	7,047	5,896	5,408	6,472	7,091	12,194	5,854
Inside Santa Clara Newsletter	10,500	10,500	10,500	8,000	8,000	8,000	8,000	8,000	6,275	7,949
Advertising-Convention Marketing		17,150	13,177	9,664	3,557	450	3,309	2,951	3,813	4,204
Advertising-Travel Marketing	19,709	17,007	17,461	14,883	15,833	16,119	14,397	14,600	18,506	17,914
Marketing-Servicing	550	330			250					
Marketing-CC Marketing/Sales	103,799	112,744	100,916	50,009	97,735	85,416	90,808	48,895	35,046	99,086
Marketing-Visitors Bureau	52,571	47,626	52,610	48,421	49,102	53,435	47,932	40,335	32,912	49,620
Loss on Disposal of Equipment			8,117							
Outside Services	6,242	200	6,849							
Expense Reimbursements	11,015									
Miscellaneous	1,963	2,507	654	1,769	4,449	3,222	2,580	4,061	3,744	6,354
CVB TOTAL EXPENSES	**1,608,754**	**1,641,564**	**1,727,812**	**1,655,725**	**1,573,924**	**1,526,693**	**1,598,128**	**1,605,055**	**1,218,106**	**1,360,207**
CVB TOTAL NET INCOME (LOSS)	**(33,871)**	**(69,346)**	**(99,411)**	**(7,855)**	**2,933**	**41,089**	**(31,537)**	**(40,856)**	**366,349**	**150,699**
TOTAL FY 2007-08 TO 2016-17										**$278,194**

Appendix B: SCCC Revenue, Expenses and Net Income

Figure B1. SCCC Revenue, Expenses and Net Income

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
SCCC Revenue										
Space-Exhibit Halls	1,265,660	1,194,129	1,113,905	1,090,620	1,142,031	1,352,496	1,261,166	1,337,354	1,416,000	1,353,372
Space-Ballrooms	209,948	221,195	488,060	622,105	598,929	711,857	823,143	801,308	873,944	915,085
Space-Meeting Rooms	207,984	194,893	180,207	219,685	207,900	239,957	237,630	237,580	262,125	275,466
Space-Great America	286,623	271,593	220,997	214,889	274,632	291,742	360,661	385,969	358,770	404,850
Space-Theater	193,640	189,026	151,590	208,620	203,376	211,483	218,644	200,892	208,720	201,000
Space-Cancellation	63,650	163,594	76,138	24,641	15,899	111,523	72,799	77,641	95,995	60,810
Merchant Fees			(25,191)	(34,347)	(38,468)	(54,177)	(60,668)	(58,205)	(63,372)	(79,196)
Labor-Miscellaneous	10,933	8,915	9,565	19,270	11,168	6,825	5,420	9,139	8,655	8,400
Equipment Rental	64,854	58,374	55,466	99,048	55,400	92,744	76,773	120,308	106,638	123,897
Electrical Comm.	107,391	159,844	105,585	140,410	192,214	222,042	184,879	222,373	203,486	277,045
Electrical Services In-House	94,506	53,573	66,840	164,515	156,749	117,605	107,866	111,470	133,650	58,485
Audio-Visual Comm.	270,992	271,929	362,512	395,825	411,300	462,273	605,755	594,217	609,736	638,611
Services - Misc.	5,810	18,472	4,360	6,525	5,773	5,658	7,100	639	3,930	3,495
Incoming Freight	3,690	3,675	3,175	6,065	9,543	3,764	3,314	2,631	3,423	6,649
Cell Site Revenue	23,009	17,794	17,794	17,794	17,980	18,233	18,936	18,090	26,236	33,039
Telecomm Commission	175,127	127,363	175,520	295,797	327,993	447,915	446,187	432,566	527,971	638,933
Catering Commission	1,262,009	800,499	1,037,616	1,900,070	2,195,799	2,509,846	2,809,971	2,566,610	2,572,066	3,060,064
Insurance Revenue	2,610	2,245	2,085	2,170	2,135	2,853	3,115	1,995	1,750	2,030
Interest Revenue	72,998	65,877	57,670	42,934	43,423	20,004	14,025	10,752	7,175	23,689
Advertising Comm.	25,154	26,015	15,976	26,009	32,254	32,536	30,449	26,983	29,658	35,644
Sponsorship Revenue	2,300	1,600	1,800	5,550	5,700	16,500	10,950	4,000	2,800	14,150
Business Center Comm.	5,324	4,123	4,481	5,220	5,645	6,710	12,502	14,802	12,682	10,088
Other Income	11,057	2,204	8,874	8,629	4,134	18,771	3,572	3,702	4,629	28,158

SCCC TOTAL REVENUE	**4,365,268**	**3,856,929**	**4,135,023**	**5,482,042**	**5,881,508**	**6,849,158**	**7,254,188**	**7,122,815**	**7,406,668**	**8,093,763**
SCCC Expenses										
Labor Related	3,530,564	3,659,221	3,766,957	3,866,593	4,059,755	4,408,338	4,595,404	4,778,024	4,818,759	4,983,964
Parking Fees	16,165	8,925	15,720	26,145	38,865	25,320		6,901	36,982	8,550
City Admin Fee	45,000	45,000	45,000	45,000	45,000	45,000	45,000	47,250	50,000	136,699
Other Operating	2,297	196	2,220	8,546	12,463	25,823	10,490	76	3,760	39,500
Professional Associations	9,525	9,884	10,450	7,522	6,555	8,854	6,945	8,846	8,364	9,152
Advertising and Promotion	6,447	6,677	1,593	3,959	2,520	1,844	1,245	1,567	998	970
Telephone	38,317	37,901	29,812	21,706	19,905	5,693	5,072	4,799	6,951	8,568
Office Expense	55,708	79,755	107,015	78,843	61,358	87,511	169,619	146,692	89,810	111,525
Insurance	86,365	98,905	110,509	106,457	122,635	138,012	163,734	169,868	166,849	169,206
Employee Expenses (payroll, training, etc.)	41,998	39,188	39,856	45,346	40,836	45,244	51,004	53,715	57,088	72,780
Maintenance	135,467	143,632	134,231	135,042	158,071	177,577	247,704	209,468	237,890	244,576
Janitorial and Cleaning	90,082	83,373	83,326	89,032	108,849	146,616	133,914	138,593	152,630	144,713
Utilities	530,715	531,693	590,929	611,426	636,488	667,429	676,428	694,485	720,152	732,235
SCCC TOTAL EXPENSES	**4,588,650**	**4,744,350**	**4,937,619**	**5,045,617**	**5,313,299**	**5,783,261**	**6,106,561**	**6,260,284**	**6,350,233**	**6,662,438**
SCCC TOTAL NET INCOME (LOSS)	**(223,383)**	**(887,421)**	**(802,597)**	**436,425**	**568,209**	**1,065,897**	**1,147,627**	**862,531**	**1,056,435**	**1,431,325**
TOTAL FY 2007-08 TO 2016-17										**$4,655,050**

Figure B2. SCCC Revenue, Expenses and Net Income for FY 2017-18

The SCCC provided the full FY 2017-18 Income Statement after our financial analysis was completed. It is included here to show the SCCC ended the year with $2.2M in revenue.

	FY 2017-18
SCCC Revenue	
Space Rental	3,718,344
Event Revenue	592,910
Audio-Visual	853,587
Catering	2,874,957
Telecommunications	559,546
Other	448,259
SCCC TOTAL REVENUE	**$9,047,603**
SCCC Expenses	
Labor Related	5,020,837
Insurance	174,206
JLL Evaluation	89,375
Maintenance & Supplies	234,521
Management Fee	133,184
Monthly Service Contracts	146,575
Office & Legal	268,886
Parking Fees & Rentals	6,000
Utilities	746,653
TOTAL SCCC EXPENSES	**6,820,237**
SCCC TOTAL NET INCOME	**$2,227,366**

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CHAMBER OF COMMERCE &
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Santa Clara Chamber of Commerce

Response to Audit Findings and Concerns with City Actions

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Purpose

The intent of the Santa Clara Chamber of Commerce's response to TAP Internationals audit is not to influence change in City action regarding the Chamber's management and operation of the Santa Clara Convention-Visitors Bureau and Santa Clara Convention Center. The intent is to accurately and factually present the response to inform those who have been misinformed and persuaded by the misleading information used to cast a shadow on the incredible work by the Santa Clara Chamber of Commerce over the last 70 years.

On September 18th, the Santa Clara City Council unanimously voted to Note and File the Audit Findings with the caveat that the Santa Clara Chamber of Commerce will present their response on October 9th to ensure Council had the complete story. This specific and direct Council Action included a date for the presentation without any other contingencies. Unfortunately, City Staff overruled Council Action and postponed the Santa Clara Chamber's presentation until November 13th, over a month past the original agreed upon date and coincidentally after the election.

Executive Summary

The Santa Clara Chamber of Commerce has been an invaluable organization in Santa Clara for over 70 years and a partner to the City of Santa Clara for over 40 years. The Santa Clara City Council voted to audit Santa Clara Chamber of Commerce's management of the Santa Clara Convention Center and the operation of the Santa Clara Convention-Visitors Bureau (CVB). Under this direction, City Staff hired TAP International to conduct this audit.

The Santa Clara Chamber of Commerce found blatant omissions, misleading content, and incomplete content in the Final Audit conducted by TAP International. The Santa Clara Chamber of Commerce is concerned with the independence of this audit and the procedure which the audit was conducted including releasing preliminary information to the public before properly vetting or discussing this information with the Chamber's Board or President/CEO.

The Santa Clara Chamber of Commerce is also concerned with the City's actions surrounding this audit. The City of Santa Clara has misused authority, reach, and public funds with the intent to harm the Santa Clara Chamber of Commerce and interfere with their ability to operate a business in Santa Clara. These actions include:

- Targeting Chamber Customer List with misleading and unsubstantiated material
- Uncharacteristically using Santa Clara Tax dollars to send letters via direct mail including businesses in other cities
- Reporting to FPPC and other agencies knowing it was past the FPPC statute of limitations
- Inserted Misleading Information Not Included in Audit
- Releasing Preliminary Observations made by City Staff and auditor before speaking to Chamber President/CEO or Board Members

- Council Members directing Chamber to remove the Santa Clara Weekly's Publisher from our Board
- Urging TID Advisory Board to stop conducting business with the Santa Clara Chamber
- Meeting with The SVO, formerly known as San Jose Chamber who is now attempting to go regional, for "General Relationship Building"

The Santa Clara Chamber of Commerce had a mutually beneficial and cooperative relationship with the City of Santa Clara for nearly a half a century. The Santa Clara Chamber understands that this is a one place in time and both entities will outlast this blunder and will rebuild a relationship, however, it is the duty of the Santa Clara Chamber, as a Chamber of Commerce and a community organization, to report wrongdoing within our local government. The Chamber feels that a number of issues presented herein amply address some of our concerns of the City's improper behaviors, however, we reserve the right to present additional points as to the actions of City leadership at a future date.

Observations and Concerns with City Action

Staff Reports

Background

On June 26th 2018, the City of Santa Clara voted to defund the CVB after the Chamber operated the CVB for over 40 years. In this action, the Council included 60 days of salaries and salary related expenses for the CVB employees, directed the Chamber to return all reserves for the CVB, transfer the CVB employees to the Convention Center where their salaries would be administered, and directed City Staff to create an agreement for this 60 day period.

Following this Council meeting, City Staff reported to the Chamber that a new agreement would not be possible in the short time period as the City Attorney's Office was busy dealing with the lawsuit surrounding the Elections. The City Staff decided the easiest course of action would be to write the Chamber a check covering the estimated difference between the reserves and the necessary funding needed to cover the 60 days of salaries and salary related expenses.

The City Staff dropped off an $80,000 check of City funds to the Chamber's receptionist without a contract or agreement detailing the expectations. The Chamber's President/CEO did not feel comfortable accepting $80,000 of City funds without any expectations so he contacted City Staff for clarification.

In an email thread with City Staff and Chamber Staff, the City Staff clarifies the $80,000 was for salaries and salary related expenses with no expectations or scope of work. The email also states the Chamber was their employer and could redirect (or let go) the employees and the purpose of the funding was to allow the Chamber and the affected employees the flexibility to determine what might be the best course for their respective futures (Appendix A).

On September 18th 2018, the City Staff released a staff report stating,

> It is worth noting that at the June 26,2018 City Council meeting, Council provided a 60-day salary appropriation for CVB staff, from July 1 through August 31, 2018, for the purpose of transitional/close out activities; however, the Chamber released staff in July and did not ensure proper close out of the fiscal year (Appendix B).

Concerns with City Action

The Staff Report issued by City Staff publicly blames the Chamber for not following the City's directive to conduct transitional/close out activities which was clearly not the case. The City of Santa Clara's Code of Ethics and Values supports trustworthy, truthful, and uninfluenced governance. City Staff misstated the circumstances and misrepresented the Chamber leading the public and Council to believe the Chamber was not compliant with City directives. This untruthful and incorrect Staff Report served to the detriment of the Chamber by misrepresenting the Chamber to the public.

Letter to TID Advisory Board

Background

The Santa Clara Chamber of Commerce and the several hotels formed a Tourism Business Improvement District (TBID) which was titled the Tourism Improvement District (TID). The participating TID hotels voluntarily implemented an assessment of $1 per room night to generate more marketing funds for the CVB with the City as the taxing agency collecting these funds. The TID Bylaws state that all TID funding generated would be administered to the Chamber as the Chamber was serving as the fiscal agent and conducted the operational assignments.

In July 2018, the City of Santa Clara realized the possibility that the City and TID was not in compliance with the law. The City Staff instructed the TID Advisory Board to return the reserves generated by the assessment to the City which the TID objected. The TID Advisory Board and City agreed to freeze the reserves and stop collecting the assessment until the appropriate Council action was taken. The appropriate Council action has since been taken and the TID hotels have now reinstated the $1 per room night assessment, however, the reserves are still frozen.

In a letter to the TID Advisory Board, the City detailed the concerns brought forth in the audit as well as the City's own insertions related to the Chamber. In this letter, the City "strongly urge[d] the TID to immediately address its governance structure, fiscal agent and operation assignments with the Chamber." (Appendix C).

Concerns with City Actions

The TID Advisory Board's Bylaws states the generated funds must be administered to the Santa Clara Chamber of Commerce and the TID has followed this for over five years. The Santa Clara Chamber of Commerce is concerned that the City has interfered with a contract between the TID Advisory Board and Santa Clara Chamber by urging the TID to stop doing business with the Chamber. This letter to the TID Advisory Board was released prior to the Chamber's response to the audit. The Chamber does not support the City's decision to interfere with the TID Advisory Board and Chamber's agreement. It is also concerning that this letter was released prior to the Chamber having the opportunity to respond to the Audit Findings.

City's Public Communications Regarding Audit

The City of Santa Clara sent two letters via direct mail regarding the audit after releasing the same information on the City's usual communication methods (Press Releases, Nextdoor, Social Media, etc.). These letters were purely informational with no call to actions or reason to stray from the usual communication methods. The estimated cost to the residents of Santa Clara for preparation and mailing of the two letters is over $20,000.

Who received these letters?

The City of Santa Clara sent the two letters via direct mail to every business license holder in Santa Clara as well as the Chamber's Membership Directory. The Santa Clara Chamber's Membership Directory includes businesses in San Jose, Sunnyvale, Campbell and several other cities. The City of Santa Clara used Santa Clara tax dollars to inform businesses outside of the City of Santa Clara on actions taken at City hall. To further prove the City downloaded and targeted the Chamber's customer list, the Santa Clara Chamber's Membership Directory included a control profile to ensure no one was using their directory to spam their members. Day's Interior Design, the control profile, is not a registered business or business at all. The only way to get this Business Name or private address was through the Chamber's Membership Directory. Day's Interior Design received two letters from the City of Santa Clara. (Appendix D)

Letter #1 – 8/13 (Appendix E)

The City of Santa Clara's first letter, costing the residents of Santa Clara approximately $10,000, included preliminary observations made by City Staff and TAP International prior to speaking with the Chamber's President/CEO or Board of Directors. The preliminary observations were unfounded and unconfirmed information that painted a negative picture of the Chamber. In two separate conversations with TAP International, the President/CEO of the Chamber, and the Vice-President of Sales, the auditor stated she was unhappy with the City's decision to combine the preliminary observation made by the auditor and the City's observations as it misrepresented the audit information. In a later conversation with TAP International, the auditor retracted this statement and stated she knew the information was going to be sent out and she was fine with it.

Letter #2 – 9/11 (Appendix F)

The City of Santa Clara's second letter, costing the residents of Santa Clara approximately $10,000, included many insertions and observations made by the City that were not included in the audit, although the letter stated they were.

The letter sent by the City stated "the auditor found that the City of Santa Clara lost $20.5 million in revenue and City subsidies over the past 10 years." This was not stated in the audit but was an abnormal calculation conducted by the City of Santa Clara and inserted as Audit Findings.

The letter also stated "board members engaged in self-dealing, using City assets for their own financial gain…" This statement was not in the audit. The City reported actual self-dealing instead of the appearance of self-dealing with more research needed. This false report defamed the Chamber and Board Members causing harm to the reputation of a valued Santa Clara entity as well as valued Santa Clara businesses.

Lastly, the letter stated the Chamber's mismanagement resulted in $37 million in lost funds to the City of Santa Clara. This, again, was not stated in the audit but was an insertion made by the City of Santa Clara.

Table 1: Lost Revenues and City Subsidies Resulting from Chamber's Mismanagement of Public Funds

Net Lost Revenue and City Subsidies	Amount (in Millions)	Note	Time Period	Audit
Facility Discounts (1,720 events)	($16.1)		2011-2018	Pg. 34
Facility Free Rent (353 events)	($2.8)	(1)	2011-2018	Pg. 35
Bonus Payments to Convention Center Staff	($0.3)	(2)	2014-2017	Pg. 22
City General Fund Capital Expenditures	($2.4)	(3)	2007-2017	Pg. 12
City Annual Payments to CVB	($14.9)	(4)	2007-2017	Pg. 50
City Paid Management/Administration Fee	($0.5)		2007-2017	Pg. 53
TOTAL Lost Revenue and City Subsidies	**($37.0)**			
Positive Direct Convention Center/CVB Financial Impact	$11.3		2007-2017	Pg. 17
Convention Center Net Income	$5.2	(5)	2007-2017	Pg. 12
TOTAL Positive Convention Center/CVB Financial Impact	**$16.5**			
TOTAL Net Lost Revenue and City Subsidies	**($20.5)**			

When referring to the graph above, one can see the City used unusual accounting practices to draw their desired conclusion.

- The City of Santa Clara counted Bonus Payments to Convention Center Staff twice: once in the Convention Center Net Income and once in the table.
- The City of Santa Clara included City General Fund Capital Expenditures and City Paid Management/Administration Fee as "lost funds" resulting from Chamber's

Mismanagement of Public Funds. These expenditures were approved by Council each year for the 10 year period.

- The City included the total of 10 years of CVB operating budgets, approved by Council each year, as "lost funds" resulting from the Chamber's Mismanagement of Public Funds.
- The City included $18.9 million worth of "Facility Discounts and Facility Free Rent as lost revenue to the City of Santa Clara.
    - The "Facility Discounts" is the difference between the retail price of Convention Center space and the negotiated price. The Santa Clara Convention Center competes with many other Convention Centers for business and the auditor states that negotiating pricing is common in the Convention Center industry.
    - The "Facility Free Rent" includes refunds given to events that hit the food and beverage minimum which is also an industry standard practice. This calculation also includes free space used by the City of Santa Clara. Lastly, this calculation includes space given to community organizations, some of which are run by City Officials.
    - It is an unusual accounting practice to subtract the difference between retail price and the negotiated price from the Net Income to show a Net Loss.

Conclusion

The City of Santa Clara targeted the Santa Clara Chamber's membership, using approximately $20,000 of public money, to spread misinformation, misleading calculations, and blatant untruths to harm the reputation of the Santa Clara Chamber of Commerce.

Concern with Audit Findings and City's Actions

Appearance of Self-Dealing with More Research Needed

Background

The Santa Clara Chamber has managed the Santa Clara Convention Center for over 30 years with the direction to operate the Convention Center as a business. With that said, the Audit mentions the Appearance of Self-dealing three times all regarding the Shipping and Handling Services at the Convention Center. The Shipping and Handling Services mentioned in the Audit is referring to the lease for a UPS Store within the Convention Center.

The existing UPS Store owner, who holds the lease at the Convention Center, was near bankruptcy, past-due on payments, and near closing the store at a loss to the Convention Center. Knowing this, Corporate UPS, with no affiliation to the Chamber, searched and sought out a successful local UPS Franchisee to take over the lease keeping the UPS Store operational.

The current lease states the lease is transferable among private businesses with the approval of Corporate UPS and the Chamber. Corporate UPS proposed OMCO, Inc. as their approved new

owner believing OMCO, Inc. would be the most successful owner of this store not knowing that a Santa Clara Chamber Board Member was a partner at OMCO, Inc. The Board Member disclosed this potential Conflict of Interest prior to its existence and provided the Chamber Management and Executive Committee time to review and mitigate the Conflict. The Chamber mitigated this Conflict of Interest by having the proposed owner abstain from any future decisions regarding the management of the Convention Center including the decision to transfer the lease.

During this transition period which extended past the release of the Final Audit, the proposed owner agreed to operate under a management agreement between the current owner and proposed owner with the proposed owner paying all past due payments including those due to the Convention Center. It is important to note that the Board Member abstained from all decisions regarding the Convention Center while operating under the management agreement.

Concerns with the Audit

Prior to the release of the Final Audit, the lease was not transferred to the Board Member. The Audit states there was the Appearance of Self-Dealing with more research needed because the lease was transferred to a Board Member which was not the case. The Auditor was presented this information but it was misstated in the report to the detriment of the Chamber and the proposed UPS Store Franchisee. TAP International never discussed this with the Board Member in question but made assumptions that led to an error in the Audit.

Concerns with City Actions

The City of Santa Clara reported publically in Press Releases, News Articles, and Direct Mail to businesses and Chamber Members actions of the Chamber were *actual* Self-Dealing instead of the *appearance* of Self-Dealing with more research needed (Appendix F). The City of Santa Clara misled the public by reporting speculations made by the Auditor, which stated that more research was needed, and publically reported them as fact. The Chamber believes the City used public money to harm the reputation of the Chamber by knowingly and publicly dispersing misleading and incorrect information.

Former City Officials Did Not Use the Contracting Process to Change Management Fees Response

Background

The City of Santa Clara and the Santa Clara Chamber of Commerce's interest have traditionally been aligned to stimulate the growth and development of Santa Clara's economy. In the 1970s, the Santa Clara Chamber of Commerce and the Visitors Bureau advocated for the construction of the Santa Clara Convention Center. In 1984, the Santa Clara Chamber of Commerce was granted an evergreen contract (the "Agreement") to manage the Santa Clara Convention Center with a

$45,000 administrative fee approved annually in the budget.[1] While the administrative fee remained static for 30 years, it was submitted yearly to City Staff and approved in the budget each year. In 2014/15, City Council approved an administrative fee increase to $47,250 and in 2015/16, the administrative fee increased to $50,000.

In 2016, with the development of Levi's Stadium and the still pending Redevelopment Agency ("RDA") issue, the Santa Clara Chamber of Commerce found itself spending an inordinate amount of time working to provide solutions to these issues while experiencing an increase of its liabilities. Executive Committee Members Paul Dines, Ravinder Lal, and Joe Siecinski met with Mayor Gillmor and Councilmember Davis to discuss the future management of the Convention Center. Mayor Gillmor and Councilmember Davis instructed the Santa Clara Chamber of Commerce to include an administrative fee of 2% of gross revenue in the 2016/17 budget. A summary of the meeting's outcome was outlined in an email thread between the Executive Committee Members directly following the meeting (Appendix G). For the last 30 years, the Chamber has submitted the budget to City Staff for approval by City Council.[2] Following this established process, the Chamber submitted their 2016/17 Convention Center budget to City Staff (Appendix H). The fee adjustment was clearly identified and marked in RED to provide City Staff notice of a significant change. The new budget, with the increased management fee, was approved in an open City Council meeting by the Mayor and Council Members.

In April 2017, the Santa Clara Chamber of Commerce submitted their 2017/18 budget which was reviewed by City Staff. During the review, the City acknowledged the prior year's (2016/17) fee adjustment "currently 2% of gross revenues" and tasked the City Manager " to work on getting the letter establishing the C of C Admin Fee" (Appendix I). The Chamber never received this letter, but the budget line item was again clearly identified and approved by Council for the 2017/18 year with the 2% Administrative Fee (Appendix J).

On May 22nd 2018, the Santa Clara City Council suspended the Santa Clara Chamber of Commerce's Administrative Fee until TAP International's final audit was submitted citing the Chamber for not disclosing the increased administrative fee. The Chamber, under reservation of rights to an administrative fee, agreed to uphold their side of the Agreement and continue the management of the convention to avoid a significant negative impact on Santa Clara (Appendix K).

TAP International's final audit has since been released confirming the increased administrative fee was disclosed. While the audit advised that there should have been a contractual amendment, the Chamber properly disclosed the amounts and followed the City's instructions for the fee

[1] "A contract between a governmental body and a private party is to be construed by the same rules which apply to the construction of contracts between private persons [Citation] . . .and the public entity is bound in the same manner as an individual. " *Tonkin Constr. Co. v. Cty. of Humboldt,* 188 Cal. App. 3d 828, 831–32 (Ct. App. 1987).

[2] "As a general proposition of law, it is, of course, true that every commercial contract is entered into with the understanding that usage in regard to the particular matter of the contract becomes a part of the transaction itself." *Luckehe v. First Nat. Bank of Marysville,* 193 Cal. 184, 189 (1924).

increase.[3] (Section titled "Former City Officials Did Not Use the Contracting Process to Change Management Fees").

Concerns with Audit

The information stated above was presented to TAP International detailing the circumstances surrounding the increased Management Fee; however, the audit incorrectly reported the information to include the Chamber as a responsible party. The Santa Clara Chamber of Commerce discussed the increased Administrative Fee with Elected City Officials and reported the increase to the appropriate City Staff. Appendix I clearly shows the Santa Clara Convention Center Staff brought the Discussion Point (DP) of the Chamber Board drafting a letter/amendment. The only Action Item (AI) concluding this meeting was the City Manager (CM) to follow up with the Chamber with a letter/amendment which we never received.

The Audit misstates this information declaring the Chamber was to also draft a letter which was clearly not the case. This misstatement is a concern of the Chamber because it puts unnecessary blame on the Chamber when the Chamber followed the City directed procedure.

Concerns with City Action

The City publically stated the Chamber did not disclose the increased Management Fee asserting the Chamber was deceitfully attempting to take more City funds than appropriate.

The Santa Clara Chamber followed the established process to increase the administrative fee with resulted in the City Council approving the Convention Center budget two consecutive years with the increased administrative fee. The miscommunication between City Staff and City Council led to the City Council prematurely suspending the established Management Fee in May 2018 prior to the final results of the Audit.

Conclusion

The Audit misrepresents the information surrounding the circumstances of the increased Administrative Fee. This misrepresentation serves to the detriment of the Chamber misleading the public to believe the Chamber shared responsibility. The City irresponsibly reported to the public stating the Chamber's intentions to be deceitful and untrustworthy. The City also made the decision to suspend the Administrative Fee, which was an established practice for over 30 years, prior to the conclusion of the Final Audit and without the necessary information.

Conflict of Interest Regarding Advertisements in the Santa Clara Weekly

Background

The Santa Clara Convention-Visitors Bureau's (CVB) duty was to market the City of Santa Clara

[3] "Contractual understanding need not be express, but may be implied in fact, **arising from the parties' conduct** evidencing their actual mutual intent to create such enforceable limitations." *Guz v. Bechtel National, Inc.,* (2000) 24 Cal.4th 317, 336.

stimulating visitor's spending and promoting the Santa Clara economy. As stated in the Audit, the CVB's most lucrative customer-base was corporations. Included in an overall marketing plan, the CVB intended to engage more local corporations to further promote the CVB's most successful industry. Senior CVB Staff, with more than 25 years of Visitors Bureau industry experience, included a minimal appropriation of funds for print media.

The print media industry has severely declined over the course of decades leaving few print media options targeting the local Santa Clara corporations. The Santa Clara Weekly, one of few remaining print media outlets serving Santa Clara, is distributed to up to a 1,000 businesses per week. The Santa Clara Weekly Publisher is on the Chamber's Board of Directors, which most would believe is a beneficial considering the Santa Clara Chamber is a nonprofit organization run by Santa Clara businesses and it is important to have the diverse business community represented including the only print media outlet serving Santa Clara.

CVB Staff, with no influence from the Santa Clara Chamber Board of Directors, contacted the Santa Clara Weekly to run these advertisements. The Santa Clara Weekly offered 6 full-page color advertisements to the CVB for an under market price of $5,000. This price was over $2,500 off retail price. The Santa Clara Weekly's competitors offer 6 full-page color advertisements for over $25,000 (Appendix L).

Being good business people, the Senior CVB Staff Member contracted the print media outlet that better reached the targeted customer-base at a more cost-effective rate. It is also important to note the Staff Member's Direct Supervisor, President/CEO, and Board Chair all separately reviewed and approved the expense. It is also important to note the CVB received leads from local corporations who saw the advertising and were interested in bringing their corporate event to Santa Clara. Unfortunately, the CVB services were defunded prior to these leads substantiating.

Concerns with the Audit

The Audit omits the clear business reasons for deciding to contract the Santa Clara Weekly to run 6 full-page advertisements. The Audit also omits the Staff Member's Direct Supervisor, President/CEO, and Board Chair all separately reviewed and approved the expense. Lastly, the Audit omits the fact that the CVB received leads from local corporations who saw the advertising and were interested in bringing their corporate event to Santa Clara.

Conclusion

The Audit misrepresents the CVB's intention which was to grow their largest customer base. These omissions in the Audit serve to the detriment of the Chamber misleading the public to believe the Chamber was pushing contracts towards its Board when the intention was, and has always been, to best serve the interest of the residents of Santa Clara.

Redevelopment Agency Issue

Background

In 2015, the City of Santa Clara instructed the Chamber to stop booking the Convention Center as the future of the Convention Center was uncertain due to the pending Redevelopment Agency (RDA) issue. The City of Santa Clara's ban on Convention Center bookings lasted seven months and fell within the period that was audited by TAP International.

The uncertainly of the future of the Convention Center and the seven month ban on booking the Convention Center had a severe impact on the success of the Convention Center and CVB which is still being felt today. It is important to note that during this period, the CVB and Convention Center lost many employees including seasoned Sales Managers. There was an estimated 85,000 rooms nights lost due to this seven month ban on booking the Convention Center.

Concerns with Audit

TAP International reported several issues hindering the success of the CVB and Convention Center but did not mention the City's directive for the CVB and Convention Center to stop booking for seven months due to the RDA issue. In fact, the RDA issue was not mentioned in the Audit. When independently evaluating the success of an organization over the course of 10 years, the Chamber feels it necessary to include a period of seven months where there was a ban on booking future business.

This information was provided to the Auditor but was omitted from the Audit. This omission served to the detriment of the Chamber and relieved the City of any negative attention for causing a major negative impact on the tourism industry in Santa Clara.

Santa Clara Chamber PAC

Donations to the Santa Clara Chamber PAC

In 2012, the Santa Clara Chamber PAC, a separate organization from the Santa Clara Chamber of Commerce made up of Chamber members, conducted a fundraiser. Due to infrastructure challenges, the Santa Clara Chamber of Commerce collected $8,000 of donations for the Santa Clara Chamber PAC with the donors knowingly and intentionally making these donations to the Santa Clara Chamber PAC. The Santa Clara Chamber of Commerce, having $8,000 of PAC money on their books, made a check out to the Santa Clara Chamber PAC for $8,000. No Chamber or City funding was donated to the PAC.

Concerns with Audit

This information was presented to TAP International; however, this information was misstated in the report. The auditor reported the CVB conducted the fundraiser and collected the donations. The distinction between the CVB and Chamber is very important because the Chamber is not

subsidized by City funding. The auditor also reported the Chamber donated to the Santa Clara Chamber PAC using public funds which was not the case.

The Chamber informed the auditor on several occasions, but the auditor would not make this change in the report. The City used this misinformation to publicly reprimand the Chamber for using City funds to make political donations painting the Chamber in a negative light.

Free Space Provided to Santa Clara Chamber PAC

In 2012, Santa Clara Chamber PAC held a breakfast fundraiser at the Santa Clara Convention Center during a need period with no other competing events. The Santa Clara Chamber PAC's contract included language where an offset would be applied with the minimum purchase of food and beverage. The Santa Clara Chamber PAC hit the food and beverage minimum for the event and the offset was applied.

The Santa Clara Chamber PAC contributed thousands of dollars to the Santa Clara Convention Center during a need period following offset procedures (Appendix M).

Several Elected City Officials attended this event including Mayor Gillmor.

Concerns with Audit

TAP International misstated the information reporting the Santa Clara Convention Center made gift of public funds to a political organization when this was not the case. It is concerning that the auditor would misstate this information when it was provided to the auditor. The City then used this misinformation to publicly reprimand the Chamber for gifting public funds to a political organization. The misstatements regarding the PAC event were to the detriment to the Chamber.

Recommendation to Report to FPPC and other agencies

TAP International erroneously recommended the City report the Chamber to the FPPC and other agencies for political violations made in 2012. TAP International cited several policies regarding the FPPC and IRS but failed to state the FPPC Statue of Limitation for investigations is 5 years. The City Staff followed the recommendations, with the knowledge of the City Attorney, to use City tax dollars to report the Santa Clara Chamber to the FPPC when it was clearly past the Statute of Limitations.

Along with erroneously reporting the Chamber to the FPPC, the City reported in a press release to the public that the Chamber may have violated state law (Appendix N). Due to the facts stated above, the Chamber believes the City knew these allegations were past the Statute of Limitations, however, used the erroneous FPPC report as an opportunity to publicly harm the reputation of the Santa Clara Chamber of Commerce.

Conclusion

The City of Santa Clara used incomplete and inaccurate audit findings, along with misleading insertions and miscalculations by the City, used in a PR campaign that was detrimental to the Santa Clara Chamber of Commerce, a nonprofit organization run by a volunteer board of Santa Clara businesses and community leaders. The Santa Clara Chamber of Commerce and many other members of the community is left with the question of why?

In any case, the Santa Clara Chamber of Commerce will continue the tradition established over multiple generations of building a vibrant community that benefits all.

Appendix A

Kaspar, Nick

From: Ruth Shikada <RShikada@SantaClaraCA.gov>
Sent: Tuesday, July 03, 2018 8:16 AM
To: Kaspar, Nick; Moreno, Lisa
Cc: Deanna Santana
Subject: RE: Option for Vacation Time

Good morning Nick
Here are responses to your inquiries:

Our understanding was that we were to return the reserves to the City. I am happy to work out another model but just wanted to make sure to request clarification so the Chamber is compliant.

The Council voted to fund salaries for the next 60 days and request return of the reserves. Based upon the time left on the contract and because the City's expense for the cost of salaries was more than what the Chamber had on reserve, we determined that the best course was to apply the reserves to the overall salary expense and provide the Chamber with supplemental funding. We estimated that $80k plus the reserves was enough for the 60 day salary cost --- but since it was only an estimate, we asked for a reconciliation.

I realize that an agreement for the CVB for the next 60 days might be difficult
Until the audit is done, I don't know that we will have the ability to negotiate meaningful terms. I wouldn't have an expectation of an agreement during this time.

I did want to request clarification about expectations of CVB. Without any funding for operations of the CVB, can you share what the cities expectation and scope of work are from the CVB employees?

Without a contract, the City does not have expectation of any services from CVB. We understand that this will cause a disruption. We also understand that the Chamber, as their employer, may choose to redirect the scope of work (or let go) of the employees previously funded under the CVB contract. Providing the cost of salaries was intended to allow the Chamber and the affected employees with flexibility to determine what might be the best course for their respective futures.

with the termination of the CVB Contract, the Chamber is supposed to close out the City Store. We have the current inventory and can cut a check for the City today. Please let us know who should be the POC to close out the City Store with us.

We'll set an appointment with a staff person to meet with you to determine next steps to handle inventory and accounting matters.

Let me know if you have further questions.

Ruth

Appendix B

City of Santa Clara

Agenda Report

1500 Warburton Avenue
Santa Clara, CA 95050
santaclaraca.gov
@SantaClaraCity

18-995 **Agenda Date: 9/18/2018**

REPORT TO COUNCIL

SUBJECT

Action on the Santa Clara Convention Center and Convention-Visitors Bureau 4th Quarter and Fiscal Year Ended June 30, 2018 Financial Status Report

BACKGROUND

The purpose of this report is to provide a financial status update for the 4th quarter and fiscal year ending June 30, 2018 for the Santa Clara Convention Center and Convention-Visitors Bureau. The report covers the period of time when the City had two Agreements with the Santa Clara Chamber of Commerce & Convention- Convention Visitors Bureau (Chamber), which required that the Chamber provide the City with a quarterly activity and operations report for the Santa Clara Convention Center (SCCC) and the Convention-Visitors Bureau (CVB) within 30 days after the end of each quarter during the fiscal year. The SCCC-CVB Financial Status Report for fourth quarter and fiscal year ended June 30, 2018 provides current information on the business activities of the Santa Clara Convention Center and Convention-Visitors Bureau. Since that time, the SCCCCVB agreement for CVB services has expired.

DISCUSSION

Submitted for City Council review and acceptance is the SCCC-CVB Financial Status Report for the 4th quarter and fiscal year ending June 30, 2018, as submitted by the Chamber. Submission of the report is required under the Management Agreement for the operation of the Santa Clara Convention Center and the Agreement for convention and visitor services which expired June 30, 2018. This report is unaudited and therefore, subject to change. The City is simply transmitting to the City Council the Chamber's report for its compliance with its agreement terms.

It should be noted that information included in prior quarterly reports such as room rental nights, convention attendees, and estimated revenues for convention center rental and Transient Occupancy Tax associated with CVB bookings was excluded from this report. The Convention Center submitted the report without this information. The Convention Center stated that these figures were omitted from the report because the Chamber released from employment the CVB staff members, who provided this information and, as a result, the Chamber is not able to obtain this information. It is worth noting that at the June 26,2018 City Council meeting, Council provided a 60-day salary appropriation for CVB staff, from July 1 through August 31, 2018, for the purpose of transitional/close out activities; however, the Chamber released staff in July and did not ensure proper close out of the fiscal year. As such, the Convention Center General Manager, Lisa Moreno, provided a letter dated September 7, 2018 explaining why this information was not provided with this report (see Attachment 2).

Although the City continues to work with the Santa Clara Convention Center staff to research this

information, it was not available at the time this report was prepared. As it is unclear when the information might be forthcoming, and should also be noted that the provision of this information to the City is required under both Agreements and even though the CVB Agreement expired on June 30, 2018, all accounting requirements survive the expiration of the Agreement. Staff may require the assistance of an accountant/auditor to reconcile CVB accounts and to obtain a valid close out report.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

FISCAL IMPACT

Year-end positive net operating results could be a revenue source to the General Fund, while net operating losses may be require a subsidy by the General Fund.

The financial status of the Convention Center operation as captured in the attached quarterly report is one of several aspects of the City's overall financial obligation related to the Convention Center. In addition to the general management and day-to-day operation of the Convention Center as captured in the quarterly report, in FY 2017/18 the City budgeted funds for the Convention Center's Capital Improvement Program (CIP) in the amount of $304,000; an annual contribution of $1,461,601 for the Convention-Visitors Bureau (CVB); a contribution of $669,941 into Maintenance District 183 (an agreement between the Convention Center, TechMart, and Hyatt for maintenance of shared spaces); and funds of $145,291 for an annual management fee. (It should be noted that while the management fee was budgeted, payment of the fee was frozen by Council direction as of May 2018.) The budgeted General Fund subsidy for the Convention Center overall was $2,317,825 for FY 2017/18.

The Convention Center operation shows a net profit of $2,227,366, compared to $1,470,826 for fourth quarter YTD 2016/17. As of June 30, 2018, the City contributed $212,594 and $669,941 for CIP and Maintenance District expenditures, respectively, and paid $1,479,956 to CVB operations. ***Based on the final net operating results and capital expenditures for the fiscal year ended June 30, 2018, the actual General Fund subsidy is $135,125.***

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Note and file the Santa Clara Convention Center and Convention-Visitors Bureau Financial Status Report for the 4th quarter and fiscal year ended June 30, 2018, as submitted by the Santa Clara Chamber of Commerce & Convention-Visitors Bureau.

18-995 **Agenda Date: 9/18/2018**

Reviewed by: Angela Kraetsch, Director of Finance
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. SCCC-CVB Activity Report for Fiscal Year 2017/18 Fourth Quarter
2. Convention Center Letter dated September 7, 2018

Appendix C

City of Santa Clara
The Center of What's Possible

City Manager's Office

September 21, 2018

Mr. Eron Hodges, Chair of Santa Clara Tourism Improvement District
c/o Hyatt Regency Santa Clara
5101 Great America Pkwy
Santa Clara, CA 95054

RE: Response to Mr. Rollet's Correspondence (dated September 10, 2018)

Dear Mr. Hodges:

This letter is in response Mr. Rollet's September 10, 2018 communication to the City concerning the Tourism Improvement District (TID) cash flow and the future management of TID funds. As I stated previously, the City shares the TID's concern with the Chamber of Commerce's (Chamber) terminating its staff working with the TID, our mutual past non-compliance with the proper process to reauthorize the TID levy, and the legal requirement to maintain unexpended for one year the TID reserve of approximately $600,000. These circumstances have resulted in difficulties for the TID to operate. However, the City must meet the legal requirements and properly authorize levied assessments, regardless of the inconvenience it temporarily presents to correct past improper actions. To alleviate the short-term cash flow issues, I would like to work with the TID Board to figure out a path forward.

At the September 18, 2018 City Council meeting, TAP International, the performance auditor contracted by the City, identified serious misuse and mismanagement of public funds by Chamber through its two Convention Center and CVB contracts. The audit findings include and are not limited to poor management of public funds and financial mismanagement, misuse of government resources (personal gain, inappropriate bonuses/commissions, and political fundraising activities), conflict of interests by Chamber staff and Board members (self-dealing that went uncorrected/undisclosed until the City asked), and problematic accounting and unexplained expenditures. Further, as you know, TAP International is currently auditing TID-related activities as well and references the improper use of TID funds in the audit. A separate TID audit was initiated based on serious preliminary audit findings on the Chamber's management of the Convention Center and CVB.

Due to the significant audit findings of the use of public funds, the City Council has terminated the Management Agreement with the Chamber for the Santa Clara Convention Center and the Council has already allowed for the CVB agreement to expire. Parallel to working with the TID on addressing cash flow issues, I strongly urge the TID to immediately address its governance structure, fiscal agent, and operation assignments with the Chamber. The City Council has terminated any issuance of public funds from its two contracts and has put significant due-diligence measures in place for the expenditure of public funds relative to the Santa Clara Convention Center. We ask that the TID consider the same, as further issuance of public funds to the Chamber for TID purposes, absent the TID staff, presents serious concern and challenges for the City.

In light of these recent events, I respectfully request to meet with you and other TID Board Members on October 4, or another mutually agreeable date, to discuss the TID's governance structure, fiscal agent, and operation assignments, and short-term cash flow issues.

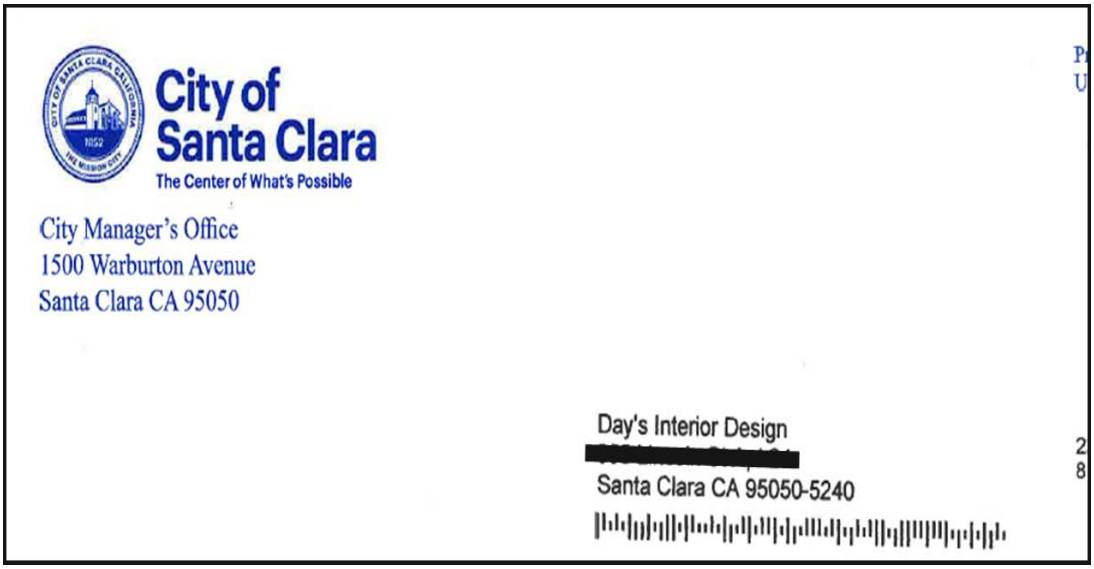
Kathi McGraw, Executive Assistant to the City Manager, will reach out to you to set up a meeting. If you have any questions please do not hesitate to contact me at dsantana@santaclaraca.gov or 408-615-2210.

Sincerely,

Deanna J. Santana
City Manager

c: City Council
City Attorney
Finance Department Director
Chamber of Commerce

Appendix D


City of
Santa Clara
The Center of What's Possible
City Manager's Office
1500 Warburton Avenue
Santa Clara CA 95050
Day's Interior Design
[redacted]
Santa Clara CA 95050-5240


City of
Santa Clara
The Center of What's Possible
City Manager's Office
1500 Warburton Avenue
Santa Clara CA 95050
[redacted]
San Jose CA 95128-4605

Appendix E

City of Santa Clara
The Center of What's Possible

August 15, 2018

To Our Valued Santa Clara Business:

Greetings! The City of Santa Clara is fortunate to be a world-class city with a diverse range of businesses from local small businesses to Fortune 500 companies. I recognize the integral role that the business community plays in driving a strong local economy, contributing to the global economy, and playing a key role in making Santa Clara "The Center of What's Possible."

As an example of the City's commitment to its strong partnership with the business community, and in order to ensure continuous support for mutual goals, the City Council has established "Promoting and Enhancing Economic and Housing Development" and "Enhance Community Engagement and Transparency" as two of six strategic pillars. The City Council's strategic pillars have been established to guide policy development, budget appropriations, and strategic focus of the City Council. In addition to strategic pillars, the City Council has been focused on ensuring the efficient use of public funds to achieve improved service delivery in a transparent and cost-effective manner to the public, residents, the business community, visitors, and guests. At the City Council's request, City staff has been evaluating its contract management, audit, and procurement processes with various City services.

As a valued member of the Santa Clara business community, the City is taking this extra step to provide information and facts surrounding recent actions taken by the City Council relative to its review of the Santa Clara Chamber of Commerce's two contracts to (1) manage the City-owned Santa Clara Convention Center (Center) and (2) provide convention and visitor services to promote tourism and attract bookings for the Center. Combined, the two contracts were valued annually at over $1.6 million of public funds, not including additional subsidies that have been needed year-to-year for the past decade. One of two contracts has expired and Council has directed that no payments of public funds be issued for the second contract.[1] Additionally, the City Council directed that City staff initiate a performance and fiscal audit to inform future decision-making. Staff and a professional auditor have made some preliminary observations that were reported publicly on June 26, 2018, which are:

- Material inconsistencies were found between the Chamber's federal filings (e.g., Form 990: Return of Organization Exempt from Income Tax) and the practices that the Chamber claimed to have in place with the City to protect against conflicts of interest.
- There is a long-standing practice that the Chamber (since the Convention Center opened), on its own initiative, grants 20% discounts to Chamber members that rent Center space without any public disclosure, approval, or reporting of lost revenue to the City.
- There is preliminary evidence that the Chamber grants itself complete discounts on space rental for Chamber events and only pays for food and beverages, including major Chamber fund-raising events, providing significant financial value to the Chamber.
- These discounts were not disclosed to the City and the value of the discounts, which is lost public revenue funds, has not been determined. Analysis is underway to determine whether this is a material conflict of interest and/or self-dealing; whether Board members used their role to benefit each other; and/or, a violation of State law with respect to political fund-raiser(s) held at the City-owned Center.

[1] The Council authorized a payment equal to 60 days of salary expense for the Chamber employees impacted by the expired City contract. We are aware that the Chamber has terminated these services, along with their staff. It is unfortunate that despite the Chamber's public testimony of providing a minimal "lights on" service level, the Chamber did not continue services for the paid 60-day term provided by the City.

City of Santa Clara
The Center of What's Possible

While the Chamber plays an important role in our community, the City Council has a responsibility to address these contract matters: unfortunately, the City had not evaluated its contractual relationship with the Chamber over the past 30 years, despite it being a good business practice to evaluate expenditure of public funds to determine whether the City is accomplishing the intended purpose. The final audit will be presented publicly in September 2018 and will answer some of these inquires and allow the Council to take informed action. To ensure full transparency, the City has established a webpage that provides background of this matter, which can be found at: http://santaclaraca.gov/cvb-chamber.

We are hopeful that the business community will understand the City Council's interest of preserving the appropriate use of public funds and facilities as they relate to the City's strategic pillars of promoting economic benefit for our business community and city. There is a great opportunity to redefine the future of these important Santa Clara assets for the benefit of the community as a whole. Regardless of the outcome of the City Council-directed audit, we will work to ensure that the appropriate remedies are in place to protect our public funds and facilities. The City encourages you to stay engaged and if you have any questions, please contact the City Manager's office at manager@santaclaraca.gov.

Sincerely,

Deanna Santana

Deanna J. Santana
City Manager

Appendix F

City of Santa Clara
The Center of What's Possible

September 21, 2018

To Our Valued Santa Clara Business:

On behalf of the City, I recently sent a letter to local businesses about the City Council's policy priorities and to provide some general information about an independent audit conducted on two City contracts for the Santa Clara Chamber of Commerce's (Chamber) management of the Santa Clara Convention Center (Convention Center) and Convention-Visitors Bureau (CVB).

The audit findings state that the Chamber mismanaged City facilities and seriously misused public resources. The audit findings revealed the Chamber's significant financial mismanagement, questionable accounting practices, self-dealing practices, conflicts of interest, and misuse of government resources, as well as a lack of City contract oversight. The Auditor recommends that the City engage state and federal agencies to investigate potential violations of law and the City has taken the appropriate actions.

Further, the auditor found that the City of Santa Clara lost $20.5 million in revenue and City subsidies over the past 10 years. The mismanagement of the Convention Center and CVB services impacted the City and local businesses alike through loss of potential business opportunities, hotel occupancy, and services provided to our visitors. The full audit and its findings on the Chamber's management of the Convention Center and CVB are now available online: www.santaclaraca.gov/cvb-chamber. The following table illustrates the financial impact for the time period audited:

Table 1: Lost Revenues and City Subsidies Resulting from Chamber's Mismanagement of Public Funds

Net Lost Revenue and City Subsidies	Amount (in Millions)	Note	Time Period	Audit
Facility Discounts (1,720 events)	($16.1)		2011-2018	Pg. 34
Facility Free Rent (353 events)	($2.8)	(1)	2011-2018	Pg. 35
Bonus Payments to Convention Center Staff	($0.3)	(2)	2014-2017	Pg. 22
City General Fund Capital Expenditures	($2.4)	(3)	2007-2017	Pg. 12
City Annual Payments to CVB	($14.9)	(4)	2007-2017	Pg. 50
City Paid Management/Administration Fee	($0.5)		2007-2017	Pg. 53
TOTAL Lost Revenue and City Subsidies	**($37.0)**			
Positive Direct Convention Center/CVB Financial Impact	$11.3		2007-2017	Pg. 17
Convention Center Net Income	$5.2	(5)	2007-2017	Pg. 12
TOTAL Positive Convention Center/CVB Financial Impact	**$16.5**			
TOTAL Net Lost Revenue and City Subsidies	**($20.5)**			

(1) Includes free rentals for Chamber members, staff and other insiders for wedding receptions, birthday parties and other events
(2) Reflects bonus payments over four fiscal years only; likely to be higher with completion of more review
(3) Includes $82,039 of City funds paid in 2007 not included in the audit
(4) $14.9 million in City payments subsidized the Convention Center/CVB Net Loss of $9.4 million
(5) Does not include the City-paid management/administration fee

The audit confirmed the Chamber's financial and operational mismanagement as well as serious misuse of public resources as summarized below:

- Issued $18.9 million in undisclosed and improper fee waivers and discounts to Chamber members and others over the past seven fiscal years "which led to a direct financial loss to the City."

- Issued $300,000+ in staff bonuses over the past four fiscal years, without any public disclosure or Council authorization, with a portion of these funds paid "without a formal contract or written legal agreement in place."
- Operated the Convention Center and Convention-Visitors Bureau at a $9.4 million loss over a decade, while at the same time receiving $17.3 million in operating and capital subsidies from the City. Direct tax and assessment revenue generated by CVB activities amounted to $11.3 million during the last 10 years. During the same period, the City subsidized CVB operations with $14.9 million, with the Chamber's business practices resulting in additional financial loss of $3.6 million.
- Board members engaged in self-dealing, using City assets for their own financial gain, such as: political fundraising activities, diverting public funds to their personal business, and held personal weddings, birthday parties and more events at a direct loss to the City.
- Managed public assets without transparency, without proper documentation and under a business model rife with personal gain and conflicts of interests.

The audit findings also indicated that these serious fiscal issues might have been discovered sooner if the City had strong agreements in place or implemented effective contract oversight. The audit made a series of recommendations which the City has started to act on:

- Cooperate with California Fair Political Practices Commission and Internal Revenue Service (IRS) on potential violations.
- Utilize a professional consultant to address audit findings and industry best practices into a new management agreement.
- Select a qualified management company through a competitive procurement process.
- Implement contract oversight and reconciliation and close out of contracts based on audit findings.

During the October 9, 2018 Council meeting, the Chamber will be given the opportunity to provide a response to the audit. As directed by the Council, staff will present a Request for Proposal (RFP) procurement framework and business model for future operations of the Convention Center for Council discussion and public input with the goal to contract with an experienced and qualified operator.

The City is committed in the success of the Santa Clara Convention Center and the convention/tourism industry in Santa Clara. Success of the Convention Center and a robust convention/tourism industry in Santa Clara leads to the business community's success and benefits all of us. As such, we are taking the audit findings and recommendations seriously and implementing steps to ensure that the public trust and business community's trust will be restored.

You can stay informed on this topic by visiting the Updates for Santa Clara Chamber of Commerce and Convention-Visitors Bureau Agreement page on the City's website, http://santaclaraca.gov/cvb-chamber. For questions, please contact the City Manager's Office at manager@santaclaraca.gov.

Sincerely,

Deanna Santana

Deanna J. Santana
City Manager

Appendix G

---------- Forwarded message ----------
From: **CEO Mail** <rl.store4636@gmail.com>
Date: Thu, Feb 25, 2016 at 4:02 PM
Subject: Re: Meeting This AM
To: "Dines,Paul A" <Paul.Dines@edwardjones.com>
Cc: "undisclosed.for.privacy" <undisclosed.for.privacy@edwardjones.com>



Hi Paul and Joe,

All of that sounds good. The mayor did say put the increased cost into the budget so when I talked to Lisa at the convention center I told her to go ahead and put 2% of the gross as our fee to manage the center. Of course they can negotiate that later if need be.

Ravinder

Sent from my iPhone

On Feb 25, 2016, at 1:59 PM, Dines,Paul A <Paul.Dines@edwardjones.com> wrote:

> Hi Joe and Ravinder:
>
> Alright, we need to capture the message from our meeting today with the mayor and Debi D. to report to the full board next TUE. I'd appreciate your help in making sure we get the correct message conveyed back to the board, and that I'm not: a) missing anything important, or 2) misstating anything.
>
> My take is that:
>
> - The mayor understands that the landscape of Santa Clara has changed dramatically since the original Chamber/CVB/Convention Ctr. structure was put together.
> - The mayor understands and agrees with the separation of the Chamber from the Convention Ctr and CVB as a logical and needed step to move forward.
> - The mayor understands that this will take at least a year, and hence is comfortable with an MOU for the chamber to continue managing the CC and CVB.

- All parties understand that there are many,many details to work out to make this happen.
- The mayor understands that the $50K annual mgmnt. fee is not enough.
- The mayor expressed that City hall is in a "transition" (Lisa said "dysfunctional") and nothing will happen soon.
- The mayor would like to see a strong chamber and she believes that option A will provide this opportunity to the chamber.

The meeting was meant to be informative, educational and see what level of "partnership" there was between the City and the Chamber of Commerce.

Please feel free to add/edit the crap out of my notes above! I'd like to get this note to Joe Sweeney today so he can put a line item into the Agenda, and then the details will be discussed during the meeting.

Warm regards,

Paul A. Dines

Financial Advisor | **Edward Jones U.S.A**

69 Washington Street , Santa Clara, California 95050

PH: 408-984-4729 | FAX: 866-532-4716

Mail: paul.dines@edwardjones.com

For administrative questions, please contact Naira at 408-984-4729, or naira.masri@edwardjones.com

Please help us help you protect your account. If you need help making trades, money transfers and check requests, ***CALL 408-984-4729*** *for immediate assistance. Our goal is to provide you with the best and most timely service you deserve. You can also use our secure message center via your on-line account access.*

TAX DISCLOSURE*: Edward Jones, its employees and financial advisors cannot provide tax or legal advice. You should consult your attorney or qualified tax advisor regarding your situation.*

SANTA CLARA CONVENTION CENTER

	GL Acct #s	Proposed Budget 2016/2017	Final Budget 2015/2016	2015/2016 Actual 7/14-01/16	2015/2016 Est. 2/15-6/15	2015/2016 Total Est. 7/15-6/16	2015/2016 Variance Final vs. Est.	Budget to budget % +/(-)	Notes/Comments
REVENUE									
Space Rental	4110-4200	2,600,000	2,500,000	1,840,623	1,141,900	2,982,523	482,523	4%	Tracking OB
Labor - Miscellaneous	4220	15,000	15,000	5,785	6,250	12,035	-2,965	0%	
Equipment Rental	4230	90,000	90,000	63,622	37,500	101,122	11,122	0%	
Electrical Commissions	4240	210,000	210,000	78,872	87,500	166,372	-43,628	0%	
Electrical Services - In House	4250	150,000	140,000	98,660	58,333	156,993	16,993	7%	Increase in business
A/V Commissions	4260	758,734	680,000	333,191	352,453	685,644	5,644	12%	Increase in business
Services - Misc.	4270	3,000	6,000	665	2,500	3,165	-2,835	-50%	Tracking UB
Incoming Freight	4290	6,000	6,000	860	2,500	3,360	-2,640	0%	
Cell Site Revenue	4540	33,039	25,000	12,470	10,417	22,886	-2,114	32%	DAS did not materialze based on RDA effect
Telephone Commissions	4560	300,000	280,000	263,756	142,618	406,374	126,374	7%	
Catering Commissions	4610	2,600,000	2,000,000	1,078,467	1,340,885	2,419,352	419,352	30%	Tracking OB
Insurance Revenue	4620	3,000	3,000	1,120	1,240	2,360	-640	0%	
Advertisement Revenue	4640	40,000	36,000	12,133	18,000	30,133	-5,867	11%	
Sponsorship Revenue	4645	3,000	5,000	1,750	5,000	6,750	1,750	-40%	Less due to DesignCon N/C for 2017. Last year w NC
Business Center/UPS	4650	14,000	13,448	7,344	6,160	13,504	56	4%	Increase in business
Other Income	4660-4690	5,000	5,000	2,841	2,083	4,924	-76	0%	
Interest	4630	4,200	10,800	2,714	4,500	7,214	-3,586	-61%	City Account
TOTAL REVENUE		**6,834,973**	**6,025,248**	**3,804,873**	**3,219,838**	**7,024,711**	**999,463**	**13%**	
LABOR EXPENSES									
Labor Related									
General Management	5010+5560	922,404	849,770	504,295	353,575	857,870	8,100	9%	Assumes 3% increase across the board
Non-Exempt	5020	202,968	222,150	112,206	92,431	204,637	-17,514	-9%	Have not replaced 2 PT positions
Operations Mgmt & Labor	100-5410, 5530-555	2,152,529	2,122,763	1,165,697	883,173	2,048,870	-73,892	1%	Did not replace 1 FT position
PT Bldg. Services/Agency	5520	150,000	150,000	124,608	61,490	186,099	36,099	0%	
Payroll Total		**3,427,901**	**3,344,683**	**1,906,807**	**1,390,669**	**3,297,476**	**-47,207**	**2%**	
Employer Paid Taxes	5710	293,051	284,215	146,334	116,572	262,906	-21,309	3%	Based on payroll increase
Workers' Compensation	5730	176,400	322,678	137,724	68,736	206,460	-116,218	-45%	Reduction in Exp Mod Rate
Medical & Other Insurance	5810-5920	1,090,873	1,022,207	549,246	445,373	994,619	-27,588	7%	Market changes
401k Contribution/Admin Fee	5990	110,000	107,737	55,142	42,399	97,541	-10,196	2%	Based on payroll increase
Payroll Overhead Total		**1,670,324**	**1,736,837**	**888,446**	**673,081**	**1,561,527**	**-175,310**	**-4%**	
Labor Related Total		**5,098,225**	**5,081,520**	**2,795,253**	**2,063,750**	**4,859,003**	**-222,517**	**0%**	
OPERATION EXPENSES									

Appendix H

SANTA CLARA CONVENTION CENTER

	GL Acct #s	Proposed Budget 2016/2017	Final Budget 2015/2016	2015/2016 Actual 7/14-01/16	2015/2016 Est. 2/15-6/15	2015/2016 Total Est. 7/15-6/16	2015/2016 Variance Final vs. Est.	Budget to budget % +/(-)	Notes/Comments
Other Outside Rentals	6050	10,000	10,000	0	4,300	4,300	-5,700	0%	
Parking Fees	6070	50,000	50,000	31,432	50,000	81,432	31,432	0%	
C of C Administration Fee	6100	136,699	50,000	29,167	20,833	50,000	0	173%	
Professional Associations									
Memberships	6110	2,500	2,500	1,288	1,216	2,504	4	0%	
Meeting & Travel	6120	10,000	10,000	1,528	5,900	7,428	-2,572	0%	
Advertising & Promotions									
Printing	6310	1,000	1,000	224	650	874	-126	0%	
Travel, CVB Support	6360	500	500	0	500	500	0	0%	
Telephone Expenses									
Fixed Charges	6410					0	0		
Maintenance Costs	6420					0	0		
Local & Long Distance Calls	6430	5,500	4,840	2,995	2,350	5,345	505	14%	Based on cost of phone services
Office Expenses									
Office Supplies	6510	13,500	13,500	4,724	5,500	10,224	-3,276	0%	
Postage	6520	1,500	1,500	380	300	680	-820	0%	
FedEx, UPS, etc.	6530	500	500	0	220	220	-280	0%	
Copier Lease Expense	6540	6,200	6,000	3,690	2,500	6,190	190	3%	
Office Equipment Maintenance	6550	1,500	1,500	0	1,000	1,000	-500	0%	
Forms Printing	6560	1,500	1,500	0	1,000	1,000	-500	0%	
Computer Software/Hardware	6570	7,000	7,000	1,861	2,917	4,777	-2,223	0%	
Computer System Support	6590	20,000	18,500	11,816	7,708	19,524	1,024	8%	
Legal	6610	40,000	30,000	18,047	10,000	28,047	-1,953	33%	Union Negotiations
Insurance									
Property & Business Interrupt	6620	74,168	63,236	49,474	26,348	75,822	12,586	17%	10% increase over current year actual
General Liability/Fidelity	6640	116,275	117,790	53,136	50,613	103,749	-14,041	-1%	
Employee Expenses									
Uniform Rental	6720	22,000	21,425	13,440	8,927	22,367	942	3%	
Training & Education	6740	8,000	8,000	4,653	3,500	8,153	153	0%	
Employment Advertising	6750	500	500	0	500	500	0	0%	
Payroll Processing	6770	34,100	27,851	14,454	11,604	26,058	-1,793	22%	Increase to add ACA Reporting and Training Modules
Pre-Employment Expenses	6780	500	500	503	500	1,003	503	0%	
Maintenance Expenses									
Elevator & Escalator Maint.	6810	50,800	48,380	26,247	20,158	46,406	-1,974	5%	KONE expected increase
Service Contracts	6820	21,100	24,350	12,654	10,146	22,800	-1,550	-13%	Daktronics no longer covered under contract
Maintenance Supplies	6830	72,750	66,125	49,566	26,029	75,595	9,470	10%	Increased costs/aging building
Interior Landscaping	6840	7,000	6,624	8,265	2,760	11,025	4,401	6%	

Appendix H Continued

SANTA CLARA CONVENTION CENTER

	GL Acct #s	Proposed Budget 2016/2017	Final Budget 2015/2016	2015/2016 Actual 7/14-01/16	2015/2016 Est. 2/15-6/15	2015/2016 Total Est. 7/15-6/16	2015/2016 Variance Final vs. Est.	Budget to budget % +/(-)	Notes/Comments
Pest Control	6850	3,884	3,604	2,182	1,502	3,684	80	8%	2016 increase
Paint & Supplies	6870	3,415	3,250	980	1,352	2,332	-918	5%	Increased cost/aging building
Lighting System	6920	18,000	16,380	6,814	6,825	13,639	-2,741	10%	Change in materials used
Telephone Equipment Supplies	6940					0	0		
Less: Damage Claims	6980	-2,000	-2,000	-2,002	-833	-2,836	-836	0%	
Non-Routine Maintenance	6990	40,000	27,500	32,870	11,451	44,321	16,821	45%	Increased cost/aging outdoor sign
Janitorial & Cleaning									
Dumping Fees	7010	53,424	50,400	33,000	21,000	54,000	3,600	6%	Price increase
Paper Supplies	7020	40,000	32,000	30,964	13,000	43,964	11,964	25%	Price increase/Business increase
Cleaning Chemicals	7030	16,000	14,000	12,555	5,800	18,355	4,355	14%	Price increase/Business increase
Janitorial Supplies	7040	25,000	19,000	19,414	7,900	27,314	8,314	32%	Price increase/Business increase
Window Washing	7050	6,500	6,000	0	6,000	6,000	0	8%	Price increase
Utilities									
Electricity	7310	727,200	709,430	439,568	302,213	741,781	32,351	3%	SVP 2.5% increase
Aramark Utilities	7315	(159,920)	(120,000)	(72,524)	(60,325)	(132,849)	-12,849	33%	Based on revenue increase
Gas	7320	84,569	76,188	38,726	28,016	66,742	-9,446	11%	PG&E expected increase
Water & Sewer	7330	53,835	48,941	31,083	17,099	48,182	-759	10%	Estimate per city
Capital Additions		0	0	0	0	0			
Total Operation Expenses		**1,624,999**	**1,478,313**	**913,173**	**638,980**	**1,552,152**	**73,839**	**10%**	
Total Expenses		**6,723,225**	**6,559,833**	**3,708,425**	**2,702,729**	**6,411,155**	**-148,678**	**2%**	
EXPENSES VS REVENUE		**111,748**	**-534,585**	**96,447**	**517,109**	**613,556**	**1,148,141**	**-121%**	

Appendix H Continued

Appendix I

From: Feliser Lee
Sent: Thursday, April 06, 2017 12:09 PM
To: Lisa Moreno; 'Fitzgerald, Karen'; Bill Benadere
Cc: Alita Reinecker; Marcelo Penha
Subject: followup to SCCC/CVB CM Budget Meeting

This email serves as a summary of the major discussion points ("DP"), minor talking points ("TP"), and action items ("AI") from the Operating Budget Review Meeting held with your department. Please review and respond by email to revise, comment, or provide additional major discussion points and action items from the meeting. In addition, please contact Alita or myself to address the Action Items and make changes within Questica, as necessary. **Your reply is requested by** end of day, Tuesday, 4/11.

Major Discussion Points ("DP") / Action Items ("AI")

SCCC

(DP.1) Discussed drafting an amendment/letter regarding the C of C Admin Fee from board

(AI.1) *CM* to work on getting the letter establishing the C of C Admin Fee, and asking about the fee amount (currently 2% of gross revenues) in relation to the split of operations of the SCCC/CVB and Chamber

(DP.2) Discussed $100k increase in computer Software/Hardware and need for an integrated system to replace the current system originating from 1998.

(AI.2) *SCCC/CVB* to provide current technology platform and requirements to the City to have City IT review and make possible suggestions.

- We are currently using an integrated software called "ConCentrics which has been in place since 1998 with no upgrades. They have since had four revisions, the latest, is web based. We have also looked at Ungerboeck and Sales Force. Sales Forces does not have an accounting component, which is needed. Ungerboeck, is a good program, but expensive. We believe that we will stay with ConCentrics as it is a good system, user friendly and less training.
- As for IT support, we only have the funds to have "on-call" services, on a add needed basis.

(DP.3) Discussed Aramark reserves that City to would like to reflect on balance sheet as an asset

(AI.3) *SCCC/CVB* to provide current reserve balance to year-end reserve balance to the City.'

- Current equipment fund balance: $318,581.52

(DP.4) Discussed staffing levels (42 FTE, 4 PT)

(AI.4) *SCCC/CVB* to provide position listing with title and FTE count for both SCCC and CVB

CVB

Karen sent yesterday

(DP.5) Discussed current rent, with the use of less space

(AI.5) *SCCC/CVB* to provide City information obtained on rate and space utilization. The City may look at other options with SCCC/CVB based on market rate being paid.

- I reached out to the Chamber last week and I am waiting for this information. I will inquire again today.

Appendix J

SANTA CLARA CONVENTION CENTER

	GL Acct #s	Proposed Budget 2017/2018	Final Budget 2016/2017	Total Estimate 2016/2017	Variance Final vs. Est. 2016/2017	Budget to budget % +/(-)	Notes/Comments
REVENUE							
Space Rental	4110-4200	2,800,000	2,600,000	2,973,964	373,964	8%	
Labor - Miscellaneous	4220	15,000	15,000	10,850	(4,150)	0%	
Equipment Rental	4230	90,000	90,000	103,480	13,480	0%	
Electrical Commissions	4240	213,575	210,000	269,492	59,492	2%	
Electrical Services - In House	4250	128,000	150,000	94,900	(55,100)	-15%	
A/V Commissions	4260	927,052	758,734	779,414	20,680	22%	
Services - Misc.	4270	3,000	3,000	4,039	1,039	0%	
Incoming Freight	4290	6,000	6,000	7,584	1,584	0%	
Cell Site Revenue	4540	30,000	33,039	30,286	(2,753)	-9%	
Telecom Commissions	4560	300,000	300,000	515,033	215,033	0%	
Catering Commissions	4610	2,647,923	2,600,000	2,742,355	142,355	2%	
Insurance Revenue	4620	3,000	3,000	2,365	(635)	0%	
Advertisement Revenue	4640	40,000	40,000	38,325	(1,675)	0%	
Sponsorship Revenue	4645	3,000	3,000	13,050	10,050	0%	
Business Center/UPS	4650	14,000	14,000	10,431	(3,569)	0%	
Other Income	4660-4690	35,000	5,000	3,772	(1,228)	600%	
Interest	4630	9,000	4,200	13,926	9,726	114%	Based on current year actual
TOTAL REVENUE		**7,264,551**	**6,834,973**	**7,613,265**	**778,293**	**6%**	
LABOR EXPENSES							
Labor Related							
General Management	5010+5560	917,462	922,404	916,530	(5,874)	-1%	3% + Reduction of Commission Estimate
Non-Exempt	5020	230,680	202,968	208,763	5,795	14%	3% + Add'l for HR
Operations Mgmt & Labor	5100-5410, 5530-555	2,321,451	2,152,529	2,112,206	(40,323)	8%	3% + 1 staff in each department
PT Bldg. Services/Agency	5520	189,000	150,000	196,053	46,053	26%	3% + add'l labor for increased business
Payroll Total		**3,658,594**	**3,427,901**	**3,433,551**	**5,650**	**7%**	
Payroll Overhead							
Employer Paid Taxes	5710	296,412	293,051	270,503	(22,548)	1%	
Workers' Compensation	5730	201,770	176,400	177,997	1,597	14%	Increase in EXP MOD and assumes 10% increase

SANTA CLARA CONVENTION CENTER							
	GL Acct #s	Proposed Budget 2017/2018	Final Budget 2016/2017	Total Estimate 2016/2017	Variance Final vs. Est. 2016/2017	Budget to budget % +/(-)	Notes/Comments
Medical & Other Insurance	5810-5920	1,091,320	1,090,873	1,022,958	(67,915)	0%	
401k Contribution/Admin Fee	5990	113,431	110,000	99,957	(10,043)	3%	
Payroll Overhead Total		**1,702,933**	**1,670,324**	**1,571,416**	**(98,908)**	**2%**	
Labor Related Total		**5,361,527**	**5,098,225**	**5,004,967**	**(93,258)**	**5%**	
OPERATION EXPENSES							
Other Outside Rentals	6050	5,000	10,000	3,300	(6,700)	-50%	
Parking Fees	6070	25,000	50,000	23,550	(26,450)	-50%	
C of C Administration Fee	6100	145,291	136,699	136,594	(105)	6%	
Professional Associations							
Memberships	6110	2,500	2,500	1,745	(755)	0%	
Meeting & Travel	6120	10,000	10,000	8,488	(1,512)	0%	
Advertising & Promotions							
Printing	6310	700	1,000	750	(250)	-30%	
Travel, CVB Support	6360	0	500	500	0	-100%	
Telephone Expenses							
Fixed Charges	6410			0	0		
Maintenance Costs	6420			0	0		
Telephone	6430	8,820	5,500	6,933	1,433	60%	Increase in cell phone stipend
Office Expenses							
Office Supplies	6510	14,000	13,500	13,281	(219)	4%	
Postage	6520	860	1,500	1,903	403	-43%	Using less
FedEx, UPS, etc.	6530	0	500	224	(276)	-100%	
Copier Lease Expense	6540	6,300	6,200	6,328	128	2%	
Office Equipment Maintenance	6550	1,500	1,500	1,108	(392)	0%	
Forms Printing	6560	750	1,500	750	(750)	-50%	Using less
Computer Software/Hardware	6570	107,000	7,000	5,769	(1,231)	1429%	Enterprise Software Upgrades
Computer System Support	6590	45,000	20,000	18,646	(1,354)	125%	Support for Upgraded sotware
Legal	6610	24,000	40,000	57,115	17,115	-40%	No Union negotiations
Insurance							

Appendix J Continued

SANTA CLARA CONVENTION CENTER

	GL Acct #s	Proposed Budget 2017/2018	Final Budget 2016/2017	Total Estimate 2016/2017	Variance Final vs. Est. 2016/2017	Budget to budget % +/(-)	Notes/Comments
Property & Business Interrupt	6620	74,168	74,168	69,460	(4,708)	0%	
General Liability/Fidelity	6640	123,208	116,275	103,214	(13,061)	6%	
Employee Expenses							
Uniform Rental	6720	23,100	22,000	26,872	4,872	5%	Service agrmnt increase + new hires (2) Sec & (3) BS
Training & Education	6740	8,000	8,000	14,152	6,152	0%	
Employment Advertising	6750	0	500	575	75	-100%	Using Job posting service through ADP
Payroll Processing	6770	33,600	34,100	29,274	(4,826)	-1%	
Pre-Employment Expenses	6780	500	500	1,813	1,313	0%	
Maintenance Expenses							
Elevator & Escalator Maint.	6810	52,553	50,800	53,044	2,244	3%	
Service Contracts	6820	26,786	21,100	21,321	221	27%	Adding Sprinkler Inspection, 3% for Daikin Contract
Maintenance Supplies	6830	76,388	72,750	72,433	(317)	5%	
Interior Landscaping	6840	7,000	7,000	6,795	(205)	0%	
Pest Control	6850	3,884	3,884	3,882	(1)	0%	
Paint & Supplies	6870	3,483	3,415	2,692	(723)	2%	
Lighting System	6920	18,900	18,000	16,944	(1,056)	5%	
Telephone Equipment Supplies	6940			0	0		
Less: Damage Claims	6980	(2,000)	(2,000)	(3,292)	(1,292)	0%	
Non-Routine Maintenance	6990	42,000	40,000	72,282	32,282	5%	
Janitorial & Cleaning							
Dumping Fees	7010	56,629	53,424	55,267	1,843	6%	Updated City Rates
Paper Supplies	7020	40,000	40,000	39,972	(28)	0%	
Cleaning Chemicals	7030	16,800	16,000	16,361	361	5%	
Janitorial Supplies	7040	25,000	25,000	25,582	582	0%	
Window Washing	7050	9,150	6,500	6,500	0	41%	New Vendor
Utilities							
Electricity	7310	741,744	727,200	710,317	(16,883)	2%	Updated City Rates
Aramark Utilities	7315	(148,091)	(159,920)	(153,237)	6,683	-7%	
Gas	7320	93,872	84,569	83,593	(976)	11%	Updated City Rates
Water & Sewer	7330	61,910	53,835	51,829	(2,006)	15%	Updated City Rates

Appendix J Continued

SANTA CLARA CONVENTION CENTER							
	GL Acct #s	Proposed Budget 2017/2018	Final Budget 2016/2017	Total Estimate 2016/2017	Variance Final vs. Est. 2016/2017	Budget to budget % +/(-)	Notes/Comments
Capital Additions		0	0	0			
Services - JLL Contract		0	0	0	0		New CC Evaluation Contract
Total Operation Expenses		1,785,306	1,624,999	1,614,631	(10,369)	10%	
Total Expenses		7,146,833	6,723,225	6,619,598	(103,627)	6%	
EXPENSES VS REVENUE		117,718	111,748	993,668	881,919	5%	

Appendix K

SANTA CLARA
SILICON VALLEY CENTRAL®
CHAMBER OF COMMERCE & CONVENTION - VISITORS BUREAU

Tuesday, June 12, 2018

City Manager Deanna Santana
Santa Clara City Hall
1500 Warburton Avenue
Santa Clara, CA 95050

Re: Information Requested By City during June 6th Meeting

Dear Mayor, City Council, and City Manager:

On June 6th, representatives from the Santa Clara Chamber of Commerce and Convention-Visitors Bureau, Santa Clara Convention Center, and City Staff met following the direction of City Council to begin a process of exploring a term sheet for a new agreement with the Chamber of Commerce for their management of the Convention Center and to begin the process to execute a financial and performance audit of the Chamber.

The outcome of this meeting was for the Santa Clara Chamber of Commerce and Convention-Visitors Bureau to provide a response in regards to four topics: Santa Clara Chamber PAC Advertising in Chamber Eblast, Conflict of Interest Policies in regards to the Convention-Visitors Bureau advertising in the Santa Clara Weekly, Response to City's Request of Information regarding the Convention-Visitors Bureau, and Position on Intention to continue management role while the management fee is suspended.

Santa Clara Chamber PAC Advertising

The Chamber PAC is separate from the Santa Clara Chamber of Commerce and is independently funded. The Chamber PAC was created in March of 2010 as a political action committee, formally called the Santa Clara Chamber Political Action Committee.

The purpose of the PAC is to review research and recommend support of and/or any opposition to proposed ballot measures and legislation, ordinances and other actions of local, county and state government bodies. It is also the responsibility of the committee to seek out, evaluate qualifications and endorse those candidates who are running for office at the local, county and state level, who support the free enterprise system, believe in fiscally responsible government and whose views represent the interests of the business community. David D. Tobkin is the Chair of the SCCPAC.

The Santa Clara Chamber PAC is a separately funded organization from the Chamber. No membership dues funds will be utilized for the PAC. All funds collected for the SCCPAC are done through separate donations and gifts. Thus, Santa Clara Chamber PAC does not receive any public funding. Like many other Chamber members the Chamber PAC has the option of advertising in the Chamber's eblasts. The Chamber PAC is provided the same treatment as any other Chamber member and pays for the advertising like many other Chamber members.

Please refer to the FPCC reports filed with the City Clerk's office to find detailed reports of the funding sources of the SCCPAC.

Conflict of Interest Policies in regards to the Convention-Visitors Bureau advertising in the Santa Clara Weekly

As part of the Santa Clara Chamber of Commerce's duty as manager for the Santa Clara Convention Center and Visitor's Bureau ("CVB"), the Chamber has a duty to market the space in order to maximize bookings. As part of this effort, the Chamber has, over the last few years engaged in an aggressive marketing campaign which has led to over a 60% increase in bookings this year alone.

One piece of this aggressive marketing campaign involves direct advertising of the Convention Center space and other Santa Clara venues. The best and most logical place to run advertisements to target the local community is in the Santa Clara Weekly. The Santa Clara Weekly is the only recognized paper of general circulation in Santa Clara and has the widest reach for the local Santa Clara community which is most likely to use the CVB for events.

Chamber Director Miles Barber has a controlling interest in the Santa Clara Weekly. Each Director reads and signs the conflict of interest policy that requires them to, among other things, act in the best interest of the Chamber and subordinate his own interests to that of the Chamber in the event of an interested director transaction, which is also what the California Corporations Code requires of a director.

Chamber Board member, Miles Barber complied with this policy by giving the Chamber a 30% discount on all advertising. Since Mr. Barber always fills his advertising space, this resulted directly in a revenue cut for himself. Given the overall success of the Chamber's marketing program (a 60% increase in bookings) and the discount, the transactions with the Weekly have been more than fair to the Chamber.

Booking the ads was initiated and implemented by Chamber staff as one piece of a broader marketing program. Chamber staff discussed advertising in the Weekly with Mr. Barber briefly when he agreed to give the discount, but there was never any decision made by the Chamber board concerning advertising in the Weekly. The amount paid to the Weekly for the advertisements amounted to less than one third of a percent of the entire CVB budget. The Chamber board approved was the broader marketing program which was then implemented by

staff and has been a great success. As a result of the marketing campaign numerous marketing leads have been generated and attributed directly to the Weekly advertisements.

At one time, there were discussions about the expending of advertising dollars with Harbir Kaur Bhatia who is currently on the Santa Clara Cultural Commission. Those discussions never came to fruition and there was never a conflict of interest in the situation.

Response to City's Request of Information regarding the Convention-Visitors Bureau

When the initial request for certain information came in the Chamber's board, management, and staff needed additional time to review, discuss, and prepare the information the City requested. The Santa Clara Chamber of Commerce and Convention-Visitors-Bureau is prepared to provide the information the City has requested.

Position on Intention to Continue Management Role while the Management Fee is Suspended

The suspension of the management fee is a precautionary measure albeit a mistake. The City has paid the Chamber a management fee for decades. For many years it was $45,000 and in recent years, was changed to 2% of total revenue. Under reservation of rights, in order to prevent any damage that might occur to the local business community and current employees, the Chamber will continue to manage the Convention Center despite the City's actions, but the management fee has been a substantial part of the parties' agreement as evidenced by the actions of the Chamber and the City for many years.

The Santa Clara Chamber of Commerce and Convention-Visitors Bureau appreciates the equally beneficial partnership to manage the Santa Clara Convention Center and operate a Convention-Visitors Bureau and looks forward to working with the consultant, TAP International, to perform a financial and performance audit on the Santa Clara Convention Center and Convention-Visitors Bureau.

Sincerely,

Nick Kaspar
President/CEO
Santa Clara Chamber of Commerce and Convention-Visitors Bureau

Appendix L

From: [redacted]
Sent: [redacted]
To: Kaspar, Nick
Subject: Re: Advertisement Rate Sheet

Sorry for the delay Nick, was called into a meeting.

For [redacted] we can offer any of the pages but the front page and the back page. I can offer you the following pricing:

For a full page - 10" wide x 21" tall **Color:**

1x - $5,670

2x - $5,418 each

3x - $5,040 each

4x - $4,788 each

5x - $4,536 each

6x - $4,284 each

These prices are a pretty big discount off our rate card. I'm happy to be able to offer them to you.

Let me know what other information I can provide.

Thanks,

R-

[redacted]z Retail Sales Manager | Advertising - Retail

[redacted]

Appendix M

ARAMARK Corporation
Santa Clara Convention Center
5001 Great America Parkway
Santa Clara, 95054
Phone: (408) 748-7030
Fax: (408) 748-7047

ARAMARK

EVENT CONTRACT

Contract#: 99038206

SANTA CLARA CHAMBER PAC

CUSTOMER	
Barbara Carlisle	
1850 Warburton Ave	
Santa Clara, CA 95050	
Phone:	408-380-1232
Fax:	408-244-7830
Account Number:	8479003128

EVENT INFORMATION	
Event Date:	Thursday, April 12, 2012
Description:	SC CHAMBER PAC - SIT DOWN BI
Guest Count:	270
Guarantee Count:	270
Salesperson:	Melanie McCarthy
Event Status:	Booked
Contact Person:	Barbara Carlisi
Contact Phone:	408-380-1232

LOCATION AND TIMES

Location	Setup Style	Start Time	End Time
Mission City MR123	Rounds of 10	7:30 am	9:00 am

EVENT TIMES

Doors Open:	7:30 am	Service Begins:	7:30 am
Program Begins:	8:00 am		

MENU SELECTIONS

Name	Quantity	Price	Total
== SIT DOWN BREAKFAST ==	270	$18.50	$4,995.00

SERVED WATM IN BASKETS
w/ Butter
(please line basket w/gold or red napkin

---PRE-SET—
~Warm Cinnamon Rolls on Table Served
Yogurt Partfait w/ Fresh Berries,
Granola, Drizzled Honey
(Served in Universal Wine Glass)

–PLATED MEAL–
~ Fritatta w/ Portobello Mushrooms,
Spinach, Roasted Peppers and Gruyere
Cheese
~ 2 Applewood Bacon Strips
~ Homestyle Breakfast Potatoes
~ Baked Tomato
~ Chef Choice Additional Garnish

--BEVERAGE SERVICE--
~ Peet's Certified Organic Coffee
(2 individual carafes per table)
~ Peet's Certified Organic Decaf
(served upon request)
~ Peet's Hot Tea
(served upon request)

~ 1 Pitcher of Orange Juice on Each
Table
~ Pre-set Iced Water in Glasses at Each
Setting

OTHER CHARGES

EVENT CONTRACT

Contract#: 99038206

SANTA CLARA CHAMBER PAC

STAFFING	***PURCHASE MATERIALS***
OUTSIDE SERVICES	***ROOM CHARGES*** -

SPECIAL INSTRUCTIONS

VIP CHAMBER EVENT

SPEAKER: JED YORK

SET-UP:
- ARAMARK TO HAVE ALL THE TABLES FULLY SET BY 7:00 AM
- ARAMARK TO SKIRT REGISTRATION TABLES IN FOYER (BLACK ON BLACK) BY 6:00 AM

SET-UP INCLUDES MIRRORS WITH 3 BATTERY OPERATED VOTIVES PER TABLE

*** SEE DIAGRAM FOR NUMBERS OF GUEST FOR EACH TABLE: SOME TABLE WILL BE SET FOR 11 ATTENDEES

LINENS: WHITE (8PT) (2 PER TABLE)
NAPKINS: GOLDAND RED (PLEASE ALTERNATE PER TABLE) FAN FOLD ON TABLE

HEAD TABLE: BLACK ON BLACK

AGENDA:
7:00 AM TO 7:30 AM - REGISTRATION IN MISSION LOBBY
7:30 AM - OPEN DOORS - OFFER COFFEE TO ALL GUESTSAND BEGIN SERVING MEALS AS GUESTS ARE SEATED
7:45 AM TO 8:15 AM - CLEAR PLATES AND REFILL ALL COFFEE THERMALS
8:00 AM - PROGRAM BEGINS
8:15 AM - STAFF TO QUIETLY CONTINUE CLEARING AND DEPART FROM ROOM AS SOON AS POSSIBLE
8:15 AM TO 9:00 AM - 4 STAFF TO REMAIN IN ROOM TO CONTINUE SERVICING GUESTS WITH FILLING COFFEE THERMALS OR ANY OTHER REQUESTS .

SERVICE REQUIREMENTS:
- PRE-SET WATER GLASSES
- OFFER COFFEE SERVICE TO ALL GUESTS AS THEY ARE SEATED
- 1 REGULAR COFFEE THERMAL AND 1 DECAF THERMAL ON EACH TABLE

PRE-SET THE FOLLOWING:
- ORANGE JUICE PITCHER ON TABLES WITH JUICE GLASSES
- 2 REGULAR COFFEE THERMALS ON EACH TABLE

- JUICE TO BE LABLED WITH SIGN ON EACH TABLESERVE ENTREES AS GUESTS ARE SEATED. DO NOT NEED TO WAIT FOR A TABLE TO FULLY BE SEATED PRIOR TO SERVING OR CLEARING.

BILLING

Subtotal:	$4,995.00
:	-
Sales Tax:	$494.51
Tax 2 (N/A):	-
Service Chg:	$999.00
:	-
Contract Total:	**$6,488.51**
Total Credits:	**$6,488.51**
Adjusted Total:	-

Appendix N

City of Santa Clara
The Center of What's Possible

NEWS RELEASE

FOR IMMEDIATE RELEASE: Thursday, Sept. 20, 2018

CONTACT: Lenka Wright, Director of Communications, 408-615-5515 or lwright@santaclaraca.gov

Santa Clara Terminates Chamber of Commerce's Contract for the Operations of the Santa Clara Convention Center and Prepared to Report Questionable Practices to State and Federal Authorities for Further Investigation

City begins its own internal reforms to address audit findings showing City's lack of contract oversight

SANTA CLARA, Calif. – After the City Council took action this week to terminate the City's management agreement for the operations of the Santa Clara Convention Center (Convention Center), the City is now in the process of reporting questionable practices by the Santa Clara Chamber of Commerce to state and federal authorities for review of potential violations of law.

The City's swift actions were recommended by Principal Auditor Denise Callahan, TAP International, to the City Council as part of the independent audit of the Convention Center and Convention-Visitors Bureau under the Chamber's management.

The audit findings – which revealed the Chamber's serious financial mismanagement, questionable accounting practices, self-dealing, conflicts of interest and misuse of government resources as well as a lack of City contract oversight - were presented to the City Council at the Tuesday, Sept. 18 meeting. The audit's recommendations state:

- Further legal analysis is needed to determine if the Contractor (Chamber): (1) violated its 501(c)(6) tax exempt status when it provided full facility discounts to its members, and (2) engaged in self-dealing when it used its personal or organizational relationships to offer free use of publicly owned facilities, and allowed the Contractor's Board member to assume SCCC (Convention Center) services without implementing a competitive bid.
- Investigation is needed by the California Fair Political Practices Commission (FPPC) to determine if violation of state law occurred when the Contractor (Chamber) allowed the Santa Clara Chamber Political Action Committee to use SCCC (Convention Center) facilities free of rental charges."

In advance of the Oct. 9 Council meeting, the City fully intends to report these issues to the Internal Revenue Service (IRS) and the California Fair Political Practices Commission (FPPC) concerning the audit's findings. The City will share with the FPPC that the Chamber apparently allowed for the illegal use of public assets for its Political Action Committee by subsidizing the PAC's political fundraising activities and using CVB administrative resources to raise campaign funds and participate in political activity. Prior to notifying the IRS, the City's pulling in legal experts on 501(c)(6) designation for a thorough review of the $2.8 million of full facility discounts and findings of board members' self-dealing activities, where their personal businesses profited by the improper use of public assets. Meantime, the City continues to assess what additional actions are necessary in alerting state and federal authorities regarding potential ethical lapses in the Chamber's mismanagement of the Convention Center.

This week, the City already held two sessions of a newly developed contracts training that's designed to assist staff in writing more effective contracts. The training also provides direct procurement and contract management support. More training sessions will be rolled out to the entire organization. The City's procurement and contract reform efforts include:

- Adoption of overall administrative policies and purchasing training;
- Recent involvement in proper surplus property sales;
- Implementation of online bidding tool *(coming soon)* to enhance competitive bidding process and process improvement for vendors bidding on City services and equipment;
- Development of emergency operations procurement guidelines; and
- Hiring of a seasoned procurement manager to ensure best practices in public sector purchasing to increase transparency, maximize competition and equal treatment of all participants in bidding process.

Read the Sept. 19 news release about the audit. For additional background, visit the City website.

About the City of Santa Clara
Located at the heart of Silicon Valley about 45 miles south of San Francisco, the City of Santa Clara truly is "The Center of What's Possible." Incorporated in 1852, Santa Clara covers an area of 19.3 square miles with a population of 120,000. Santa Clara is home to an extraordinary array of high-tech companies, including Applied Materials, Hewlett-Packard, Intel, Nvidia, Oracle, and Ericsson. The City of Santa Clara is also home to Santa Clara University, California's Great America Theme Park, and Levi's® Stadium, home of the San Francisco 49ers and Super Bowl 50. For more information, go to www.SantaClaraCA.gov.

About TAP International
TAP International is a consulting firm that provides performance management evaluation has over 100 years of combined experience conducting performance audits. Principal Consultant Denise Callahan has an extensive auditing background and has performed performance audits of other convention centers, as well as compliance audits, internal audits and best practices reviews for federal, state and local government agencies. Ms. Callahan has been a lecturer at the University of San Francisco and the University of Southern California. She serves on the Audit Committee for the American Society for Public Administration and has won awards for the quality of completed performance audits.

###

STATUS OF TAP INTERNATIONAL AUDIT RECOMMENDATIONS

TAP INTERNATIONAL AUDIT OF THE SANTA CLARA CONVENTION CENTER AND VISITOR'S BUREAU

	Audit Recommendation	Current Status	Action Taken
1	The City Manager, in response to prior City Council direction to develop options for the SCCC and the CVB operations, should include a feasibility study to asses the advantages and disadvantages of various business structures to run each or both operations. The feasibility study should include analysis of financial projects in the short and long term for each option.	Partially Complete	Through the Request for Proposal process, the City will test the market for one provider to operate the SCCC or for one operator to manage both the SCCC and the CVB. Depending on proposals submitted and evaluated, staff will recommend one of the two options to the City Council for contract award. Should one operator get selected to manage the SCCC only, the City will then move forward with formation of a CVB as a separate entity. The RFP will be released in October of 2018.
2	**Regardless of any change in the business structure, the City Manager should consider implementing the following activities to ensure better accountability of operations and to build on the financial performance of the SCCC:**		
2.A	Develop a comprehensive and integrated business and marketing strategy.	Partially Complete	As part of the procurement process, proposers to the RFP will be required to include a comprehensive business and marketing strategy, which will be included in the resulting management contract.
2.B	Develop better event scheduling policies that address renting SCCC facilities to nonprofit organizations, the use of discounts, and document specific criteria for prioritizing event scheduling.	Partially Complete	As part of the procurement process, proposers to the RFP will be required to include scheduling policies, which will be included in the resulting management contract.
2.C	Transition into booking more same day events to area hotels to allow greater availability of calendar time for multi-day events at the SCCC.	Partially Complete	As part of the procurement process, proposers to the RFP will be required to include a booking policy, which will be included in the resulting management contract.
2.D	Reduce the SCCC's schedule of events to six months in advance.	Partially Complete	As part of the procurement process, proposers to the RFP will be required to include a scheduling policy, which will be included in the resulting management contract.
2.E	Strategically align more sales staff to industries that frequently rent the SCCC.	Partially Complete	As part of the procurement process, proposers to the RFP will be required to include a strategic sales and marketing plan, which will be included in the resulting management contract.

STATUS OF TAP INTERNATIONAL AUDIT RECOMMENDATIONS

	Audit Recommendation	Current Status	Action Taken
2.F	Integrate all marketing and sales activities between the SCCC and CVB.	Partially Complete	As part of the procurement process, proposers to the RFP will be required to propose an integrated marketing and sales activities plan, which will be included in the resulting management contract.
2.G	Consolidate accounting systems used between the SCCC and the CVB.	Not Implemented	The consolidation of accounting systems used by a vendor will be part of the due diligence process for selecting a vendor through the procurement process. In addition, the City needs to review its internal accounting processes to ensure that all risk areas have been addressed as we transition to reconciliation and close out of these to Chamber contracts.
2.H	Consider elimination of sales commision.	Partially Complete	As part of the procurement process, proposers to the RFP will be required to propose an employee compensation policy and its advantages and disadvantages. The policy will be referenced in the resulting management contract with proper transparency/disclosure of financial incentives, if any are proposed. The City Council, and public, will be informed of the compensation model with transparency and monitoring, as part of required managment oversight.
2.I	Modernize the SCCC	Partially Complete	The 2017 study of the SCCC estimates replacement and modernization costs for short-term repairs at $5.3 million and other long-term repair costs at $57.7 million over the next ten years. The City and SCCC budgeted over $1 million to replace the carpeting and budgeted over $4 million to update the kitchen in FY 2020-21. These budget items will compete with other City-wide Capitol Improvement Budget priorities. As part of the procurement process, proposers to the RFP will be required to propose a capital improvement funding plan, which will be included in the resulting management contract.

STATUS OF TAP INTERNATIONAL AUDIT RECOMMENDATIONS

	Audit Recommendation	Current Status	Action Taken
2.J	Prohibit commingling of City funds with other nongovernmental revenue sources.	Not Implemented	The prohibition of commingling of funds will be included in the new contract(s).
2.K	Establish a clear leadership structure and team to administer effective City oversight of operations.	Complete	At the September 18, 2018 Council Meeting, the City approved 1.5 positions (1.0 Assistant to the City Manager position and 0.5 Office Specialist III position) to implement the SCCC audit, oversee the RFP, and manage the ensuing contracts. On an interim basis, the City Manager filled an Assistant to the City Manager position and the recruitment for permanently filling this position is underway.
2.L	Establish requirements to avoid, disclose, and mitigate conflict of interests.	Not Implemented	The new contract(s) will include strong conflict of interest language to comply with state and federal laws.
2.M	Establish financial disclosure requirements for the SCCC and the CVB contractors who make decisions on behalf of the City.	Not Implemented	The new contract(s) will include financial disclosure for contractors who make decisions on behalf of the City. The contract will require the decision makers to comply with state and federal laws and disclosure requirements.
2.N	Establish requirements that describe and define appropriate and reasonable expenditures.	Not Implemented	The new contract(s) will have a specific language on cost allocations, routine financial reviews, and planned audits, as applicable.

STATUS OF TAP INTERNATIONAL AUDIT RECOMMENDATIONS

	Audit Recommendation	Current Status	Action Taken
2.O	Establish requirements and controls for purchasing, including the use of the credit cards and purchase cards.	Not Implemented	The new contractor(s) will be required to establish requirements and controls for purchasing, including the use of the credit cards and purchase cards, and the City will audit against these policies.
2.P	Establish contracting and contract management requirements for the SCCC and the CVB.	Not Implemented	The new contractor(s) will be required to establish contracting and contract management requirements and the City will audit against these policies.
2.Q	Establish stronger requirements for financial reporting on operations.	Not Implemented	The new contract(s) will establish stronger requirements for financial reporting on operations made public on a quarterly basis.
2.R	Establish the requirement to develop, track, and report on progress in meeting key performance benchmarks for the SCCC and the CVB operations.	Partially Complete	As part of the procurement process, proposers to the RFP will be required to propose industry specific key performance indicators for both operations, which will be included in the resulting management contract and subject to approval by the City. The City will maintain the right to include additional key performance indicators specifically tailored for the management of public assets and resources.
2.S	Establish employee compensation policies.	Partially Complete	As part of the procurement process, proposers to the RFP will be required to propose an employee compensation policy and its advantages and disadvantages. The policy will be referenced in the resulting management contract and part of the City Council's review when considering awarding an operation agreement.

STATUS OF TAP INTERNATIONAL AUDIT RECOMMENDATIONS

	Audit Recommendation	Current Status	Action Taken
2.T	Establish controls that ensure accuracy and completeness of the SCCC and the CVB performance reporting.	Not Implemented	The City will establish internal controls that will ensure accuracy and completeness of the SCCC and the CVB performance reporting.
2.U	Establish requirements for the storage and archiving of financial and operational data.	Not Implemented	The new contract(s) will establish requirements for the storage and archiving of financial and operational data.
2.V	Conduct ethics and conflict of interest training to the SCCC and the CVB employees.	Not Implemented	The new operator must be able to demonstrate a working knowledge of good governance for public facilities and funds. Contract(s) will require regular ethics and conflict of interest training to the operator's SCCC and the CVB employees.
2.W	Conduct training on the principles of good governance to the SCCC and the CVB employees.	Not Implemented	The new operator must be able to demonstrate a working knowledge of good governance for public facilities and funds. Contract(s) will require regular ethics and conflict of interest training to the operator's SCCC and the CVB employees.
3	The City Manager should review the accountability issues and concerns described in this report and refer them, if needed, for further review by the City or by other agencies.	Complete	The City Manager did refer the findings and the TAP audit of the SCCC and CVB to the IRS and FPPC. The FPPC has forwarded the Audit to the District Attorney. The City will cooperate with state and federal agencies if more violations are discovered during the process.
4	The City should conduct contract oversight activities by reconciling (a) the Contractor's allocation of CVB's revenues and expenses and (b) the Contractor's credit card statements.	Complete	The City extended TAP International's contract to reconcile the Contractor's allocation of CVB's revenues and expenses. Since May 2018, City staff has reviewed Contractor's credit card statements. An additional audit will be conducted on the credit card statements.

SANTA CLARA
SILICON VALLEY CENTRAL®
CHAMBER OF COMMERCE &
CONVENTION-VISITORS BUREAU

Conflict of Interest Policy

The purpose of this Conflict of Interest Policy is to protect the interests of the Santa Clara Chamber of Commerce & Convention-Visitors Bureau. Each Officer, Board Member and staff member shall act in the best interest of the organization and disclose any conflicts of interest.

A conflict of interest exists when officers, board members or staff has a direct or indirect business, professional or personal situation or relationship that may influence or be perceived to influence the judgment or action of the officer, Board Member or staff when servicing the Santa Clara Chamber of Commerce & Convention-Visitors Bureau. Such conflicts of interest include, but are not limited to: personal and professional affiliations and business dealings.

All real or perceived conflicts of interest will be disclosed to the appropriate level of authority necessary for consideration, resolution and direction.

Officers, Board Members and staff will be required to sign a conflict of interest form.

Conflict of Interest Form

I have read and understand the Conflict of Interest Policy, and understand that it is my obligation to act in a manner that promotes the best interest of the Santa Clara Chamber of Commerce & Convention-Visitors Bureau and to avoid conflicts of interest when making decisions and taking actions on behalf of the Santa Clara Chamber of Commerce & Convention-Visitors Bureau.

I agree to disclose to the proper level of authority any real or perceived conflicts of interest that may arise during the course of my tenure with the organization.

Additionally, I agree to abide by the direction and decision rendered by the Santa Clara Chamber of Commerce & Convention-Visitors Bureau.

Name (print) _____

Signature _____

Date _____

CONFLICT OF INTEREST DISCLOSURE FORM

Date: _____

Name: _____

Position (employee/volunteer/director): _____

Please describe below any relationships, transactions, position you hold (volunteer or otherwise), or circumstances that you believe would contribute to a conflict of interest between the Santa Clara Chamber of Commerce & Convention-Visitors Bureau and your personal interests, financial or otherwise:

_____ I have no conflict of interest to report

_____ I have the following conflict of interest to report (please specify other non-Profit and for-profit boards you (and your spouse) sit on, any for-profit businesses for which you or an immediate family member are an officer or director, or a majority shareholder, and the name of the employer and any businesses you or a family member own):

1. _____

2. _____

3. _____

I hereby certify that the information set forth above is true and complete to the best of my knowledge. I have reviewed, and agree to abide by, the Policy of Conflict of Interest of The Santa Clara Chamber of Commerce & Convention-Visitors Bureau.

Signature: _____

Date: _____

Form **3949-A**
(April 2016)

Department of the Treasury - Internal Revenue Service

Information Referral

(See instructions on reverse)

OMB Number
1545-1960

Use this form to report suspected tax law violations by a person or a business.

CAUTION: READ THE INSTRUCTIONS BEFORE COMPLETING THIS FORM. There may be other more appropriate forms specific to your complaint. (For example, if you suspect your identity was stolen, use Form 14039.)

Section A – Information About the Person or Business You Are Reporting

Complete 1, if you are reporting an Individual. Complete 2, if you are reporting a business only. Complete 1 and 2 if you are reporting a business and its owner. *(Leave blank any lines you do not know.)*

1a. Name of individual	b. Social Security Number/TIN	c. Date of birth	
d. Street address	e. City	f. State	g. ZIP code
h. Occupation	i. Email address		

j. Marital status *(check one, if known)*
☐ Married ☐ Single ☐ Head of Household ☐ Divorced ☐ Separated

k. Name of spouse

2a. Name of business	b. Employer Tax ID number (EIN)	c. Telephone number	
SANTA CLARA CHAMBER OF COMMERCE	94-0675790	408 422-9660	
d. Street address	e. City	f. State	g. ZIP code
1850 WARBURTON AVENUE	SANTA CLARA	CA	95050
h. Email address	i. Website		
nick.kaspar@santaclara.org	http://www.santaclarachamber.com/		

Section B – Describe the Alleged Violation of Income Tax Law

3. Alleged violation of income tax law. *(Check all that apply.)*

☒ False Exemption	☐ Unsubstantiated Income	☒ Unreported Income	☐ Failure to Withhold Tax
☐ False Deductions	☐ Earned Income Credit	☐ Narcotics Income	☐ Failure to File Return
☐ Multiple Filings	☒ Public/Political Corruption	☐ Kickback	☒ Failure to Pay Tax
☐ Organized Crime	☐ False/Altered Documents	☐ Wagering/Gambling	☒ Other *(describe in 5)*

4. Unreported income and tax years
Fill in Tax Years and dollar amounts, if known *(e.g., TY 2010- $10,000)*

TY ____ $ _____ TY ____ $ _____ TY ____ $ _____ TY ____ $ _____ TY ____ $ _____ TY ____ $ _____

5. Comments *(Briefly describe the facts of the alleged violation-Who/What/Where/When/How you learned about and obtained the information in this report. Attach another sheet, if needed.)*

The City of Santa Clara recently received an audit which indicated possible Federal and State income tax violation by the Santa Clara Chamber of Commerce. We have not been able to determine the full extent of the possible violations, but we are forwarding the audit to you for your investigation into some of the findings that relate to your enforcement authority.

6. Additional information. Answer these questions, if possible. Otherwise, leave blank.

a. Are book/records available? *(If available, do not send now. We will contact you, if they are needed for an investigation.)* ☒ Yes ☐ No

b. Do you consider the taxpayer dangerous? ☐ Yes ☒ No

c. Banks, Financial Institutions used by the taxpayer

Name			Name		
Street address			Street address		
City	State	ZIP code	City	State	ZIP code

Section C – Information About Yourself

(We never share this information with the person or business you are reporting.)

This information is not required to process your report, but would be helpful if we need to contact you for any additional information.

7a. Your name		c. Best time to call	
Brian Doyle		8:30 am to 4:30 pm	
d. Street address	e. City	f. State	g. ZIP code
1500 Warburton Avenue	Santa Clara	CA	95050

Please print and send your completed form to: Internal Revenue Service
Stop 31313
Fresno, CA 93888

Instructions for Form 3949-A, Information Referral

General Instructions

Purpose of the Form
Use Form 3949-A to report alleged tax law violations by an individual, a business, or both.

CAUTION: DO NOT USE Form 3949-A:

- If you suspect your **identity was stolen.** Use Form 14039. Follow "Instructions for Submitting this Form" on Page 2 of Form 14039.
- To report suspected **misconduct by your tax return preparer.** Use Form 14157. Submit to the address on the Form 14157.
- If your **paid preparer** filed a return or made changes to your return **without your authorization**. Instead, use Form 14157 AND Form 14157-A. Submit both to the address on the Form 14157-A.
- If **you received a notice** from the IRS about **someone claiming your exemption or dependent.** Follow the instructions on the notice. Do not complete Form 3949-A.
- To report an **abusive tax avoidance scheme, promotion,** or a **promoter** of such a scheme. Use Form 14242. Mail or FAX to the address or FAX number on the Form 14242.
- To report misconduct or **wrongdoing by a tax exempt organization** or its officers, directors, or authorized persons. Use Form 13909. Submit by mail, FAX, or email, according to the instructions on the Form 13909.

Have information and want to claim a reward? Use Form 211, Application For Award For Original Information. Mail it to the address in the Instructions for the form.

Specific Instructions

Section A – Provide Information About the Person/Business You Are Reporting, if known.
Provide as much information as you know about the person or business you are reporting.

1. **Complete if you are reporting an individual.** Include their name, street address, city, state, ZIP code, social security number or taxpayer identification number, occupation, date of birth, marital status, name of spouse (if married), and email address. Include as much information as you know.
2. **Complete if you are reporting a business.** Include the business name, business street address, city, state, ZIP code, employer identification number (EIN), telephone number(s), email address, and website, if known.
   Note: Complete both parts if you are reporting a business and its owner.

Section B – Use to Describe the Alleged Tax Law Violation(s)

3. **Check all Tax Violations That Apply to Your Report.**

   False Exemption- Claimed persons as dependents they are not entitled to claim.

   False Deductions- Claimed false or exaggerated deductions to reduce their taxable income.

   Multiple Filings- Filed more than one tax return to receive fraudulent refunds.

   Organized Crime- Member of a group of persons who engaged in illegal enterprises such as drugs, gambling, loansharking, extortion, or laundering illegal money through a legitimate business.

   Unsubstantiated Income- Reported false income from an unverifiable source in order to get a false refund.

   Earned Income Credit- Claimed Earned Income Credit which they were not entitled to receive. They may have reported income they did not earn or claimed children they were not entitled to claim.

   Public/Political Corruption- Public official or politician violated laws against using their position illegally for personal gain.

   False/Altered Documents- Changed documents, such as a W-2 or Form 1099, or created fake documents to substantiate a false refund.

   Unreported Income- Received cash or other untraceable payments, such as goods or services, and did not report the income.

   Narcotics Income- Received income from illegal drugs or narcotics.

Kickback- Received illegal payments or kickbacks in exchange for referring the business of a government agency or other business towards a company or for influencing business decisions that result in part of the payment for the business received or service performed being returned to the person who made the referral.

Wagering/Gambling- Did not report income received from wagering or gambling.

Failure to Withhold Tax- Individual or business did not withhold legally owed taxes from income paid to their employee(s), such as Social Security or Medicare taxes. Example: A business treated employees as independent contractors and issued Forms 1099, with no tax withheld, instead of a W-2.

Failure to File Return- Individual or business has not filed returns legally due.

Failure to Pay Tax- Individual or business has not paid taxes legally due.

Other- Describe in 5.

4. **If your report involves unreported income, indicate the year(s) and the dollar amount(s).**
5. **Briefly describe the facts of the alleged tax law violation(s) as you know them. Please attach another sheet, if you need more room.**
6. **Additional Information, if known. Attach another sheet, if you need more room.**

Section C – Provide Information about Yourself

7. **Note: Information about yourself is NOT required to process your report, but may be helpful if we need additional information.**

Please print and send your completed form to the Internal Revenue Service at:

Internal Revenue Service
Stop 31313
Fresno, CA 93888

Paperwork Reduction Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. This report is voluntary and the information requested helps us determine if there has been a violation of Income Tax Law. We need it to insure that taxpayers are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administrations of any Internal Revenue laws. Generally, tax returns and tax return information are confidential, as required by Code section 6103.

The time required to complete this form will vary depending on individual circumstances. The estimated average time is 15 minutes.

Privacy Act Notice

We are requesting this information under authority of 26 U.S.C. 7801. The primary purpose of this form is to report potential violations of the Internal Revenue laws. The information may be disclosed to the Department of Justice to enforce the tax laws. Providing the information is voluntary. Not providing all or part of the information will not affect you.

City of Santa Clara
The Center of What's Possible

City Manager's Office

September 20, 2018

Fair Political Practices Commission
Enforcement Division
1102 Q Street, Suite 3000
Sacramento, CA 95811

RE: Potential Fair Political Practices Commission (FPPC) Violations, Conflicts of Interest, and Misuse of Public Funds and Assets by the Santa Clara Chamber and Santa Clara Chamber Political Action Committee (PAC)

To FPPC Official:

On September 18, 2018, Principal Auditor Denise Callahan, TAP International, publicly presented an audit of two City contracts with the Santa Clara Chamber of Commerce (Chamber) regarding its management of the City's Convention Center and Convention and Visitors Bureau (CVB) services.

The Auditor identified potential Fair Political Practices Commission (FPPC) violations, conflicts of interest, and misuse of public funds and assets by the Chamber and Santa Clara Chamber Political Action Committee (PAC). Per the auditor's recommendation, the City is formally requesting the FPPC to investigate the Chamber and its PAC for the violations identified in the audit and summarized in this letter.

Specifically, the performance audit has found that in 2012 the Chamber (referred to as Contractor in the audit) sponsored a fundraising event for its PAC. The Chamber commingled the administrative resources, funded with public funds for other contract work, with Chamber PAC fundraising activities which resulted in an $8,000 check improperly issued to the Chamber PAC from CVB (pages 41-42 of the audit). In particular the audit states: "in 2012, the Contractor sponsored a web-based fundraising event for a political action committee. During the campaign, the Contractor received checks that totaled about $8,000 made payable to the CVB. Rather than returning the political donor's check, the Contractor deposited the checks and recorded the deposit on the CVB's accounting records. The Contractor then recorded and issued a check on May 8, 2012 under the CVB accounting records for about $8,000 to the Political Action Committee. Contractor management attributed the problem to donor confusion about whom to make the checks payable. When the CVB sent the payment to the Chamber PAC, it provided a gift of public funds by the use of public resources being used for political fundraising purposes that requires further review by the FPPC for potential violation of State law." In addition to this incident, the audit found that the Chamber used the City's publicly owned facility, Convention Center, to host

its PAC events. The audit also states that because the Contractor facilitated the fundraising activity for the Political Action Committee, it may have jeopardized its 501(c)(6) tax exempt status.

The City is taking these potential violations of law very seriously. Should you have any questions and or need additional more information, please do not hesitate to contact me at dsantana@santaclaraca.gov. Also, you may contact Denise Callahan of TAP International Consulting at denise@tapinternational.org.

Sincerely,

Deanna Santana

Deanna J. Santana
City Manager

cc: City Council
City Attorney
Nick Kaspar, CEO of Santa Clara Chamber of Commerce

Attachment:
(1) Santa Clara Convention Center and Convention-Visitors Bureau: Restructuring Operations Can Strengthen Accountability, Performance and Revenue

STATE OF CALIFORNIA
FAIR POLITICAL PRACTICES COMMISSION
1102 Q Street • Suite 3000 • Sacramento, CA 95811

RECEIVED
OCT 11 2018
Office of the City Manager
City of Santa Clara

October 9, 2018

City of Santa Clara
Attn: Deanna J. Santana, City Manager
[redacted]
Santa Clara, CA 95050
Via email: [redacted]

Re: Sworn Complaint Against Santa Clara Chamber of Commerce (COM-09252018-01791)

Dear Ms. Santana:

This letter is in response to the sworn complaint you submitted to the Enforcement Division of the Fair Political Practices Commission regarding the above-named entity. Based on a review of the complaint and documentation provided, the Enforcement Division will not pursue an enforcement action in this matter. It appears these issues may better be addressed by the District Attorney's office and we have forwarded the audit report to them. If you have any questions, please contact Chris Holm at cholm@fppc.ca.gov.

Sincerely,

GWest

Galena West
Chief, Enforcement Division

GW:cah

cc: Santa Clara Chamber of Commerce

18-889 **Agenda Date: 11/27/2018**

REPORT TO COUNCIL

SUBJECT
Action on Performance Audit Titled “Santa Clara Convention Center and Convention-Visitors Bureau: Restructuring Operations Can Strengthen Accountability, Performance and Revenue”

BACKGROUND
On May 22, 2018, by Council direction, the City hired TAP International to complete a performance audit of the Santa Clara Convention Center (SCCC) and Convention-Visitors Bureau (CVB).

On September 18, 2018, TAP International presented its audit scope, audit findings, and recommendations (Attachment 1) in its report, “Santa Clara Convention Center and Convention-Visitors Bureau: Restructuring Operations Can Strengthen Accountability, Performance and Revenue” (Audit).

Responses to the Audit are being presented to Council during the November 27, 2018 Council meeting (#18-769 - Chamber response and #18-1361-City staff response)

DISCUSSION
There was no action taken by Council regarding the Audit following TAP’s presentation on September 18, 2018.

ENVIRONMENTAL REVIEW
The action being considered dos not constitute a “project” within the meaning of the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(4) in that it is fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

FISCAL IMPACT
There is no fiscal impact associated with this item other than administrative time and expense.

PUBLIC CONTACT
Public contact was made by posting the Council agenda on the City’s official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City’s website and in the City Clerk’s Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk’s Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION
Action on Performance Audit Titled “Santa Clara Convention Center and Convention-Visitors Bureau:

Restructuring Operations Can Strengthen Accountability, Performance and Revenue."

Reviewed by: Ruth Shikada, Assistant City Manager
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Performance Audit dated September 18, 2018



TAPInternational

SANTA CLARA CONVENTION CENTER AND CONVENTION-VISITORS BUREAU: RESTRUCTURING OPERATIONS CAN STRENGTHEN ACCOUNTABILITY, PERFORMANCE AND REVENUE

FINAL REPORT

September 18, 2018

ACKNOWLEDGEMENTS

TAP International, Inc. appreciates the assistance and cooperation received by City staff and all of the Contractor's CVB and SCCC employees who contributed to this review.

CONTACT

Denise Callahan, President & Principal Consultant
TAP International, Inc.
3436 American River Avenue, Suite 9
Sacramento, CA 95864
Denise@tapinternational.org
www.tapinternational.org

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Report Brief

Why the Assessment was Conducted

The City of Santa Clara (City) has contracted with a local non-profit business organization (Contractor) since 1975 to operate and manage the Convention and Visitors Bureau (CVB) and since 1984 to manage the Santa Clara Convention Center (SCCC) that opened in 1986. The City raised concerns about the Contractor's operations, practices, and financial performance of the CVB and the SCCC. Other concerns include delays in information submitted to the City by the Contractor, hindering the City's ability to perform its own full assessment of the Contractor's operations of the CVB and the SCCC.

In May 2018, the City contracted with TAP International, Inc. to conduct an assessment of the Contractor-operated SCCC and the CVB. This review did not encompass all operations or all financial management activities of these entities. This report describes the fiscal health of each entity, the nature of revenues collected, and their spending. This report also assesses the adequacy of structures, systems, operations, and the processes in place by the Contractor and finally, evaluates the potential changes needed to enhance the SCCC's sustainability and overall performance.

Summary of Key Results

The SCCC has satisfactory fiscal health because it can support operations using its own operating revenues. Across a ten-year period ending in FY 2016-17, revenues cumulatively totaled about $60.4M[1] and expenses cumulatively totaled about $55.8M, resulting in net income levels of $4.7M. Had the SCCC assume responsibility for the CVB's operation, the SCCC could not have supported itself, resulting in a $9.4M net income loss by the end of the ten-year time period. By factoring into the analysis other sources of revenue that other cities allocated to convention centers and visitors bureaus, such as Transient Occupancy Taxes (TOT), Tourism Improvement District (TID) fees, and Sales Tax, then the SCCC may have had mixed financial performance, ending the nine-year period[2] with about $310,000 net income.[3] The fiscal health of the SCCC could have been stronger if it had reduced the frequency and the amount of the discounts offered to event sponsors. Facility discounts totaled $14.7M between FYs 2011-12 to 2016-17. Issuing discounts is allowable under some circumstances in accordance with SCCC's booking policies.

The CVB's year-end fiscal performance was satisfactory. While losses occurred in six of the past ten years, none of the losses exceeded ten percent of its budget. In the past ten years, total revenues cumulatively totaled $15.8M and expenses cumulatively totaled $15.5M, resulting in

[1] Excludes Restricted Revenue
[2] Nine-year period was used as Capital expenditure information from FY 2007-08 was unavailable.
[3] TOT tax, TID fees, and Sales Tax projections based on CVB revenue estimates. It would be assumed that sales tax generated from Convention Center partners would be included in Sales Tax estimates.

excess revenue of about $278,000. The CVB reported revenue surpluses in four of ten years – FYs 2011-12, 2012-13, 2015-16, and 2016-17.

While the types of revenues and expenses incurred by the SCCC and the CVB are aligned with their mission and purpose, each entity paid added compensation to its sales staff that needs further review. The SCCC paid commissions and the CVB paid bonuses, referred to as incentive pay. The sales industry uses this form of compensation. However, the City Council should have provided approval of the commissions because the added pay was not addressed in the City's agreement with the Contractor nor clearly identified in the SCCC's operating budget. Further review is needed for the incentive payments to the CVB staff because the payments were funded by the Santa Clara Tourism Improvement District without a formal contract or agreement.

The Contractor could have had better structures, systems, controls, and processes to support the SCCC and the CVB operations. The Contractor's governance structures and business activities have created the appearance of, and actual, conflicts of interests, mis-use of government assets, and mis-use of government-sponsored resources while other concerns present may need further review by other agencies. In addition, the Contractor's financial management of the CVB's operations has weaknesses in its internal controls, especially in the area of bill payment, while its information management activities have structural gaps that if addressed, could enhance managerial decision-making. The Contractor and the City each share responsibility for the issues described in this report. The City, which is responsible for ensuring that outsourced operations provide services in a transparent and accountable manner, did not have strong agreements in place nor implemented effective contract oversight until recently with the hiring of a new City Manager. The Contractor's implementation of operations led to accountability and compliance concerns.

A key change needed to increase the SCCC's operational sustainability and performance is to update the overall marketing strategy. Several operational challenges hinder the ability of the CVB to enhance their own overall performance and to increase the financial performance of the SCCC. These challenges include: (1) scheduling more events that last less than a day versus scheduling events longer in duration that would also need hotel room nights; (2) the rising number of potential clients (also known as leads) required to schedule an event, as the total number of leads received has declined; (3) inefficient utilization of staff time to work leads because an inordinate amount of time is spent entering information into various databases; (4) not dedicating multiple sales staff in successful target areas, such as the corporate sector; and (5) a limited advertising budget. Both the SCCC and the CVB operate as separate entities and could benefit from an integrated and comprehensive marketing plan.

In June 2018, the Santa Clara City Council directed City management to retain assistance in the development of options for the provision of convention and visitor services. The development of these options should include analysis of varying business structures to operate the SCCC that would result in the strongest level of accountability over operations. Business structures used in other California convention centers and CVB's differed. These business structures included a city-

established nonprofit organization, city-established districts, authorities, and out-sourcing operations to a third-party.

Conclusions

The City's Contractor was instrumental over 40 years ago in working with the City to establish the CVB and to serve as the first operator of the SCCC. The Contractor had key successes, especially with the overall satisfaction of the CVB and the SCCC employees and the financial performance of the SCCC. The Contractor, however, also had key accountability problems and could have had implemented a better strategy to maximize the SCCC's financial potential. Should the City implement changes to the SCCC's and the CVB's operations, including how the City conducts contract oversight over these operations, the potential changes should include sound governance coupled with effective and strong leadership that would ensure administration of a transparent and accountable business environment.

Recommendations

1. The City Manager, in response to prior City Council direction to develop options for the SCCC and the CVB operations, should include a feasibility study to assess the advantages and disadvantages of various business structures to run each or both operations. The feasibility study should include analysis of financial projections in the short and long term for each option.

2. Regardless of any change in the business structure, the City Manager should consider implementing the following activities to ensure better accountability of operations and to build on the financial performance of the SCCC:
   a. Develop a comprehensive and integrated business and marketing strategy.
   b. Develop better event scheduling policies that address renting SCCC facilities to nonprofit organizations, the use of discounts, and document specific criteria for prioritizing event scheduling.
   c. Transition into booking more same day events to area hotels to allow greater availability of calendar time for multi-day events at the SCCC.
   d. Reduce the SCCC's scheduling of events to six months in advance.
   e. Strategically align more sales staff to industries that frequently rent the SCCC.
   f. Integrate all marketing and sales activities between the SCCC and the CVB.
   g. Consolidate accounting systems used between the SCCC and the CVB.
   h. Consider elimination of Sales Commissions.
   i. Modernize the SCCC.
   j. Prohibit comingling of City funds with other nongovernmental revenue sources.
   k. Establish a clear leadership structure and team to administer effective City oversight of operations.
   l. Establish requirements to avoid, disclose, and mitigate conflict of interests.

m. Establish financial disclosure requirements for the SCCC and the CVB contractors who make decisions on the behalf of the City.
n. Establish requirements that describe and define appropriate and reasonable expenditures.
o. Establish requirements and controls for purchasing, including the use of the credit cards and purchase cards.
p. Establish contracting and contract management requirements for the SCCC and the CVB.
q. Establish stronger requirements for financial reporting on operations.
r. Establish the requirement to develop, track, and report on progress in meeting key performance benchmarks for the SCCC and the CVB operations.
s. Establish employee compensation policies.
t. Establish controls that ensure accuracy and completeness of the SCCC and the CVB performance reporting.
u. Establish requirements for the storage and archiving of financial and operational data.
v. Conduct ethics and conflicts of interest training to the SCCC and the CVB employees.
w. Conduct training on the principles of good governance to the SCCC and the CVB employees.

3. The City Manager should review the accountability issues and concerns described in this report and refer them, if needed, for further review by the City or by other agencies.

4. The City should conduct contract oversight activities by reconciling (a) the Contractor's allocation of CVB's revenues and expenses and (b) the Contractor's credit card statements.

Background

City Agreements Guide Operations at the Convention Visitor's Bureau and the Santa Clara Convention Center

The City did not have a CVB organization until a local nonprofit organization approached the City with the concept as a way to help area businesses. Since 1975, the City authorized the local nonprofit organization (referred to herein as the Contractor) to operate the Convention and Visitors Bureau (CVB). The CVB is a destination marketing, sales and service organization whose purpose is to promote the City of Santa Clara as a destination point and to promote the City's hotels and convention center. The agreement, referred to as the CVB Agreement, was updated in 2017. According to the CVB agreement, the City expects the CVB to increase City revenues by increasing visitor and convention spending in hotels, the Convention Center, visitor attractions, restaurants, and other businesses in the City as measured by Transient Occupancy Tax (TOT), Tourism Improvement District (TID), and retail sales tax.[4]

The City also expects the Contractor to:

- Target sales and promotion efforts to various market sectors (e.g. corporate business, association and SMERF (social, military, educational, religious, fraternal) and sports groups)
- Generate "mid-week" for the Convention center and hotels that will pay the mid-week hotel room rates, including holiday and weekend business in selected months
- Attract City-wide groups as newly defined by the CVB as needing 750 hotel room nights per event at the event's peak. (City-wide groups were historically defined as needing 600 hotel room nights at the event's peak).
- Perform sales calls and city bid presentations to prospective businesses and organizations
- Conduct city site inspections showcasing the City of Santa Clara, hotels, convention center, stadium, entertainment and attraction venues, and local businesses
- Sponsor exhibits in key tradeshows, attend industry related meetings and sponsor special industry related events
- Implement direct mail, e-marketing/social media and e-blasts
- Advertise in key trade publications, newsletters, directories, and social media platforms

[4] The City requires that any person or business engaged in the renting of any number of rooms for lodging, dwelling, or sleeping purposes, must collect, report and remit 9.5 percent of the lodging fee per night. In FY 2016-17, the City collected about $20M in TOT tax. The City assesses an added $1 per room night among the eight (at the time of our review) participating hotels that comprise the Tourism Improvement District. These same hotels contribute an extra two percent to help pay off $40M used by the Community Facilities District for infrastructure to facility the Stadium project.

- Develop convention sales and marketing materials
- Advertise and promote the City and Convention Center.

The City also works with the same Contractor to manage the SCCC. Owned by the City of Santa Clara, the SCCC is located on just over 25 acres and provides 302,000 square feet of meeting and exhibit space. The SCCC hosts conventions, trade shows, weddings, receptions, corporate meetings, banquets, and any type of special occasion. The SCCC's purpose is to maximize revenue and economic impact to the City of Santa Clara.

In 1984, a contract (referred to as the Management Agreement) was entered between the City and the Contractor to manage the SCCC. The contract required the Contractor, among other activities, to:

- Operate and maintain the SCCC in a first-class matter
- Advertise and promote the Convention Center
- Coordinate the use of the SCCC
- Book events, theatre performances, shows, conventions, exhibitions, and meetings
- Schedule and administer daily operations as required.

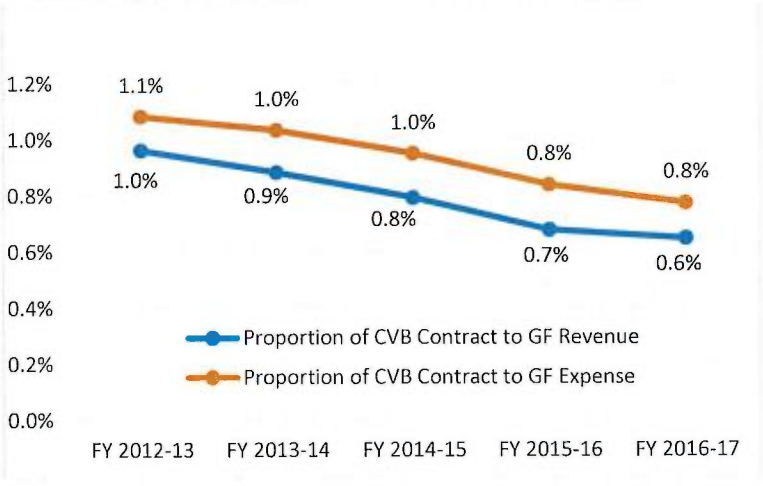
Any excess operating revenues generated from the SCCC operations are deposited to a City enterprise fund account.

City's General Fund Supports Contractor's Activities

Under the terms of the 1984 Management Agreement, the City is to pay the Contractor for the management of the SCCC. The fee ranged from $45,000 to $50,000 annually. The increase in this fee is later discussed in this report. Under the 2017 CVB agreement, the City is to pay the Contractor no more than nearly $1.5M annually for its operations of the CVB.

City funds supporting the Contractor's activities equal less than one percent of the City's General Fund revenues and expenses, as shown in Figure 1. Over time, as the City's revenue and expenses increased, the proportion of all General Fund revenues appropriated to the Contractor has declined. Figure 1 shows only the direct financial impact of the contractual agreements and excludes the City's funding for maintenance

Figure 1. Proportion of General Fund Revenues and Expenses to Fund the CVB Contract



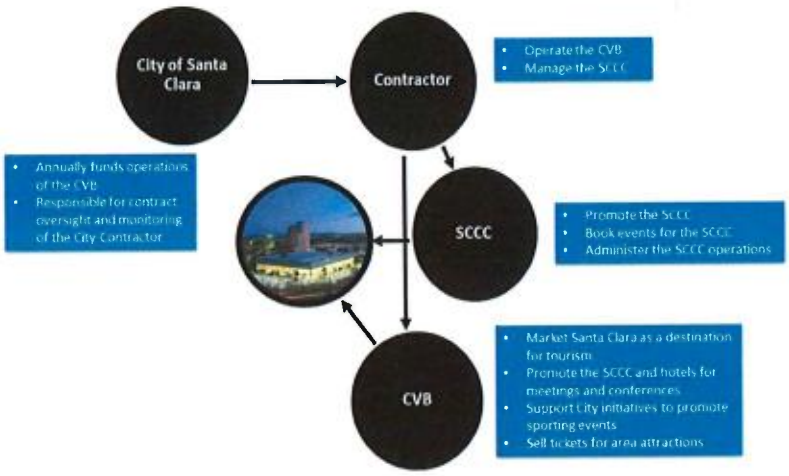
Source of data: TAP International, Inc. analysis based on the CVB and City of Santa Clara financial data.

district expenses and other capital project improvement plans.

The CVB and the SCCC are Managed Separately

Organizationally, the CVB has two Vice-Presidents (VPs) who serve as National Sales Managers. One National Sales Manager oversees convention sales and marketing while the other oversees marketing and advertising. These two VPs are supported by 11 other Contractor/CVB employees. The SCCC has a General Manager/CEO overseeing its operations supported by 43 other Contractor/SCCC employees.

Figure 2: Role of the City, Contractor, the SCCC and the CVB



The President and Chief Executive Officer (CEO) of the Contractor's organizations is responsible for operations of the CVB and the SCCC. In recent years, the Contractor's CEO position has experienced frequent turnover. In 2017, the SCCC's General Manager/CEO assumed management of the CVB until the Contractor's Board formally hired a new Executive Director, who accepted the position in June 2018.

Figure 2 illustrates the roles and relationships between the City, the Contractor, the CVB and the SCCC.

The CVB and the SCCC Receive High Customer Satisfaction Scores

Guests of the SCCC and clients of the CVB have high satisfaction over operations. Based on a total of 322 surveys spanning from 2010 to date, the average annual performance is a satisfaction score of 4.45, as illustrated in Figure 3. A score of "1" is low satisfaction and a score of "5" is high satisfaction. The SCCC and CVB met or exceeded its own

Figure 3: Average Annual Customer Satisfaction Score



Source of data: TAP International, Inc. analysis of 322 customer satisfaction surveys administered by the SCCC, 2010 to date.

performance benchmark in five of the ten years.

As described in Figure 4, guests gave their **highest scores** to the SCCC and the CVB Professionalism. Although high marks, guests gave their **lowest scores** to:

- SCCC facility (condition)[5]
- Catering Services (pricing and food quality).

Figure 4: Annual Guest Satisfaction Score, SCCC and CVB

Survey Category	Average Score
Convention Center Administration	4.66
Convention Visitor Bureau	4.64
Int'l Alliance of Theatrical & Stage Employee's (Local 134)	4.62
Event Management	4.58
Telecommunications	4.58
Booking & Scheduling	4.57
Room Set Up & Housekeeping	4.52
Audio/Visual Services	4.47
Engineering Services	4.45
The UPS Store	4.43
Building Security	4.39
Facility	4.31
Catering Services	4.28
Grand Total	**4.49**

Source of Data: TAP International, Inc. analysis of 322 individual customer satisfaction surveys administered by the SCCC, 2010 to date.

Recent City Council Action Stopped Contractor Payments

In recent City Council meetings, the Santa Clara City Council acted to temporarily end Contractor payments. In May 2018, the Santa Clara City Council (City Council) directed the City Manager to suspend the Contractor's management fee for the SCCC. In June 2018, the City Council did not approve a $1.5M request to fund a FY 2018-19 contract with the Contractor to operate the CVB, and instead, directed the City Manager to provide funds to the Contractor for the sole purpose of funding salaries and specific related costs for up to 60 days. In July 2018, the Contractor's Executive Director addressed the revenue cuts by requesting the CVB employees to vacate the Contractor's office and then issuing termination notices.

[5] The Management Agreement states the Contractor is to maintain the Convention Center, the equipment and furniture situated therein, and related facilities in good order and repair and to request such repairs in the SCCC's annual budget or separate City Council action.

Objective, Scope and Methodology

Objectives

The City contracted with TAP International to address the following questions:

(1) Assess the fiscal health, including the nature of revenues and spending by the SCCC and the CVB.

(2) Assess the adequacy of structures, systems, controls, and processes that affect financial management of the Convention Center, especially whether the City reviewed and approved the contract increases.

(3) Determine the types of changes needed, if any, to enhance Convention Center sustainability and performance.

Scope

The time period covered by this review varied depending on the type of analysis. Where data was available, TAP International analyzed data based on the prior Fiscal Year (FY) only or up to ten years of operations, beginning in FY 2007-08. We describe throughout this report, the time period covered in our analysis. The availability of complete and reliable information determined the time period of analysis.

For our review of structures, systems, controls and processes, the business functions reviewed included governance, financial management, information management, and contract management..

Our scope of work did not include an assessment of the operations of the TID. A separate performance audit of the TID is underway.

The scope of work did not include:

- An assessment of the SCCC's security operations. In FY 2017-18, the SCCC had 62 total incidents, or about five per month related to visitor health issues, fire alarms, visitor and worker injuries, and parking lot related thefts. The low level of incidents precluded further review.
- An assessment of human resources management by the Contractor or on the staffing assignment and reassignment decisions by the Contractor's Board of Directors.
- An assessment of contract compliance with the Management Agreement and the CVB Agreement.
- An evaluation of how the Contractor serves its members and member organizations. Where necessary, transaction activity resulting from the Contractor's core services were reviewed to assess the effectiveness of internal controls governing the CVB.

Methodology

To assess the fiscal health of the Convention Center and the CVB, TAP International computed and analyzed eight key metrics: quick ratio, current ratio, operating margin, net income ratio, days cash on hand, days payable outstanding, debt service coverage ratio, and operating cash flow. These metrics assess the ability of these entities to generate revenue and pay bills and debt, and their ability to generate a profit including cash flow. The sources of data relied upon for the analysis included the City's consolidated audited financial statements and the Contractor's audited financial statements from Fiscal Years (FYs) 2007-08 to 2016-17. Because the Contactor's audited financial statements combines its financial reporting with that of the CVB, we further analyzed the ability of the Contractor to manage the CVB within the contract amount provided by the City. The sources of data relied upon for this analysis were the Contractor's audited financial statements and other financial reports generated by the Contractor from FYs 2007-08 to 2016-17.

To assess the nature of revenues and spending by the SCCC and the CVB, TAP International examined each entity's check register and general ledger, which show in detail the payments made to vendors. The period of the review covered was FYs 2007-08 through 2016-17. We further examined the Contractor's core organization and the CVB documentation to verify the accuracy of the CVB's financial transactions reported in its financial system.

To assess the adequacy of structures, systems, controls, and processes of the Convention Center and the CVB, TAP International analyzed data and conducted interviews with key City, SCCC, CVB, and Contractor staff to discuss operation related to:

- Governance structure and activities
- Use of information systems
- Internal control structure to ensure compliance and effective information sharing, fiscal monitoring, and review and authorization
- Purchasing and contracting activities to ensure compliance to policies and procedure.

TAP International reviewed City documents and interviewed City employees to assess internal controls, contract management, and oversight activities of the City's Contractor.

For all audit activities, TAP International collected and analyzed:

- Advertisements
- Contracts
- Guest satisfaction surveys
- Organizational charts
- Marketing materials
- Performance measurement reports
- Policies and procedures for financial management, procurement, and contracting

- Purchase orders
- Strategy and marketing plans
- Training programs
- Reports and data given to the City by the entities.

To determine the types of changes needed, if any, to enhance the sustainability of the SCCC, TAP International reviewed the SCCC's and the CVB's marketing operations and performance. We independently computed various performance metrics using leads, bookings, and cancellation data provided by the Convention Center and the CVB. Finally, we collected information on the business structures of other convention centers and convention-visitors bureaus in California. The convention centers selected for this analysis were the Cities of San Jose, Sacramento, Stockton, San Francisco, Fresno, and Oakland.

Finally, to adhere to generally accepted government auditing standards, TAP International assessed the reliability of the financial and marketing data collected by the SCCC and the CVB. Data that was reliable is included in this report.

This audit is known as a performance audit. A performance audit evaluates the economy, efficiency and effectiveness of programs, services, and operations. We conducted this performance audit from May through July 2018, in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. A draft report was provided to the City and the Contractor for review. Comments were incorporated as applicable throughout the report.

Principle Results

Section 1A: The City Can Build on the Financial Performance of the SCCC and the CVB

SCCC's Fiscal Health is Good Although can be Made Stronger

A fiscal health assessment serves to determine whether it is a self-sustaining operation. As an enterprise operation of the City, the SCCC needs to generate enough revenues to fully cover its expenses. If an enterprise operation has a healthy operating position, then fee increases are not needed. Conversely, if an enterprise operation cannot sustain itself, then fee increases may be needed, or the City may need to provide added financial support. TAP International analyzed the fiscal health of the Convention Center using four different approaches: (1) calculating the Convention Center's fiscal health based on its own operating revenues and expenses; (2) comparing trends in operating revenues and expenses; (3) determining the impact on the SCCC's net income if it assumed responsibility for the CVB's operations; and (4) forecasting SCCC's future fiscal health. It is important to note that the convention center industry is influenced by the general economy.

Under the first approach–assessment of fiscal health indicators—the SCCC is a self-sustaining operation and performs well among seven of eight fiscal health indicators across each of the five years from FY 2012-13 to 2016-17, as shown in Figure 5. The most recent five-year period was used in order to provide a more current assessment of fiscal performance. Periods beyond five years may incorporate business operations and environments that are no longer a factor to current performance. These eight indicators measure fiscal health of enterprise operations. Most notably, the SCCC increased its profit level to 18 percent, the highest level among the five years examined and more than nine times the common benchmark. The SCCC also has cash available to pay its bills for more than six months (193 days) if operations were to suddenly shut down. The SCCC continued to perform well financially in FY 2017-18 with over $2.2M in net income.

Figure 5: SCCC Fiscal Health Indicators**

	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	Benchmark Performance
Ability to pay short-term bills (Current Ratio)	2.6	2.2	1.0	1.7	3.1	> 1.0
Ability to pay short term bills with available cash (Quick Ratio)	202	1.9	0.8	1.5	2.3	> 1.0
Profit margin (Operating Margin using operating revenues and expense)*	16%	16%	12%	14%	18%	> 2%

Net Income Ratio (Same as Profit Margin/Operating Margin)*	16%	16%	12%	14%	18%	> 2%	
Number of days cash available to pay bills	135	149	21	120	193	60-90	
Number of days it takes to pay bills	24	44	17	21	19	< 30	
Ability to pay debt (Debt Service Coverage Ratio)	No debt	No debt	No debt	No debt	No debt	> 1.0	
Operating Cash Flow Ratio*	1.0	0.7	0.7	0.7	0.8	> 1.0	

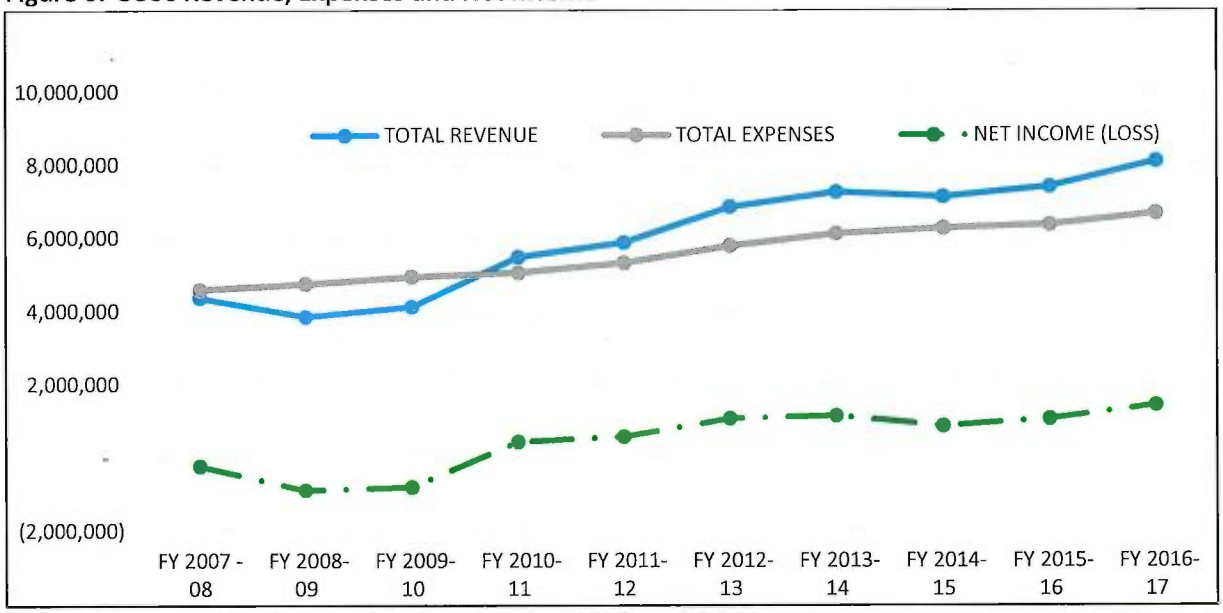
*Excludes restricted income.

** A five-year trend analysis is customarily used in fiscal health analysis because it provides a better assessment of current fiscal health versus examining fiscal health over a 10 year period.

Source: TAP International, Inc. analysis based on the SCCC financial data.

We further examined net income levels for SCCC over a ten-year period to provide a long-term historical look back at SCCC's fiscal health. As shown in Figure 6, the SCCC has slowly improved on its net income levels over a long period of time after three years of profit losses beginning in FY 2007-08.

Figure 6: SCCC Revenue, Expenses and Net Income



Source: TAP International, Inc. analysis based on the SCCC financial data.

At the end of the ten-year period, the SCCC's collected cumulative total revenues of about $60.4M and spent about $55.8M, resulting in net income of nearly $4.7M, as shown in Figure 7.

Figure 7: SCCC Net Income Analysis

	SCCC TOTAL REVENUE	SCCC TOTAL EXPENSES	SCCC TOTAL NET INCOME
FY 2007-08	4,365,268	4,588,650	(223,383)
FY 2008-09	3,856,929	4,744,350	(887,421)
FY 2009-10	4,135,023	4,937,619	(802,597)
FY 2010-11	5,482,042	5,045,617	436,425
FY 2011-12	5,881,508	5,313,299	568,209
FY 2012-13	6,849,158	5,783,261	1,065,897
FY 2013-14	7,254,188	6,106,561	1,147,627
FY 2014-15	7,122,815	6,260,284	862,531
FY 2015-16	7,406,668	6,350,233	1,056,435
FY 2016-17	8,093,763	6,662,438	1,431,326
Cumulative Total	**$60,447,363**	**$55,792,312**	**$4,655,050**

Source: TAP International, Inc. analysis based on the SCCC financial data.

Under the second approach–comparing trends in operating revenues and expenses–TAP International assessed two other measures of fiscal health. The first measure compares the change over time in operating revenues to the change over time in operating expenses. Over the past ten years, the SCCC has sufficiently increased its operating revenue to fully cover the growth in operating expenses. Since FY 2007-08, operating revenues increased by 85 percent to outpace the SCCC's 45 percent increase in operating expenses as shown in Figure 8.[6]

Figure 8: Percent Change in SCCC Operating Revenue and Expenses

	FY 2007-08	FY 2016-17	% Change
Total Revenues	4,365,268	8,093,764**	85%
Total Expenses*	4,588,650	6,662,438	45%
Revenue Less Expenses	**($223,383)**	**$1,431,326**	**741%**

*Includes City Admin Fee

**Excluding restricted revenue

Source: TAP International, Inc. analysis based on the SCCC financial reports.

Under the third approach–determining the impact on net income if the SCCC assumed responsibility for the CVB's operations–the SCCC's fiscal health would have been poor. As shown in Figure 9, if the SCCC had assumed CVB operations, then the SCCC would have operated within its means only for the most recent fiscal year (2016-17),[7] incurring losses of $9.4M over the ten-year period. SCCC's financial performance could have been stronger if it had reduced the amount

[6] Another City-sponsored report that analyzed the fiscal impact of the SCCC showed net losses for most of the last ten years because the report used a different method of analysis that included the City's Maintenance District expenses.

[7] The financial analysis excludes the fees paid to the City's Contractor for operation of the CVB and the management of the SCCC.

and the frequency of facility discounts given to SCCC customers. The discounts totaled $14.7M between FYs 2010-11 and 2016-17,[8] which is discussed in detail later in this report. SCCC management explained that the use of discounts is a marketing tool and that business may have been lost to other convention centers if discounts were not provided.

Figure 9: SCCC and CVB Net Income Analysis

	TOTAL SCCC NET INCOME*	CVB TOTAL REVENUE**	CVB TOTAL EXPENSE	CONSOLIDATED SCCC and CVB NET INCOME
FY 2007-08	(178,383)	163,205	1,608,754	(1,623,932)
FY 2008-09	(842,421)	125,256	1,641,564	(2,358,729)
FY 2009-10	(757,596)	159,875	1,727,812	(2,325,533)
FY 2010-11	481,425	191,344	1,655,725	(982,956)
FY 2011-12	613,209	55,331	1,573,924	(905,384)
FY 2012-13	1,110,897	46,256	1,526,693	(369,540)
FY 2013-14	1,192,627	45,065	1,598,128	(360,436)
FY 2014-15	909,781	42,673	1,605,055	(652,601)
FY 2015-16	1,106,435	62,929	1,218,106	(48,742)
FY 2016-17	1,568,024	21,591	1,360,207	229,408
Cumulative Total	**$5,203,999**	**$913,525**	**$15,515,968**	**($9,398,444)**

*Less City Admin Fee expense

**Less City Contract revenue

Source: TAP International, Inc. analysis based on the SCCC and the CVB financial reports.

Other cities and counties dedicate a portion of the tax revenue generated by out-of-town visitors attending convention center events to fund their local convention and visitor's bureau. The sources of tax revenues and fees are from transient occupancy taxes (TOT), Tourism Improvement District (TID) fees, and sales taxes. Presently, the City does not allocate (TOT) revenue, sales tax revenue, or (TID) fees to the SCCC or to the CVB.

In the City of Santa Clara, hotel lodging expenses include a 9.5 percent transient occupancy tax (TOT) paid by hotel guests staying overnight. Eight hotels participating in the Tourism Improvement District at the time our review also pay $1 per lodging night to the City. Had the City allocated a portion of these taxes and fees been to the SCCC based on the number of hotel lodgings generated for SCCC and hotel events, the SCCC would have made a small profit of about $310,000, as shown in Figure 10 below. This analysis of fiscal health assumes that trends in operating revenues and expenses would continue with operating expenses growing much slower than operating revenues.

[8] Only years in which data was available.

Figure 10: SCCC and CVB Financial Value Analysis

	CONSOLIDATED SCCC and CVB NET INCOME	TOT REVENUE	TID FEES	CITY SALES TAX	GENERAL FUND CAPITAL EXPENSES	TOTAL FINANCIAL VALUE
FY 2008-09	(2,358,729)	571,716	49,930	60,181	222,065	(1,898,967)
FY 2009-10	(2,325,533)	568,589	49,297	59,851	59,629	(1,707,426)
FY 2010-11	(982,956)	719,750	56,071	75,763	202,642	(334,014)
FY 2011-12	(905,384)	842,820	60,299	88,718	222,508	(136,055)
FY 2012-13	(369,540)	1,089,660	69,398	129,039	165,059	753,498
FY 2013-14	(360,436)	1,241,427	70,260	163,346	573,225	541,372
FY 2014-15	(652,601)	1,547,325	76,457	203,595	431,966	742,810
FY 2015-16	(48,742)	1,244,804	59,791	163,790	7,426	1,412,217
FY 2016-17	229,408	995,760	45,640	131,021	464,687	937,142
Cumulative Total	**($7,774,513)**	**$8,821,851**	**$537,143**	**$1,075,304**	**$2,349,207**	**$310,578**

Source: TAP International, Inc. analysis based on the SCCC and the CVB financial reports.
Note: The time period of FY 2008-09 to 2016-17 was used as General Fund Capital Expense information was not available prior to FY 2008-09.

Under the fourth approach – forecasting the SCCC's future fiscal health – TAP International forecasted net income based on two different scenarios.

Under the first scenario, which forecasts net income based on the SCCC's own operating revenue and expenses, the projections forecast between $2.2M and $3.5M over the next four years, as shown Figure 11. Both operating revenues and expenses are expected to grow over the next four years with operating revenue projected to grow at 24 percent over the four years compared to 12 percent for expenses, if operations continue with the same level of service.

Under the second scenario, the analysis includes capital expenditure estimates and projections of potential allocations of TOT tax and TID revenues if the CVB continues its same level of bookings for hotel rooms. As shown in Figure 11 below, projections show an estimated net income between $1.5M and $2.2M across the four-year projections. A four-year time horizon was selected to provide a reasonable projection period without introducing unknown variables. The greater the projection period, the increased likelihood of a changing business economy and environment.

Figure 11: SCCC Fiscal Forecasts

Scenario 1	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Cumulative Four-Year Forecast
Convention Center Revenue	9,047,604	9,726,174	10,455,637	11,239,810	40,469,226
Convention Center Expenses	6,820,238	7,086,227	7,362,590	7,649,731	28,918,787
Projected Net Income	**$2,227,366**	**$2,639,947**	**$3,093,047**	**$3,590,079**	**$11,550,439**

Scenario 2	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	Cumulative Four-Year Forecast
Convention Center Revenue	9,047,604	9,726,174	10,455,637	11,239,810	40,469,226
Convention Center Expenses	6,820,238	7,086,227	7,362,590	7,649,731	28,918,787
CVB Expenses	1,545,246	1,605,511	1,668,126	1,733,182	6,552,065
TOT Revenue	995,760	995,760	995,760	995,760	3,983,040
TID Revenue	45,640	45,640	45,640	45,640	182,560
City Sales Tax Revenue	131,021	131,021	131,021	131,021	524,084
Capital Expenditures-GF Expense	304,000	131,800	4,292,000	800,000	5,527,800
Projected Net Income	**$1,550,541**	**$2,075,057**	**($1,694,657)**	**$2,229,318**	**$4,160,259**

Source: TAP International, Inc. analysis based on SCCC financial data.

Table notes:

1. Projections for Convention Center revenue and expenses are based on ten-year averages, discounting the high and low values.
2. TAP International applied the same rate of expense increase by the SCCC to the CVB. The actual average CVB rate of expense increase was not applied because of the value variability and the overall decrease in expenses experienced over the past ten years.
3. TAP International applied the same forecast for TOT, TID, and sales tax revenue, which expect to remain constant. Actual rates of change varied between -20% to +45%.
4. Capital Expenditures are based on City budget forecasts. Projected capital project expenditure of $4.3M in FY 2019-20 is primarily for exhibit halls and grand ballroom air wall replacements and carpet replacement.

Contractor/CVB Fiscal Health is Satisfactory Although Cost Allocation Activities Need Attention

The CVB's revenues and expenses are captured in the Contractor's consolidated financial statement. The results of six fiscal health indicators show the Contractor/CVB meets industry benchmarks for five of them, as shown in Figure 12. Warning signs are present because the strength of Contractor's operating cash flow ratio fell below the benchmark between FYs 2015-16 and 2016-17 because of larger than expected spending by the Contractor's core organization. The Contractor/CVB also had declining financial performance across four other indicators. The Contractor/CVB did reduce the number of days its takes to pay bills to under the benchmark of 30 days.

Figure 12: Fiscal Health Indicators of the City's Contractor/CVB

	FY 2015-16	FY 2016-17	Benchmark	Performance
Ability to pay short term bills with available cash (Quick Ratio)	2.3	0.9	> 1.0	
Ability to pay short-term bills (Current Ratio)	2.8	0.9	> 1.0	
Number of days cash is available to pay bills (Cash on Hand)	123	110	60-90	
Number of days it takes to pay bills (Days Payable Outstanding)	31	22	< 30	
Ability to pay debt (Debt Service Coverage Ratio)	9.6	2.2	> 1.0	
Operating Cash Flow Ratio	1.8	0.03	> 1.0	

Source of Data: TAP International, Inc. analysis based on Contractor's audited financial statements.
Table Note:

1. Financial data required to calculate the fiscal ratios was not provided by the Contractor prior to FY 2015-16.

CVB's Year End Fiscal Performance Varied but Within Ten Percent of Total Budget

The Contractor had satisfactory performance in fiscally managing the CVB's total revenue, comprised of the City's contract, ticket sales, and other service fees. As shown in Figure 13, the Contractor's CVB operations had positive net income for four of the past ten years and incurred year-end losses for the remaining six years. None of these year-end deficits exceeded ten percent of the total budget.

Over the ten-year period, revenues for the CVB totaled about $15.8M and expenses totaled about $15.5M, showing that the Contractor was ultimately successful in accomplishing a $278K revenue surplus because the Contractor reduced the CVB's operating expenses at a rate greater than the reductions in its revenues.

Figure 13: Comparison of CVB Operating Revenues and Expenses

	CVB OPERATING REVENUES	CVB OPERATING EXPENSES	CVB NET INCOME
FY 2007-08	1,575,000	1,609,000	(34,000)
FY 2008- 09	1,572,000	1,642,000	(69,000)
FY 2009- 10	1,628,000	1,728,000	(99,000)
FY 2010- 11	1,648,000	1,656,000	(8,000)
FY 2011- 12	1,577,000	1,574,000	3,000
FY 2012- 13	1,568,000	1,527,000	41,000
FY 2013- 14	1,567,000	1,598,000	(32,000)
FY 2014- 15	1,564,000	1,605,000	(41,000)
FY 2015- 16	1,584,000	1,218,000	366,000
FY 2016- 17	1,511,000	1,360,000	151,000
Total for the ten year period*	**$15,794,000**	**$15,516,000**	**$278,000**
Percent Change**	**(4.1%)**	**(15.4%)**	**545%**

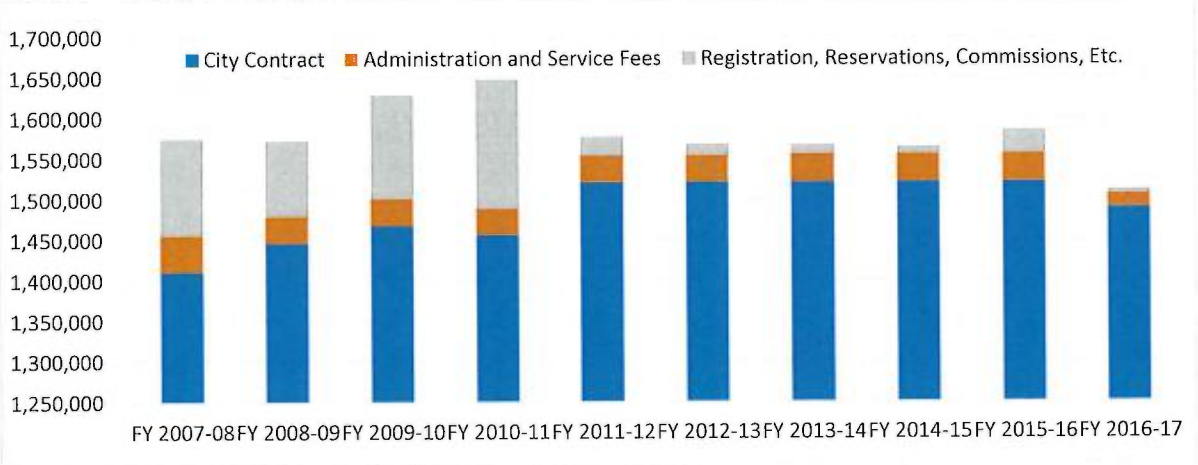
Note: *Revenue and expense amounts rounded to the nearest thousand. **Percent Change based on actual values from CVB financial statements.

Source: TAP International, Inc. analysis based on CVB financial data.

Contractor Opted Against Continuing Conference Registration Services

As illustrated in Figure 14, the CVB's primary source of revenue is the City's contract payments to support operations. Another large source of revenue was registration services. Allowing event sponsors to register their participants for conferences generated up to $149,000 for the CVB until FY 2010-11 when the CVB chose not to renew services. The City had offset the loss in revenue but not at an amount to fully compensate the loss. The SCCC did not assume event registration operations for its clients.

Figure 14. CVB Revenue Sources

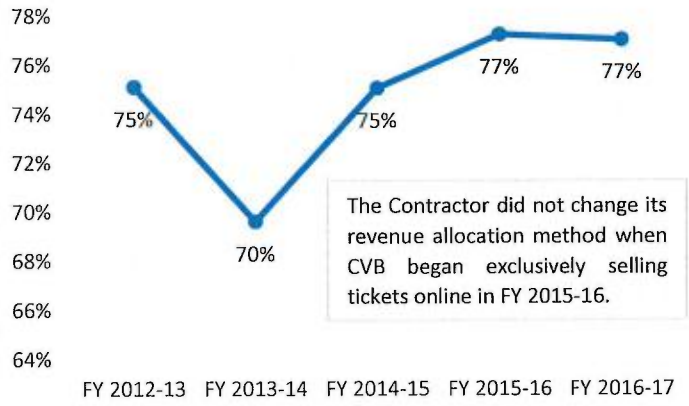


Source: TAP International, Inc. analysis based on CVB financial data.

The CVB's Revenue and Expense Allocations Need Reconciliation

Generally, when administrative services are shared among entities or different business functions, the expenses incurred from performing these services are allocated and charged to each entity or business function. The allocation of these expenses is usually based on a cost accounting study or a corporate policy that shows a reasonable basis for the allocations.

Figure 15: CVB Ticket Sales Allocation Percentage



Source of Data: TAP International, Inc. analysis based on the CVB financial data.

While the contractor does not have a written cost allocation policy, in practice, the allocations differed depending on the type of expense. The Contractor's SCCC and CVB staff reported that it has been a long-standing practice to allocate 80 percent of overhead expenses to the CVB and 20 percent to the Contractor. Our analysis, however, shows that the CVB paid between 70 and 85 percent of the expenses for office supplies and maintenance and between 79 and 86 percent of telephone expenses over the past five years. For accounting services, the Contractor reportedly allocates 85 percent of these expenses to the CVB. However, the Contractor's staff reported that the CVB's accounting activities require less time to complete than the accounting activities for the Contractor's own organization.

When the CVB generates revenue involving Contractor resources, then cost allocation policies can include methods for dividing revenue. Similarly, the contractor does not have a documented policy for revenue allocations, but the Contractor's CVB officials reported that prior to FY 2015-16, the CVB was to retain 70 percent of revenue from ticket sales for area attractions while the Contractor was to retain the remaining 30 percent. In practice, however, as shown in Figure 15, the Contractor allocated between 70 and 77 percent to the CVB. The Contractor's CVB officials explained that beginning in FY 2015-16 when the CVB began selling tickets online exclusively, the CVB should have received all $4,626 in fees collected, but the CVB received $3,569 from FYs 2015-16 to 2016-17.

The CVB's Value is Generating Tax Revenue for the City

One of the key's goals of the CVB is to promote the SCCC and the City as a destination area. These efforts result in generating several types of tax revenue when visitors use the SCCC, area hotels, businesses, and restaurants. These taxes include transient occupancy taxes that collect 9.5 percent on hotel lodgings; sales tax of nine percent when purchases are made; and other revenue

in the form of TID fees which assess $1 per room night among eight participating hotels in the Tourism Improvement District.

The CVB's marketing and promotion efforts on behalf of the City directly led to 441,716 hotel room nights between FYs 2010-11 and 2016-17, resulting in added tax revenue and fees for the City. Had the City allocated a performance-based portion of TOT tax, TID fees, and sales tax to the CVB, the CVB's net financial impact over ten years could have been an estimated $11.5M, as shown in Figure 16.

Figure 16: Net CVB Financial Impact

	TOTAL CVB REVENUES	TOTAL CVB EXPENSES	CVB NET INCOME (LOSS)	TOT REVENUE	TID REVENUE	CITY SALES TAX REVENUE	NET CVB IMPACT
FY 2007- 08	1,574,883	1,608,754	(33,871)	710,498	51,117	74,789	802,533
FY 2008- 09	1,572,218	1,641,564	(69,346)	571,716	49,930	60,181	612,481
FY 2009- 10	1,628,401	1,727,812	(99,411)	568,589	49,297	59,851	578,326
FY 2010- 11	1,647,870	1,655,725	(7,855)	719,750	56,071	75,763	843,729
FY 2011- 12	1,576,857	1,573,924	2,933	842,820	60,299	88,718	994,770
FY 2012- 13	1,567,782	1,526,693	41,089	1,089,660	69,398	129,039	1,329,186
FY 2013- 14	1,566,591	1,598,128	(31,537)	1,241,427	70,260	163,346	1,443,496
FY 2014- 15	1,564,199	1,605,055	(40,856)	1,547,325	76,457	203,595	1,786,521
FY 2015- 16	1,584,455	1,218,106	366,349	1,244,804	59,791	163,790	1,834,734
FY 2016- 17	1,510,906	1,360,207	150,699	995,760	45,640	131,021	1,323,120
Total for the ten year period	**$15,794,162**	**$15,515,968**	**$278,194**	**$9,532,349**	**$588,260**	**$1,150,093**	**$11,548,896**

Source: TAP International, Inc. analysis based on SCCC and CVB financial data. It is assumed that SCCC partner's sales tax is included in the City Sales Tax Revenue.

Section 1B: SCCC's and CVB's Revenue Sources and Spending Generally Align with Missions

The SCCC and the CVB Have Customary Revenue Sources

The SCCC generates income customary for their mission, collecting revenue from 23 general sources. As highlighted in Figure 17, the SCCC's largest revenue sources are:

- Space Rentals (Exhibit Halls, Ballrooms, Meeting Rooms, Great America, and Theater)
- Catering Commissions
- Audio-Visual Commissions
- Telecommunication Commissions.

Since FY 2007-08, 16 of the 23 revenue sources experienced an increase in revenue, ranging from 4 to 515 percent. Another six revenue sources experienced declines, ranging from -4 to -68 percent.

Figure 17: SCCC Revenue Sources

Revenue Source	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	% Change FY 2008-09 to 2016-17
Space-Exhibit Halls	1,265,660	1,194,129	1,113,905	1,090,620	1,142,031	1,352,496	1,261,166	1,337,354	1,416,000	1,353,372	7%
Space-Ballrooms	209,948	221,195	488,060	622,105	598,929	711,857	823,143	801,308	873,944	915,085	336%
Space-Meeting Rooms	207,984	194,893	180,207	219,685	207,900	239,957	237,630	237,580	262,125	275,466	32%
Space-Great America	286,623	271,593	220,997	214,889	274,632	291,742	360,661	385,969	358,770	404,850	41%
Space-Theater	193,640	189,026	151,590	208,620	203,376	211,483	218,644	200,892	208,720	201,000	4%
Space-Cancellation	63,650	163,594	76,138	24,641	15,899	111,523	72,799	77,641	95,995	60,810	(4%)
Merchant Fees			(25,191)	(34,347)	(38,468)	(54,177)	(60,668)	(58,205)	(63,372)	(79,196)	---
Labor-Miscellaneous	10,933	8,915	9,565	19,270	11,168	6,825	5,420	9,139	8,655	8,400	(23%)
Equipment Rental	64,854	58,374	55,466	99,048	55,400	92,744	76,773	120,308	106,638	123,897	91%
Electrical Comm.	107,391	159,844	105,585	140,410	192,214	222,042	184,879	222,373	203,486	277,045	158%
Electrical Services In-House	94,506	53,573	66,840	164,515	156,749	117,605	107,866	111,470	133,650	58,485	(38%)
Audio-Visual Comm.	270,992	271,929	362,512	395,825	411,300	462,273	605,755	594,217	609,736	638,611	136%
Services - Misc.	5,810	18,472	4,360	6,525	5,773	5,658	7,100	639	3,930	3,495	(40%)
Incoming Freight	3,690	3,675	3,175	6,065	9,543	3,764	3,314	2,631	3,423	6,649	80%
Cell Site Revenue	23,009	17,794	17,794	17,794	17,980	18,233	18,936	18,090	26,236	33,039	44%
Telecomm Commission	175,127	127,363	175,520	295,797	327,993	447,915	446,187	432,566	527,971	638,933	265%
Catering Commission	1,262,009	800,499	1,037,616	1,900,070	2,195,799	2,509,846	2,809,971	2,566,610	2,572,066	3,060,064	142%
Insurance Revenue	2,610	2,245	2,085	2,170	2,135	2,853	3,115	1,995	1,750	2,030	(22%)
Interest Revenue	72,998	65,877	57,670	42,934	43,423	20,004	14,025	10,752	7,175	23,689	(68%)
Advertising Comm.	25,154	26,015	15,976	26,009	32,254	32,536	30,449	26,983	29,658	35,644	42%
Sponsorship Revenue	2,300	1,600	1,800	5,550	5,700	16,500	10,950	4,000	2,800	14,150	515%
Business Center Comm.	5,324	4,123	4,481	5,220	5,645	6,710	12,502	14,802	12,682	10,088	89%
Other Income	11,057	2,204	8,874	8,629	4,134	18,771	3,572	3,702	4,629	28,158	155%
TOTAL	**4,365,268**	**3,856,929**	**4,135,023**	**5,482,042**	**5,881,508**	**6,849,158**	**7,254,188**	**7,122,815**	**7,406,668**	**8,093,763**	**85%**
TOTAL FY 2007-08 to 2016-17											**$60,447,362**

Source: TAP International, Inc. analysis based on CVB financial data.

The CVB also generates income customary for their mission, collecting revenue from nine general sources between FYs 2007-08 and 2016-17. Total revenues from these sources declined by four percent over a ten-year period, as shown in Figure 18. The CVB's Admin and Service Fees include TID revenue, which declined in FY 2016-17. TID revenues received should be reported under a separate income account for better transparency.

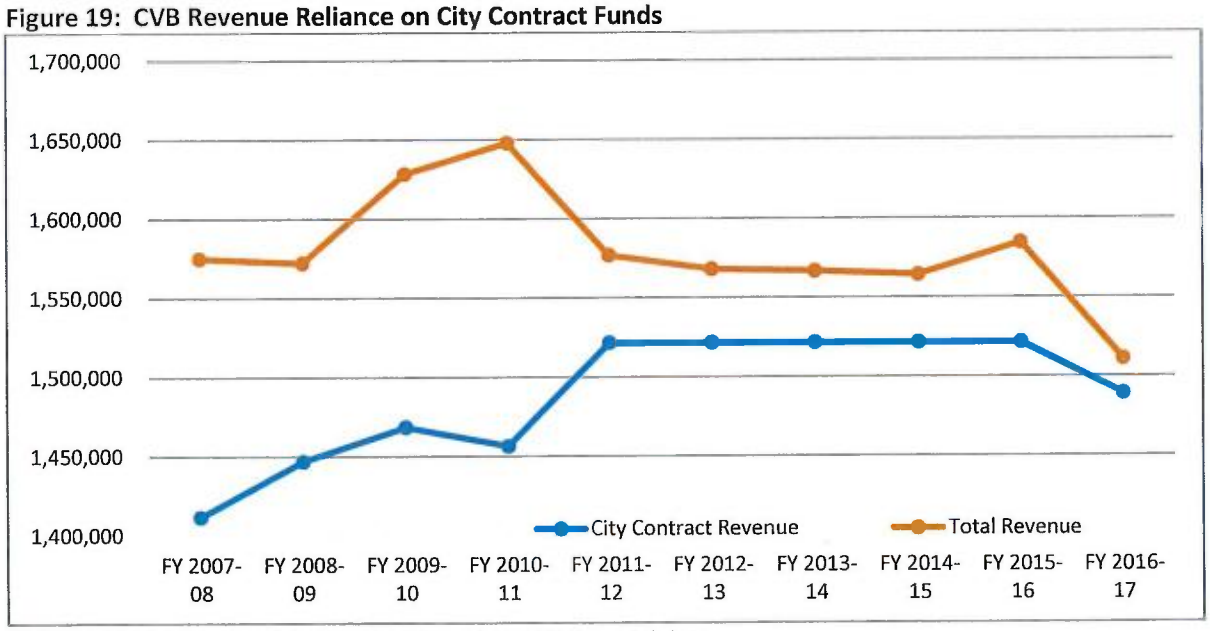
Figure 18: CVB Revenue Sources

Revenue Source	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	% Change FY 2008-09 to 2016-17
Admin and Service Fees	44,580	32,882	32,893	32,265	32,265	32,160	34,500	34,500	34,500	16,750	(62%)
Program Services									50	300	---
On-Line Hotel Reservations	8,111	6,467	2,071	2,261	2,443	2,284	2,625	1,856	1,987	1,047	(87%)
City Contract	1,411,678	1,446,962	1,468,526	1,456,526	1,521,526	1,521,526	1,521,526	1,521,526	1,521,526	1,489,315	5%
Discount Ticket Sales	2,099	3,529	1,983	7,195	13,049	11,274	7,149	5,812	2,114	1,455	(31%)
Registration Services	107,393	81,731	122,351	149,400	7,389	399	735	458			(100%)
Commission Revenue									22,431	1,946	---
Banner Ads									1,800		---
Interest Income	1,022	647	577	223	185	139	56	47	47	93	(91%)
TOTAL	**1,574,883**	**1,572,218**	**1,628,401**	**1,647,870**	**1,576,857**	**1,567,782**	**1,566,591**	**1,564,199**	**1,584,455**	**1,510,906**	**(4%)**
TOTAL FY 2007-08 to 2016-17											$15,794,162

Source: TAP International, Inc. analysis based on SCCC financial data.

Figure 19 highlights that the Contractor by FY 2016-17 became dependent on the contract funds to support operations.

Figure 19: CVB Revenue Reliance on City Contract Funds



Source: TAP International, Inc. analysis based on CVB financial data.

Nearly All SCCC and the CVB Expenses are Customary, Except for Bonuses and Commissions

The SCCC has customary expenses for its mission. As highlighted in Figure 20, the SCCC spent the most on salaries and benefits (reported under labor) at about $5M followed by utilities at $732,000. Labor and utility expenses rose the most in comparison to other expenses. The SCCC reduced its spending in four areas – professional association dues, advertising and promotion activities, telephone charges, and parking fees.

Figure 20: Changes in SCCC Spending

Convention Center Expenses	FY 2007-08	FY 2016-17	$ Increase (Decrease)	% Change
Labor Related	3,530,564	4,983,964	1,453,400	41%
Parking Fees	16,165	8,550	(7,615)	(47%)
City Admin Fee	45,000	136,699	91,699	204%
Other Operating	2,297	39,500	37,203	1620%
Professional Associations	9,525	9,152	(373)	(4%)
Advertising and Promotion	6,447	970	(5,477)	(85%)
Telephone	38,317	8,568	(29,749)	(78%)
Office Expense	55,708	111,525	55,817	100%
Insurance	86,365	169,206	82,841	96%
Employee Expenses (payroll, training, etc.)	41,998	72,780	30,782	73%
Maintenance	135,467	244,576	109,109	81%
Janitorial and Cleaning	90,082	144,713	54,631	61%
Utilities	530,715	732,235	201,520	38%
Total Expense	**$4,588,650**	**$6,662,438**	**$2,073,788**	**45%**

Source: TAP International, Inc. analysis based on the SCCC's financial data.

The CVB also has customary expenses for its mission. As highlighted in Figure 21, the CVB spent the most on salaries and wages at nearly $790,000 followed by advertising and marketing related expenses for the SCCC and the CVB totaling about $179,000 in FY 2016-17. Over time, the CVB reduced its spending in 17 areas with its largest declines in Salaries and Wages and Employee Benefits, respectively.

Figure 21: Changes in CVB Spending

CVB Expenses	FY 2007-08	FY 2016-17	$ Increase (Decrease)	% Change
Salaries and Wages	937,383	787,658	(149,725)	(16%)
Payroll Taxes	76,040	55,347	(20,693)	(27%)
Employee Benefits	174,188	102,194	(71,994)	(41%)
Depreciation/Amort.	10,300	5,093	(5,207)	(51%)
Office Supplies/Maintenance	27,639	17,143	(10,496)	(38%)
Computer Service/Maintenance	0	33,500	33,500	---
Accounting and Audit	27,845	35,320	7,475	27%
Legal Fees	0	10,174	10,174	---
Office Equipment.	1,228	1,356	128	10%
Rent	88,575	91,232	2,657	3%
Telephone	22,292	17,039	(5,253)	(24%)
Insurance and Taxes	7,874	3,448	(4,426)	(56%)
Administrative Meeting	2,893	1,981	(912)	(32%)
Postage	18,590	6,298	(12,292)	(66%)
Mileage	3,059	1,443	(1,616)	(53%)
Payroll Service fee	4,499	5,854	1,355	30%
Inside Santa Clara Newsletter	10,500	7,949	(2,551)	(24%)
Advertising-Convention Marketing	0	4,204	4,204	---
Advertising-Travel Marketing	19,709	17,914	(1,795)	(9%)
Marketing-Servicing	550	0	(550)	(100%)
Marketing-Convention Center Marketing/Sales	103,799	99,086	(4,713)	(5%)
Marketing-Visitors Bureau	52,571	49,620	(2,951)	(6%)
Outside Services	6,242	0	(6,242)	(100%)
Expense Reimbursement	11,015	0	(11,015)	(100%)
Miscellaneous	1,963	6,354	4,391	224%
Total Expense	**$1,608,754**	**$1,360,207**	**($248,547)**	**(15%)**

Source: TAP International, Inc. analysis based on the Contractor's audited financial statements.

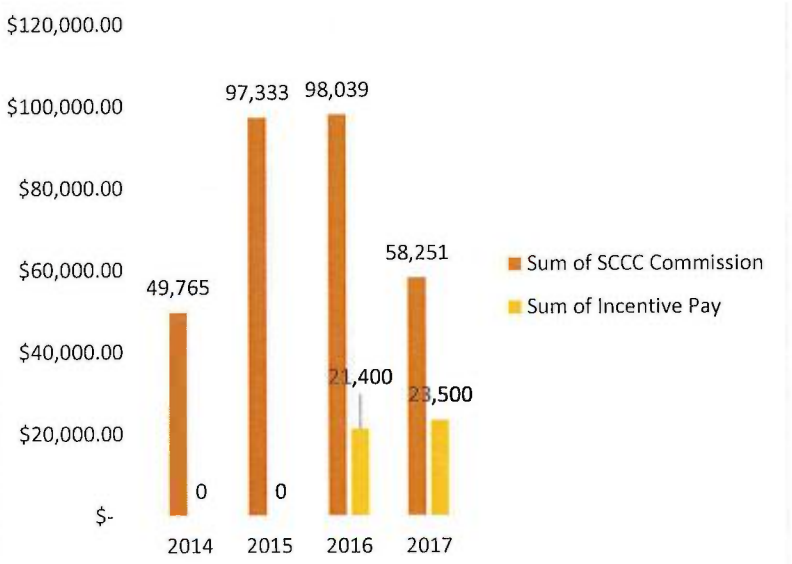
The Contractor Improperly Paid Commissions

Although the Management Agreement does not contain terms or conditions governing the payment of sales commissions, the SCCC Sales Director received commissions based on the number of events scheduled at the Convention Center, the services sold, and the level of new and repeat business that was brought to the facility. In two full calendar years and another two partial years between 2014 and 2017, the SCCC paid its Sales Director approximately $303,000 in commissions in addition to a low base annual salary. Generally, in a sale driven environment, sales staff are provided financial incentives to meet sales goals and targets that can be in the

form of commissions or bonuses. The added compensation can be viewed as opportunity costs for businesses if it leads to revenue growth. Because commissions are not offered in publicly funded operations, the commissions should have been included in the Contractor's formal agreement with the City for subsequent review and approval by the City Council. SCCC management explained that there was no direction by the City to submit employment-related decisions to City Management or City Council for approval.

SCCC management said that the use of commissions has been a long-time practice. The Contractor included the commissions in the SCCC's operating budget under a General Management category although the commission appropriations should have been presented as Commissions in a separate budget category. This absence of transparency led the City Council to inadvertently approve the appropriations for the commissions without policy deliberations. Moreover, offering commissions prevented the full coordination and cooperation between the SCCC and CVB sales staff. CVB sales staff reported that the scheduling of events with lower economic value by SCCC staff received preference over higher valued events. SCCC management disagrees with CVB's assertion. Event scheduling is later discussed in this report.

Figure 22: SCCC Commission and CVB Incentive Pay Expenses



Source of Date: TAP International, Inc. analysis based on SCCC salary reports and CVB incentive pay computation reports.
Table Note: Data was available only for the SCCC Commission payments for six months only for calendar year 2014 and for 2017

Bonus Payments Need Further Review

The Contractor's CVB staff was paid bonuses, referred to as incentive pay, that needs further review. The Contractor paid the CVB's sales staff incentive pay provided that the employees met individual quarterly sales goals and targets. The amount of incentive pay varied by sales manager. We did not have complete data to determine the full amount of incentive pay paid to the Contractor's CVB employees, but for calendar year 2017, incentive pay totaled $23,500. Included

in the payments were amounts for events scheduled in future years like in 2021, but offsets in incentive payments did not occur if events were cancelled. CVB staff explained that event sponsors are required to pay a deposit in the event of a future cancellation, and thus fees are available for the incentive payments.[9] The absence of pay offsets for cancelled events contradicts the purpose of giving performance bonuses. In FY 2016-17, the SCCC collected about $60,000 in cancellation fees.

How the Contractor paid for the incentive payments is of concern. The incentive payments were not paid for by the City's monthly contractual payments, but instead were paid for by funds from another public entity – the Santa Clara Tourism Improvement District (TID)[10] – without a formal contract or written legal agreement in place. Incentives payments could be appropriate if the TID competitively bid for marketing and promotion services and then entered into a formal agreement that contained provisions to pay performance incentives if goals were met. In the absence of a formal agreement, the funds appropriated to the Contractor by the TID need further examination by the City to determine if the TID was in violation of public law that prohibits the giving or lending of public to any person or entity, public or private organizations, except under certain circumstances.[11]

There were no disclosures about the use of incentive pay although the City had imposed oversight requirements on the TID that provided some accountability and transparency over operations. These requirements include submissions of annual reports and an annual financial audit. The TID's operating budget did contain funds for bonuses in its annual operating budget but no disclosure was evident that the bonuses were for another organization. As the City did not require the TID to submit budget documents for review, incentive pay provided to the Contractor's organization would have remained unknown unless direct communication occurred. None of the current City management staff were aware of the incentive pay or of the commission payments.

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[9] Incentive payments are actually paid by the TID. The point made by the CVB staff is that when events are cancelled, revenue is recovered, so there is no direct revenue loss to the City.

[10] The TID, established to promote tourism and enhance marketing activities, received $1 per room night from eight participating hotels that comprise the TID. In FY 2016-17, TID estimated fees totaled $759,009. The Contractor for the SCCC and CVB also managed the TID.

[11] California's Constitution Article XVI, Section 6.

Section 2: Structures, Systems, and Operations Need Strengthening

Contractor Does Not Implement Strong Financial Management Activities

This section describes the activities of the Contractor to administer financial management of the SCCC and CVB.

Financial Management Policies and Procedures Need to Address Content Gaps

Important to an effective financial management structure is the development of policies and procedures. Policies and procedures serve the purpose of:

- Protecting the assets of the organization
- Providing a framework for the organization's financial decision making
- Establishing operating standards and behavioral expectations
- Ensuring compliance with regulations.

In the two agreements between the Contractor and the City, the City required that the Contractor separate its accounting activities for the SCCC and CVB operations and perform other financial management related tasks. The City did not require the development of financial management policies. However, the Contractor had developed two sets of financial management policies. One set governs the CVB and the other governs the SCCC.

TAP International evaluated the content of the SCCC's financial management policies and procedures against guidance issued by the Government Finance Officers Association (GFOA) because SCCC is an enterprise operation and publicly owned. Of 11 financial management areas most applicable to the SCCC, the SCCC had gaps in content among six of them, as shown in Figure 23.

The five areas that need policy development include:

- Reserves
- Contract
- Risk Management and Internal Controls
- Long Term Financial Management Planning
- Capital Management Policies.

Figure 23: SCCC Financial Policies and Procedures Development

Policy Area	Policy Developed by SCCC
Reserves in other funds. Policies that set how much revenue to set aside for later use.	No
Contract: Policies that deal with the administration of contract revenue.	No
Accounting: Policies that address the basis of accounting, the process for implementing journal entries, requirements for bank reconciliation, monthly closing, and recordkeeping.	Partially[12]
Financial reporting: Address procedures and controls for internal financial reporting, tax compliance and tax returns, and payroll reporting.	Partially[13]
Risk management and internal controls: Policies that address risk management and internal control.	No
Procurement: Policies to encourage efficient, effective, and fair procurement.	Partially[14]
Long-term financial planning: A policy that commits the organization to taking a long-term approach to financial health.	No[15]
Capital: Policies that cover the lifecycle of capital assets, including capital improvement planning, capital budgeting, project management, and asset maintenance.	No
Revenues: Policy guidance through the designing of efficient and effective revenue systems that guarantee the generation of adequate public resources to meet expenses.	Partially[16]
Expenditures: Policies addressing a range of issues around how the money is expended, including personnel, outsourcing, and funding long-term liabilities.	Partially[17]
Operating budget: Policies that describe essential features of the budget development process and form, as well as principles that guide budgetary decision making.	Partially[18]

Source: TAP International, Inc. analysis of SCCC financial policies.

TAP International evaluated the content of the CVB's financial management policies and procedures against guidance issued by the National Council for Nonprofits for six key areas for

[12] SCCC policy does not define responsible parties to conduct activities and oversight controls.
[13] SCCC policy does not define procedures or controls to ensure accuracy and completeness of internal financial reports.
[14] SCCC policy does not address proposal and bid process that should ensure fair purchasing and contracting, only Purchase Orders
[15] SCCC policy address bi-annual budget process, but not long-term planning.
[16] SCCC policies have been developed for Revenue Recognition and Cash Receipting, but revenue generation systems and controls are not defined.
[17] SCCC policy address the cash disbursement process, but not management long term liabilities, which is currently not applicable to the SCCC because it does not have long term debt on its accountings records.
[18] SCCC policy does not include a description of budget assumptions to be used the preparation of the budget or the type of budgeting methodology to use.

nonprofit organizations, as described in Figure 24. The CVB's financial policies also had some gaps in each area.

Figure 24: Contractor development of Financial Policies for the CVB

Policy Area	Policy developed for CVB
Accounting: Address the basis of accounting, the process for implementing journal entries, requirements for bank reconciliations, monthly closing, and recordkeeping.	Partially[19]
Financial Planning & Reporting: Address procedures and controls for internal financial reporting, tax compliance and tax returns, and payroll reporting.	Partially[20]
Budgeting Process: Policies that describe essential features of the budget development process and form, as well as principles that guide budgetary decision making.	Partially[21]
Revenue and Accounts Receivable: Policies guiding invoice preparation, revenue recognition, cash receipts, and deposits.	Partially[22]
Expense and Accounts Payable: Policies describing Purchases & Procurement and the use of Independent Contractors.	Partially[23]
Invoice Approval and Processing: Procedures describing how cash will be disbursed, petty cash procedures and amounts, use of credit card, and employee reimbursements.	Partially[24]

Source: TAP International, Inc. analysis of CVB financial policies.

SCCC and CVB Could Benefit from an Integrated Financial Accounting System

An important financial management tool is the use of accounting systems to collect, store, and process financial and accounting data and produce informational reports for managerial review and decision-making. The Contractor uses two different accounting systems – one for the CVB and the other for the SCCC. Without an integrated accounting system, financial reports must be

[19] CVB policy does not define responsible parties to conduct activities and oversight controls.
[20] CVB policy does not define procedures or controls to ensure accuracy and completeness of internal financial reports.
[21] CVB policy does not include a description of budget assumptions to be used the preparation of the budget or the type of budgeting method to use.
[22] CVB policies defines payment types and bank deposits but does not address invoice preparation or how information is used to create journal entries.
[23] CVB cash disbursement policy provides overview of payment types and check processing but does not address use of independent contractors.
[24] CVB policy does not define spending limits and authorization for use of credit cards.

prepared and reviewed separately, and errors must be manually identified and corrected.[25] Our review found CVB financial reports did not include adequate detail about transaction history. For example, the CVB did not have explanations of gaps in check numbers or check numbers found out of sequence. The Contractor explained that the printer damaged the subject check numbers. In comparison, the SCCC's financial data system kept a detailed record of all voided checks even those destroyed by printing–a standard internal control activity. The SCCC's General Manager/CEO sought to integrate the two accounting systems in FY 2016-17 without success after a Board member of the Contractor's organization opted against system integration.

"Separate Accounting" Activities between the Contractor's Organization and the CVB Needs Stronger Internal Controls

The updated 2017 CVB agreement between the City and the Contractor requires "separate accounting" between the CVB and the Contractor. The agreement does not include a definition of "separate accounting" or clarifies the City's intent on whether the City intended to require separate accounting systems or separate bank accounts. The absence of specificity in the agreements has led the Contractor to deposit into the same bank account all revenues received for its own organization (including member dues and donations), the City's contract revenue, other CVB revenue, TID revenue, and SCCC payroll payments into one bank account. In FY 2016-17, the SCCC's General Manager/CEO, sought to appropriately establish separate checking accounts for the CVB and for the Tourism Improvement District. A former Board member of the Contractor's organization gave authorization only to set up a separate bank account for the Tourism Improvement District.

To comply with the requirement to provide "separate accounting", the Contractor records financial transactions on either the CVB's General Ledger or on the Contractor's own General Ledger depending on which entity incurred the expense. A general ledger holds account information on individual financial transactions and contains data on revenues, expenses, assets, liabilities, and equity for use in financial reporting. The recording of these transactions on the correct general ledger is vital to ensuring accounting financial reporting.

Our review of 49 financial transactions between FY 2006-2007 and FY 2017-2018 showed that the Contractor recorded about half (24) of the transactions correctly. Another 11 transactions had some type of exception. For these exceptions, the Contractor did not effectively implement internal controls. The exceptions we noted are as follows:

- The absence of an account code that would describe whether to post the expense on the CVB or the Contractor's ledger

[25] SCCC's financial reports and disbursements are provided to the City for the City to manually perform enterprise accounting activities. The accounting of fixed assets for the SCCC is captured separately on an MS Excel spreadsheet.

- Different expense amounts shown on the General Ledger in comparison to payment documentation and the invoice amount
- Approval of purchase orders after incurring the expense. A purchase order describes the purpose of the expected expense and the proposed vendor so that management can review and approve the expense prior to its occurrence.

For the remaining 14 transactions, it was not possible to determine whether the Contractor posted the expenses to the correct general ledger because of the unavailability of invoices and records that show accounting instructions. The weaknesses in internal controls did not materially affect the Contractor's audited financial statements because these statements combined the CVB's and the Contractor's financial position.

Our sample of SCCC financial transactions did not find exceptions to internal controls.

TAP International further examined the Contractor's controls governing the use of credit cards. The Contractor managed one credit card account for use by seven employees working for the Contractor, CVB staff, and SCCC staff. Using the same credit card account for three entities needs to have strong business processes to reconcile receipts to the expenses on a timely and accurate basis. However, the Contractor did not implement uniform credit card reconciliation processes or implement other internal controls, as follows.

- The SCCC requires receipts to be given to its accounting department immediately after the purchase but the Contractor does not consistently collect these receipts for the CVB. Missing receipts were clear across the three credit card statements selected for review. Without receipts, the Contractor cannot review the allowability of the expenses incurred.

An effective internal control requires submission of receipts or expense reports immediately after purchases or at month-end.

- Travel request forms that show the planned dates of the trip, the purpose of the trip, and expected expenditures can allow Contractor staff to cross-check dates of approved travel with corresponding credit card expenses. Neither the SCCC nor the CVB require travel requests to be prepared so that credit cards could be effectively reconciled. Without the approved travel requests, Contractor staff do not have a basis to determine whether executive management had given approval of the travel related charge prior to its

Another control is to prepare travel request forms for pre-approval of expected expenses.

A third control is to prepare purchase orders. A purchase order describes the purpose of the expense and the estimated costs for review and approval by management prior to incurring the expense.

occurrence. SCCC management explained that their employees do not perform out of town travel and would not need to prepare travel orders. However, travel to attend future training, seminars or conferences should be authorized through a travel order.

- While the SCCC requires purchase orders for internal needs such as printing, office supplies, and small equipment items; the CVB did not consistently use them. Without purchase orders, the CVB staff are making purchases without advance knowledge by management. The Contractor's financial policies do not comprehensively address credit card use or identify spending limits subject to purchase orders.

Information Management Could be Used More Effectively

This section describes how well the CVB and SCCC manage and uses the information it collects on performance.

The SCCC Has an Opportunity to Fully Leverage the Information it Collects

Information management is the planning, organizing, collecting, analyzing, evaluation, and reporting of information. Vital to information management is performance measurement, which allows development and reporting on key metrics using operational information collected by an organization. The information, when analyzed, can identify when work processes break down or where work processes can be improved for better service delivery. Performance measures can address the timeliness of program activities conducted (process), the direct products and services delivered by the process (outputs), or the results of those processes (outcomes).[26] Effective information management supports better and quicker managerial decisions that increase overall operating effectiveness.

Examples of the types of performance measures tracked by the CVB are primarily output measures, such as:

- Number of leads
- Number of leads lost
- Number of events booked
- Number of events cancelled
- Number of room nights
- Number of guests.

The CVB implements a satisfactory information management system in place. The CVB routinely tracks, collects, and reviews its progress at selling and marketing both the SCCC and area hotels. In addition, the CVB routinely reviews the accuracy of the data captured in its computer systems. The CVB management staff analyzes output measures to identify trends, compute performance bonuses, and to assess progress at meeting annual performance targets.

[26] MANAGING FOR RESULTS: Data-Driven Performance Reviews Show Promise but Agencies Should Explore How to Involve Other Relevant Agencies, February 2013. U.S. Government Accountability Office
PERFORMANCE MEASUREMENT AND EVALUATION, May 2011, US. Government Accountability Office.

The CVB also collects and monitors a key outcome measure – economic impact – to assess the effectiveness of its sales and marketing efforts. The CVB computes this metric using an industry formula that considers lodging revenue, TOT revenue, TID revenue, sales tax, and tourism activities among other things. In FY 2016-17, the total economic impact for SCCC events totaled $122.3M, exceeding its annual performance benchmark of $88M.[27]

The SCCC does not have same level of information management in comparison to the CVB.

The SCCC collects multiple types of data but could do more to analyze the information to assess overall performance. For example, the SCCC administers customer satisfaction surveys, but it does not collectively analyze the surveys to assess overall performance effectiveness and efficiency. In another area, the SCCC collects information on event bookings but does not routinely use the data to assess booking patterns and trends.

Neither the CVB nor the SCCC have developed benchmarks from which to assess their own annual performance. Benchmarks are a standard of performance using the SCCC's and the CVB's own information. Having this information available could allow the Contractor to align sales and promotion efforts with the SCCC rental needs.

Examples of benchmarks and performance measures include:

5-year Average Benchmark	Annual Performance Measure
Facility use rate	% of calendar days that the Convention Center facilities are used
Space utilization	% of SCCC square footage used
Revenue per event	Average direct revenue per event
Total events booked	Total events booked
# of same day bookings	Annual # of same day bookings
# of multi-day bookings	Annual # of multi-day bookings
Total events booked by partner	Average Total events booked by CVB Total events booked by SCCC Total events booked by SCCC partners

The Contractor could benefit from other information to measure business process efficiency. For example, the CVB implements business processes to work leads and to book events with its clients. The CVB staff said that the time required to complete these activities consume about three hours to prepare required forms; time that could be spent working other leads. Changes could be made with how their activities are administered, such as having support staff prepare required forms, but the CVB requests for support staff have been denied. Tracking the efficiency

[27] TAP International, Inc analysis of 10 years of CVB booking data.

or cost-effectiveness of the SCCC and the CVB operations can drive changes to increase productivity.

Another business process that could have better cost data and performance information is how the SCCC administers maintenance operations. Presently, tracking and monitoring of maintenance operations is a manual process that require supervisors to prepare a one-page log for each shift, describing all the items that need repair. For FY 2017-18, the logs contained 2,893 items across two shifts per day. The completion status of each items described on the log was unknown because the SCCC does not record when a work order is completed, or what was done to repair the item. Better information management, including implementation of a formal work order system that can track individual work items, the amount of time and resources spent on each work item, and the completion status of each item could facilitate effective management of maintenance operations.

Contractor's Governance and Other Activities Do Not Facilitate Public Trust

The National Council of Nonprofits states there is no cookie cutter approach to governance of nonprofit organizations, but there are basic activities that help nonprofit organizations accomplish good governance. Good governance in the nonprofit sector promotes the proper use of resources consistent with the organization's mission and applicable laws and it is about maintaining trust and confidence of those the organization serves. This section describes the activities of the Contractor to provide a compliant and accountable operations for the SCCC and the CVB.

The Contractor Had Not Developed Key Governance Policies and Procedures

The Contractor is organized as a 501(c)(6). The U.S. Internal Revenue Services (IRS) describe basic governance activities it desires for nonprofit organizations. Basic governance activities are those described on the IRS Form 990, which is subject to annual filing by nonprofit organizations. Six areas described on the Form 990 assess governance activities. TAP International found the Contractor implemented three of the six activities recommended, as shown in Figure 25.

Figure 25: Contractor Implementation of Basic Governance Activities

Requirements	Implemented
Maintain minutes of all board meetings (and committee meetings for committees that are authorized to act on behalf of the board, such as an executive committee). (See IRS Form 990, Part VI, Section A, line 8)	Yes
Complete a questionnaire about conflicts of interest. (See IRS Form 990, Part VI, Section B, Line 12)	Yes
Disclose to the public the nonprofit's three most recently filed annual returns with the IRS, as well as its application for tax-exemption and related correspondence and attachments.	Yes
Maintain a written whistleblower protection policy (Part VI, Section B, line 13)	No

Maintain a written document retention/destruction policy (Part VI, Section B, line 14)	No
Maintain a written gift acceptance policy to govern the receipt of "non-cash" gifts, such as gifts-in-kind, and unusual gifts (land, vehicles, artwork etc.)	No

Source: TAP International, Inc. analysis of Contractor Form 990 Filings

The Contractor Has Several Self-Disclosed Conflicts of Interests

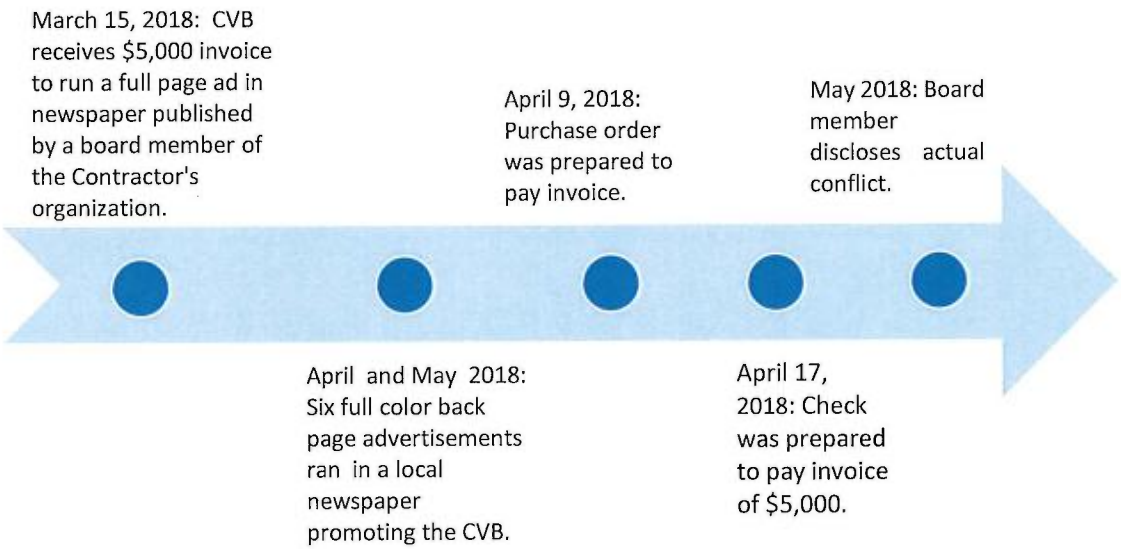
We further examined the effectiveness of the Contractor's efforts to implement one of the three basic governance activities – conflict of interest forms. For any organization, officials and employees are expected to use good judgment, to adhere to high ethical standards, and to act in such a manner as to avoid any actual or potential conflict of interest. A conflict of interest occurs when the personal, professional, or business interests of an employee or Board member conflict with the interests of the organization. Both the fact and the appearance of a conflict of interest should be avoided.

Our review of 19 conflict of interest forms submitted by Contractor officers and employees identified the following:

- The Contractor's employees working for the CVB and the SCCC, and who make decisions on behalf of the City, did not complete the forms because they were not requested to do so by the Contractor.
- Of the 19 forms submitted, three had contained disclosures of conflicts of interest. One of these forms, submitted by a Board Director who is also serving on the Contractor's committee overseeing the CVB, disclosed an actual conflict of interest regarding a business relationship between his company, a local newspaper, and the Contractor's organization. The disclosure occurred in May 2018, after a conflict had occurred, preventing the Contractor's Board or Executive Director from resolving the issue. As shown in Figure 26, the conflict was related to ads purchased in a local newspaper by the CVB.

> "A conflict of interest exists when officers, board members, and staff has a direct or indirect business, professional, or personal relationship that may influence or be perceived to influence the judgement or action of the Officer, Board member, or staff serving the Santa Clara Chamber of Commerce and Convention Visitors Bureau. Such conflict of interests include, but are not limited to, personal and professional affiliations, and business dealings. All real and perceived conflicts of interest will be disclosed to the appropriate level necessary for consideration, resolution, and direction."
>
> Source: Contractor Conflict of Interest Statement

Figure 26: Timeline on Conflict of Interest Disclosure



Although the CVB's National Advertising Manager raised concern about the value of running the ads in that particular local newspaper, the Contractor stated that the CVB staff, without influence from the Board of Directors, believed that it was better business decision to advertise in a more cost-effective media outlet that targets Santa Clara corporations.

In another example of a self-disclosed conflict of interest, a current Board member, reported in April 2018 of future plans to replace a current SCCC vendor responsible for mailing and shipping services. The SCCC General Manager/CEO explained that the current vendor did not comply with contract terms and conditions and the vendor contacted the Board member to serve a replacement, who was subsequently brought to the SCCC's attention.

The SCCC General Manager/CEO further reported the Board member is currently in the process of purchasing the contract from the current vendor. The SCCC did not issue a competitive bid and has not prepared a new contract, noting that it was important to resume business. The lack of an open and competitive bidding process puts SCCC at risk of not securing the lowest pricing for the services. In addition, this practice puts SCCC at cross purposes with public operated entities. The standard practice for publicly supported operations is to prepare new contracts upon changes in corporate ownership requiring a new vendor to complete tax forms, business requirements and insurance requirements.

The Management Agreement does not require the Contractor to follow City procurement policies. However, allowing a Board member of the Contractor's organization to assume mailing and shipping operations gives the appearance of financial self-dealing on a personal and organizational level. It also raises questions about the strength of the Contractor's contracting processes and related decision-making. Going forward, the Contractor's CEO reported that the Board member would have to abstain from any future decisions regarding the SCCC only and

disagreed with our assessment that allowing a Board member to assume the contract without a competitive bid gives the appearance of financial self-dealing.

Other members (and former members) of the Contractor's organization had key[28] contracts for services with the SCCC. One SCCC partner, who has not paid membership dues since 2016 but is still listed on the Contractor's membership directory, provides catering services. The caterer has been a partner for the SCCC since 2008. Another member of the Contractor's organizations provides audio-visual services. Catering and audio-visual are two of the revenue producing services for the SCCC. The SCCC bidding documents we reviewed did not contain any preference of vendors being members of the Contractor's organization, as appropriate. SCCC management explained that these businesses became a member of the Contractor's organization as a business choice on their behalf.

For a third disclosed conflict, an employee of the Contractor, which is not the current or former Executive Director, reported in May 2018 serving as an officer in a risk management association. There was no other information documented on the form that described the circumstances of the reported conflict.

Finally, one of the 19 forms reviewed and submitted by the (former) Chair of the Contractor's Board of Directors in April 2018 was partially completed, neither confirming or denying that a conflict of interest is present.

According to the National Council of Nonprofits, a key part in implementing conflict of interest activities is to manage the conflict. After the Board member and officer made the Contractor aware of their conflicts, consideration should be documented on what action, if any, was taken to resolve the conflict. The Contractor's (new) Executive Director had no prior knowledge if action was taken.

A goal of many organizations when addressing potential or actual conflicts of interests is to raise awareness of the types of situations that may be a conflict and the steps needed to encourage transparency with management when situations arise. The Contractor's CVB and SCCC employees had not received conflict of interest training although the Contractor's newly hired Executive Director began a training on basic governance for nonprofit organizations for the organization's Board of Directors.

The Contractor Appears to Have Misused Government Assets

Our review of the Contractor's conflict of interest activities led to the identification of other serious concerns about its management of the SCCC. The first concern is the Contractor's

[28] (As defined by largest generation of revenue at the SCCC from its vendors.)

frequency and extent of applying discounts on facility charges for use of the SCCC.[29] The Contractor's SCCC management staff explained that the use discounts largely serve to attract events and to be competitive with other convention centers. Offering discounts is common for the convention center industry.

As shown in Figure 27, from FY 2011-12 through April FY 2017-18, the SCCC discounted (i.e. adjusted fees) for more than half of all events that occurred at the SCCC. Throughout the six plus years, the value of the adjustments totaled $16.1M, about half of the $36M gross facility charges. The SCCC's Assistant General Manager approves of all financial adjustments given to event sponsors.

Figure 27: Number of SCCC events (aka bookings) with Fee Discounts (Adjustments)*

Year	Total Scheduled Events	# of Bookings with Discounts	% of Bookings with Discounts	Total Value of Discounts (Adjustments)
FY 2011-12	465	273	59%	(2,756,338.40)
FY 2012-13	513	294	58%	(3,031,425.75)
FY 2013-14	501	287	57%	(2,358,153.08)
FY 2014-15	464	227	49%	(2,385,939.00)
FY 2015-16	422	217	51%	(2,067,983.50)
FY 2016-17	447	228	51%	(2,051,815.12)
FY 2017-18 (April)	395	194	49%	(1,463,526.00)
Total	**3,207**	**1,720**		**($16,115,180.85)**

Source: TAP International, Inc. analysis of SCCC booking data.
*SCCC management explained that discounts are applied to some event sponsors if food and beverage sales or hotel room exceed a minimum level of purchases.

Per the SCCC's booking policy, discounts can be applied when charges from catering services reach a specified level. However, the SCCC did not fully comply with its own policy because the SCCC allowed use of the SCCC facilities to organizations that did not purchase catering services. For instance, in 2012, 2013, and 2015, the SCCC allowed a summer-long event sponsored by a faith-based organization that did not purchases catering services, or any other services offered by the SCCC, and therefore should not have been eligible for a discount. Across the three years, the gross charges totaled about $1.1M and discounts given to the faith-based organization totaled about $1.02M. The Contractor's SCCC staff explained that even though the organization did not purchase catering services, the event came with a substantial need for hotel rooms (450 rooms at the conference's peak) at a time when the hotel industry was suffering from an economic downturn. The TID paid the Contractor $51,000 in subsidies to help offset the facility

[29] When the SCCC facilities are used for events, the related charges are public revenues because the SCCC is a publicly owned facility.

rental charges lost by the SCCC. Further review is needed to determine the allowability of the TID payment. The City should assess legal compliance with laws governing prohibition of gifts of public funds.[30] SCCC management reported that coordination between the SCCC and the TID is an important component in booking future business.

The SCCC's booking policy does not state that the SCCC is prohibited from fully discounting facility rental charges. However, as shown in Figure 28, event sponsors hosting a total of 353 events (or 11 percent of all SCCC events) received a full adjustment on gross charges equaling $2.8M. Allowing full rental facility discounts on a publicly owned facility without official City authorization is potentially misusing government owned assets.

Figure 28: Number of SCCC Events Without Facility Rental Fees

Year	Number of Events with 100% Discount on Rental Fees	Total Discounts Applied
FY 2011-12	64	651,125
FY 2012-13	75	595,848
FY 2013-14	56	319,785
FY 2014-15	42	377,380
FY 2015-16	40	456,140
FY 2016-17	46	226,025
FY 2017-18 (April)	30	205,500
Total	**353**	**$2,831,803**

Source of Data: TAP International, Inc. analysis on SCCC booking data.

On average, the Contractor fully discounted facility charges about 50 times per year and over a long period of time which led to a direct financial loss to the City on facility rental charges. We could not determine the full loss of rental revenue because some organizations that received a full discount on rental facilities in any one year and used the facility the following year, had gross charges applied of $0; therefore, technically, no discount was applied. This happened 31 times in a six year plus period of our analysis.

The types of event sponsors that used the SCCC facilities with no facility charge include:

- City agencies[31]
- Contractor's employees
- Contractor's organization
- County agencies
- Local businesses

[30] There was no violation of the SCCC collective bargaining agreement in allowing the event sponsor to perform their own set up and cleaning of meeting facilities.

[31] City of Santa Clara should pay a fee or a service charge to use the SCCC's facilities given that the convention center is a public enterprise operation.

- Nonprofit organizations that are members of the Contractor's organization
- Individuals and organizations that are members of or who have business ties to the Contractor's organization
- Political action committee associated with the contractor's organization[32]
- SCCC contracted vendors.

The nature of events that took place were birthday parties, wedding receptions, general meetings, parties, and networking events. SCCC management also reported its contracted vendors sometimes use space for employee training.

Further legal analysis is needed to determine if the Contractor: (1) violated its 501(c)(6) tax exempt status when it provided full facility discounts to its members, and (2) engaged in self-dealing when it used its personal or organizational relationships to offer free use of publicly owned facilities, and allowed the Contractor's Board member to assume SCCC services without implementing a competitive bid.

Investigation is needed by the California Fair Political Practices Commission to determine if violation of state law occurred when the Contractor allowed the Santa Clara Chamber Political Action Committee to use SCCC facilities free of rental charges.

Finally, when the SCCC applied full discounts to the Contractor's members and member organizations, the SCCC did not comply with the Contractor's own policy of applying a 20 percent discount up to $1,000 per member. The SCCC management said that full discounts were applied to incentivize membership enrollment to the Contractor's organization and began at the direction of the Contractor's (former) Executive Director although TAP International could not verify this statement. The Contractor does not presently advertise or promote the discount on its website or other materials.

The Contractor's CVB Improperly Issued a Donation Check to a Political Action Committee

In 2012, the Contractor sponsored a web-based fundraising event for a political action committee. During the campaign, the Contractor received checks that totaled about $8,000 made payable to the CVB. Rather than returning the political donors' checks, the Contractor deposited the checks and recorded the deposit on the CVB's accounting records. The Contractor then recorded and issued a check on May 8, 2012 under the CVB accounting records for about $8,000 to the Political Action Committee. Contractor management attributed the problem to donor confusion about to whom to make the check payable. When the CVB sent the payment to the Political Action Committee, it provided a gift for political purposes that needs further review by the California Fair Political Practices Commissions for potential violation of State law. In addition,

[32] The SCCC reported that the Political Action Committee (PAC) received discounts for its food and beverage purchases. Our analysis shows that the PAC was a member of the Contractor's organization and per the Contractor's policy should have received a 20 percent discount on rental charges only.

because the Contractor facilitated the fundraising activity for the Political Action Committee, it may have jeopardized its 501(c)(6) tax exempt status.

The Contractor Misused Government Sponsored Resources

Under California Government Code 8314, using public resources for either personal or political purposes is illegal. Public resources can be classified as: money, staff time, equipment, technology, telephones, furniture, computers, and office supplies, if public funds were used in their purchase. The use of public resources would need to be enough to result in a gain for the user and a loss to the agency that can be estimated as a monetary value. As previously discussed in the report, the City virtually funds all of the operations of the CVB, paying about $1.5M annually to the Contractor.

The CVB shares the same web domain name–santaclara.org–with the Contractor's organization and the City pays for 80 percent of its share of costs although the Contractor does not provide detailed financial reporting on the costs for computer and related services. In early and mid-2018, the Contractor sent email blasts and newsletters (using the web domain name) to the surrounding community in support of its organization's core mission. The newsletters also contained promotional ads for fundraising events by the Santa Clara Chamber Political Action Committee. The shared use of the domain name sent mixed messages to the public because the Contractor is holding the CVB name out to the public as its own entity, thereby benefitting from the lack of distinction between the private and public supported resource.

The Contractor is primarily responsible for the issues described in this section, jeopardizing the level of trust that Contractor decisions are made in the City's best interest. The issues could have been prevented had the Contractor's Board members and Contractor employees received training on the governance, ethics, conflict of interest, use of public resources, and proper internal controls. In July 2018, the Contractor's new Executive Director, implemented a training program in place that is a good first step in conveying the basics of nonprofit governance.

Other Business and Marketing Structures Govern Local Convention Centers and Visitors Bureaus

In June 2018, the City Council directed the City Manager to develop options for the provision of convention and visitor services. Of the six convention and event centers located within a 250 miles range of the SCCC whose cities also have visitors' bureaus, none are managed by a Chamber of Commerce. These cities have used other types of business structures, such as a City formed nonprofit organization, third-party corporation, and formation of a district or authority to operate both the CVB and the convention center.

The fact that other convention centers and CVBs are not operated by a Chamber of Commerce does not necessarily mean that the City should change contractors because other considerations should be factored in, such as overall operating and financial performance, City satisfaction with services, and cost. Nevertheless, the CVB and the SCCC management said that alternative business structures could work well for their operations. The CVB Sales Director explained that the CVB has always operated as a separate entity even though it was under the umbrella of the Contractor's organizational structure and should be organized as a separate entity in the future to fully promote the City as a destination area. The SCCC management reported that integrating the CVB with the Convention Center would work well, promoting coordination between the CVB and the SCCC. Both the CVB and the SCCC management reported that the Contractor's role in their operations had no influence over their performance because of the separation by each from the Contractor's core business.

Contract Management Needs Reform by Both the City and the Contractor

This section describes the level of Contractor oversight by the City and the Contractor's use of the City's budget policies to increase its fees.

The City and the Contractor Share Responsibility for Contractor Issues

Cities routinely contract with vendors to provide services to its residents and taxpayers. The International City Manager's Association (ICMA) writes that public contract management should include key activities, such as the development of metrics to check, track and report on vendor performance.[33] When the City originally drafted the agreements with its Contractor, in the 1970's and 1980's, the agreements primarily addressed financial requirements.[34] The two agreements, however, do not have other key terms and conditions, such as:

- Accomplishment of clear financial and operating performance benchmarks. This information allows the City to monitor the Contractor's progress towards its financial and operational goals and to identify early warning signs of negative performance trends.
- Implementation of key internal controls. These internal controls include (1) prohibition on co-mingling of public and private funds; (2) City review of financial transactions; (3) safe data storage;[35] and (4) development of facility use policies.
- Implementation of financial disclosures rules. Presently, the City does not require the Contractor to submit financial disclosure forms that help identify and to avoid any potential or appearance of a conflict of interest.[36] The Contractor and its employees, who make decisions about on behalf of the City, have not been required to file the California

The two agreements between the City and the Contractor did not contain key terms and conditions. The absence of these requirements coupled with City's lack of past oversight of the Contractor allowed the Contractor to make questionable decision-making about the CVB's and the SCCC's operations.

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[33] Contract Management: A Risk-Based Approach for Local Governments, January 2018, by Kyle O'Rourke, Baker Tilly Virchow Krause, LLP, and Frank Girgenti.

[34] The two agreements have provisions for the Contractor to administer separate accounting activities between the CVB and the SCCC and from its core operations, proper documentation for reimbursements, budget submissions, and annual financial audits.

[35] Both the City's Management Agreement and the CVB Agreement state that the Contractor shall maintain accounting records for the life of the agreement and for three beyond the term of the agreement upon its expiration. However, the agreements do not include requirements for the safeguarding of information. Protecting financial records ensures that the information and data they hold is available any time for review and evaluation. The contractor's absence of strong controls over the maintenance of financial records pose a high risk for the City because the Contractor does not safely safeguard CVB accounting records, storing records below a water pipe that had previously leaked and damaged some of the accounting records. We did not determine the extent of the damage.

[36] The California Fair Political Practices Act requires that a city's conflict of interest code reflect the current structure of the organization and properly identify officials, consultants, and employees who should be filing Statements of Economic Interests (Form 700s). The Form 700 provides necessary information to the public about an officials or consultant's (contractor) personal financial interests to ensure that they are making decisions in the best interest of the public and not enhancing their personal finances. Consultants and contractors must file Form 700s if they make or participate in making governmental decisions.

Form 700 – Statement of Economic Interest – because the City did not identify in its conflict of interest policy that the Contractor would be subject to annual filing.

Without these requirements, the City does not have assurance of proper risk mitigation, which had partly led to the issues described in this report. The Contractor's lack of effective administration over operations discussed throughout this report is also a primary factor.

The absence of key contract requirements can be addressed, in part, by active contract monitoring. The City Manager's Office is responsible for contract oversight although there are no documents available to support any historical activities.[37] Without active contract oversight by the City, the City had historically placed too much reliance on the Contractor to deliver services efficiently and effectively, and in compliance with applicable laws and regulations.

In 2017 and 2018, the City's newly hired City Manager implemented efforts to strengthen the City's contract oversight activities, assigning the City's Finance Director as Contracts Manager, recruiting for a City-wide contracts manager, and implementing activities to enhance and assess the Contractor's performance. These activities include hiring a consultant to enhance marketing activities, implementing monthly oversight of the SCCC accounting activities, and requesting this audit.

Former City Officials Did Not Use the Contracting Process to Change Management Fees

Under the terms of the Management Agreement, the City is to provide an annual management fee to be included in the SCCC's annual operating budget. The payment amount ranged from $45,000 to $50,000 until 2016 when the management fee was increased to two percent of the SCCC's gross sales revenues. In FY 2016-17, these fees totaled $136,699.

Changes in payment terms, like the one requested by the Contractor, are typically subject to contract amendments. Contractor documents show that in March 2017, the City provided instructions to the Contractor to use the budgeting process to change its management fees. However, in April 2017, the City met with the Contractor in budget meetings and a decision was reached that a formal amendment was needed. The Contractor's Board of Directors was to draft an amendment/letter regarding the management fee and that the City would prepare a letter establishing the new payment term of two percent of gross sales. There was no information provided that either the Contractor or the City followed through on these tasks. Having a contract amendment would have allowed for proper discussion and deliberation by the City Council on the merit of the fee increase. The City Council, upon learning that it inadvertently approved the fee increase through the City's budgeting process, voted to suspend payment of the management fee.

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[37] The Contractor's CVB management said that City management had historically held frequent progress meetings with a former and long-time Executive Director. These weekly meetings reportedly stopped after the Contractor's Executive Director left the organization in 2015.

Section 3: Changes are Needed to Enhance SCCC Sustainability and Overall Performance

This section discusses three areas of the Convention Center and the CVB operations that have hampered the CVB efforts to enhance sustainability and overall performance. These areas are:

1. Event Scheduling
2. Marketing and Sales Operations
3. Facility Needs

New Strategies are Needed for Event Scheduling

More Multi-Day Events Should Fill Convention Center Calendar

An important measure to assess marketing effectiveness includes monitoring the number of available dates for potential events. In FY 2016-17, the SCCC event calendar was nearly filled, with few dates available throughout the year to book events. Only about ten percent of the SCCC's calendar was available for events, showing the popularity of the facility.

Another measure is the monitoring of facility space available for potential events. However, the SCCC does not maintain this data to determine the percentage of space available to potentially schedule other events. Monitoring these types of measures can allow the SCCC and the CVB staff to tailor their marketing activities to fully maximize the space offered by the SCCC.

The SCCC, nonetheless, collects other data to assess marketing effectiveness, such as the number of events scheduled, the duration and type of each scheduled event, and gross and net charges resulting from the event. However, as previously discussed in this report, the SCCC does not routinely analyze the information it collects to monitor performance. Our analysis, however, examined the presence of patterns in event scheduling. For instance, as shown in Figure 29, the number of events scheduled at the SCCC has not increased over time other than some fluctuations up and down. However, as shown in Figure 30, the total net financial value of the SCCC events scheduled increased over time.

Same day events average $1,865 in fees per event between FY 2011-12 and FY 2016-17.

Multi-day events averaged $12,000 in fees per event between FY 2011-12 and FY 2016-17.

Figure 29: Total Events Scheduled at the SCCC

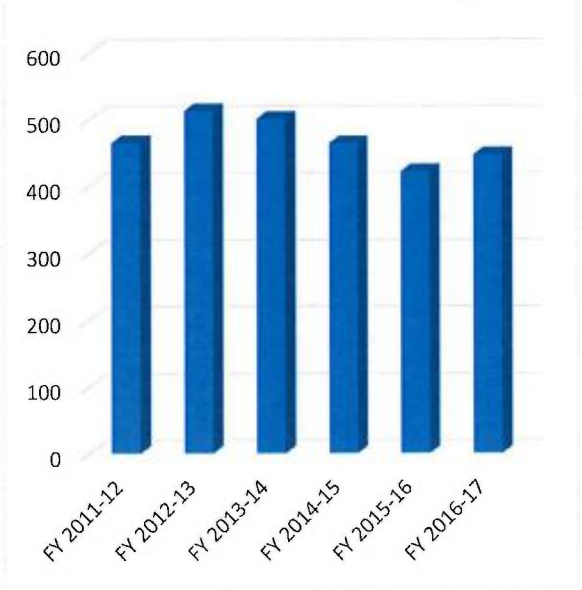
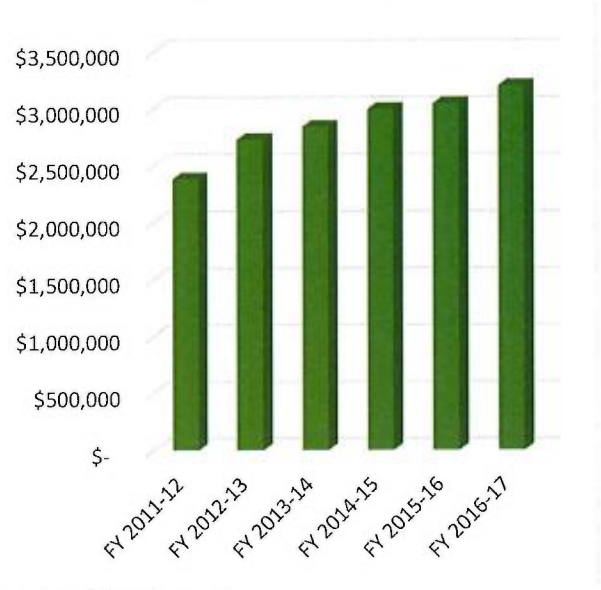


Figure 30: Net Financial Value of Events Scheduled at the SCCC

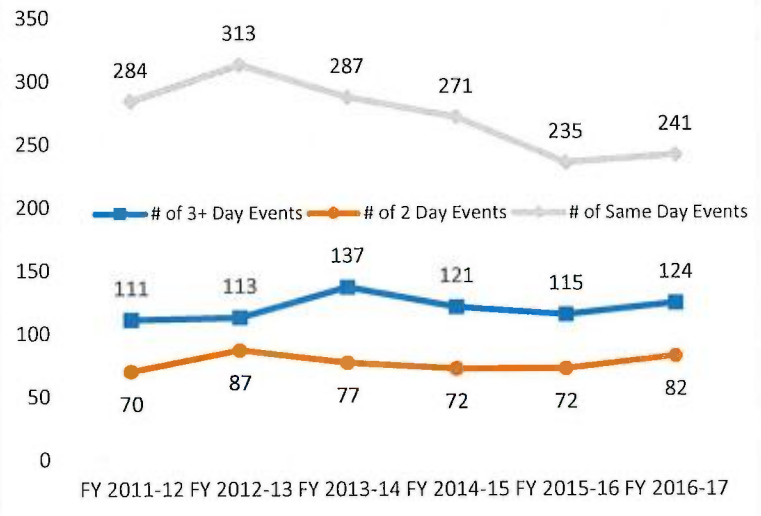


Source: TAP International, Inc. analysis of SCCC booking data

In addition, of the 2,812 total events hosted by the SCCC in the past six years, 58 percent of them began and ended on the same day (herein referred to as same day events). Same day events result in less revenue for the City in comparison to events that span several days.

Nearly 42 percent of the total events hosted over the past six years by the SCCC required two or more days (herein referred to as multi-day events). As shown in Figure 31, events that require three or more days occur more often than events that require two days. The CVB staff have primary responsibility for scheduling multi-day events at the SCCC because these types of events generally need hotel lodging.

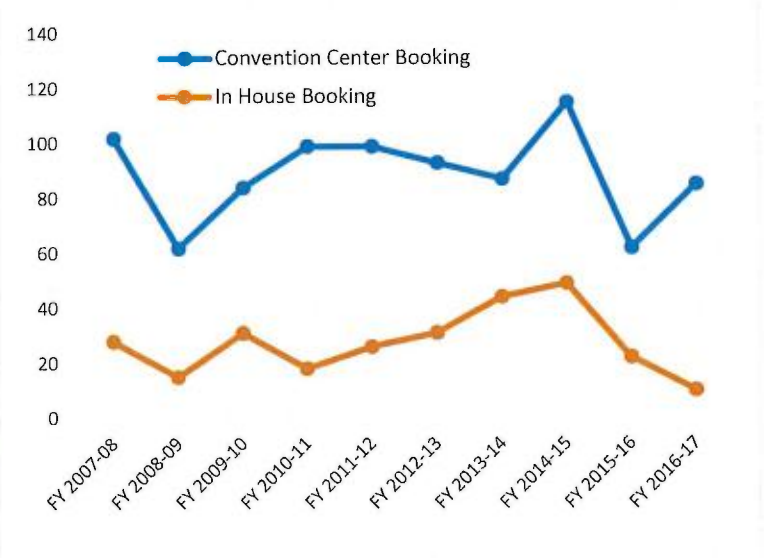
Figure 31: Total Convention Center Events by Event Length and Fiscal Year



Source of Data: TAP International, Inc. analysis of SCCC booking data.

Our analysis of data further shows the CVB has increased its activities to scheduled SCCC events while its scheduling of hotel meeting space (herein referred to as in-house bookings) has declined. Figure 32 suggests that hotels may have the space available to host one-day events that are generally scheduled at the SCCC.

Figure 32: Number of CVB Events Scheduled at the SCCC and at Area Hotels



Source of Data: TAP International, Inc. analysis of CVB booking data.

Better Guidance is Needed in Scheduling Events

The SCCC, SCCC partners, and the CVB are all responsible for scheduling events at the SCCC. With the involvement of multiple entities, guidance should be available to help in decision-making on the types of events to receive priority scheduling. Although the SCCC has available booking policies, the policies do not address event coordination. SCCC management explained that the practice is for CVB's multi-day events to receive priority scheduling and the SCCC to fill the gaps in the event calendar with same-day events. It is unclear whether the SCCC consistently applies this guidance because the SCCC can schedule same day events up to 18 months in advance. The SCCC also reserves the month of December for its clients because SCCC management explained it was a profitable time of year for them, but that it would accommodate if CVB presented a substantial piece of business. CVB staff reported multiple instances of multi-day events that were turned down by the SCCC over the years. In FY 2017-18, there were 32 potential multi-day events with over 55,000 participants (see Figure 33) that had to look elsewhere because proposed dates were unavailable at the SCCC, creating lost economic opportunities for the City (based on the assumption that at least three of 32 potential multi-day events could have been scheduled if the dates were available).

Figure 33: Top Reasons for Losing Multi-Day Events at the SCCC, FY 2017-18

	Meetings	Attendees	Requested Rooms
Convention Center dates unavailable	32	55,168	42,544
Convention Center too small	12	48,816	56,536
Better attendance in another city	45	42,065	40,291
Rates too high	50	36,776	39,178
Event postponed/cancelled	30	30,942	15,467

Source of Data: TAP International, Inc. analysis of CVB Lead and Booking Reports

In addition, the SCCC could develop policies that guide scheduling events requested by nonprofit organizations. For example, some convention centers set aside a limited number of dates to offer facilities at discounted rates or set aside dates that historically have had low facility utilization. Without established guidance, the City does not have assurance that the SCCC event space is leveraged to the maximum economic benefit possible.

In the absence of guidance for scheduling events by nonprofit organizations, the review and approval of potential events takes on greater importance. The review process could consider any number of factors all with the purpose of maximizing potential convention center revenue. For the CVB to successfully confirm a multi-day event, the Contractor's CVB employees prepare a multiple page letter of intent that describes the nature of the event, the services requested, and a preliminary financial analysis. The CVB staff reported that the approval process for each potential booking requires up to three hours. The Contractor's SCCC employees, however, are not subject to the same process even though same-day events have lower potential for revenue generation. The absence of implementing parallel processes raised questions by some CVB employees about whether the SCCC was effectively making decisions on event scheduling. Without documentation on why the SCCC or the CVB events were approved or denied, TAP International had no basis to determine if booking principles regarding allowing priority booking to the highest revenue generating events were consistently applied by the SCCC management. However, given that same-day bookings comprise over half of SCCC events, the City does not have assurance that the review process gives top priority to events with greater economic benefit.

Marketing and Sales Operations can be Enhanced

Marketing Plans Need to be Comprehensive and Integrated

The purpose of a comprehensive marketing plan is to give strategic direction for the success of the SCCC and the CVB. It serves to describe the leadership role for the marketing of meetings and conventions, leisure travelers, and business and cultural events that lead to economic growth for

the City and the surrounding region, including describing how the SCCC and the CVB can distinguish itself from its competitors.

The City hired an industry consultant to determine how best to shape the SCCC and the CVB for the future. The industry consultant, among other activities, held meetings with the CVB and the SCCC to establish new strategies for generating leads and sales goals. In addition, the Contractor had set up its own committee to offer leadership direction for marketing activities. In 2018, the Contractor's committee discussed the need for an updated marketing strategy, but a comprehensive and integrated marketing plan has not yet been prepared. In lieu of an integrated plan, the CVB had developed its own five-year strategic plan and other annual business plans to market and promote the city. These plans included analysis of strengths and weaknesses, development of sales goals, and description of action plans for each market sector. Without a marketing plan that addresses the sales and marketing activities of both the SCCC and the CVB, effective coordination was hampered. The Contractor allowed each entity to generally operate independent of each other.

Staffing Could Be Re-Structured

Staffing is an essential function in any organization. Hiring staff with the right skills, knowledge, and abilities for the role to be performed can contribute to the organization's success. At the CVB, the Contractor hired five sales managers with extensive experience in the tourism and hotel industry. The CVB's two Vice-Presidents also possess extensive experience in the Convention and Visitors Bureau industry. In comparison, the SCCC hired one Sales Director who does not have the same level of experience as the CVB staff at the time of hiring. Experience was developed on the job because the Contractor did not invest in continuous professional training to either the CVB or the SCCC sales staff nor did the City require professional development.

The differences in experience levels did not result in significant differences in performance levels relative to total event bookings by each entity. The CVB books about 42 percent of the events held at the SCCC while the SCCC staff book the remaining 58 percent of all events, on average. It takes the CVB more work and effort to book multi-day events, thus the need for more employees.

The Contractor for the CVB and the SCCC divided the supervision of sales activities. The SCCC's Assistant General Manager oversees its one Sales Director. Two CVB Vice-Presidents oversee five sales managers and six other support staff. The CVB and the SCCC staff reported the absence of effective communication and other information sharing activities because of the fragmented structures. As a result, none of the entities were fully aware of how well the others performed relative to meeting sales goals and targets.

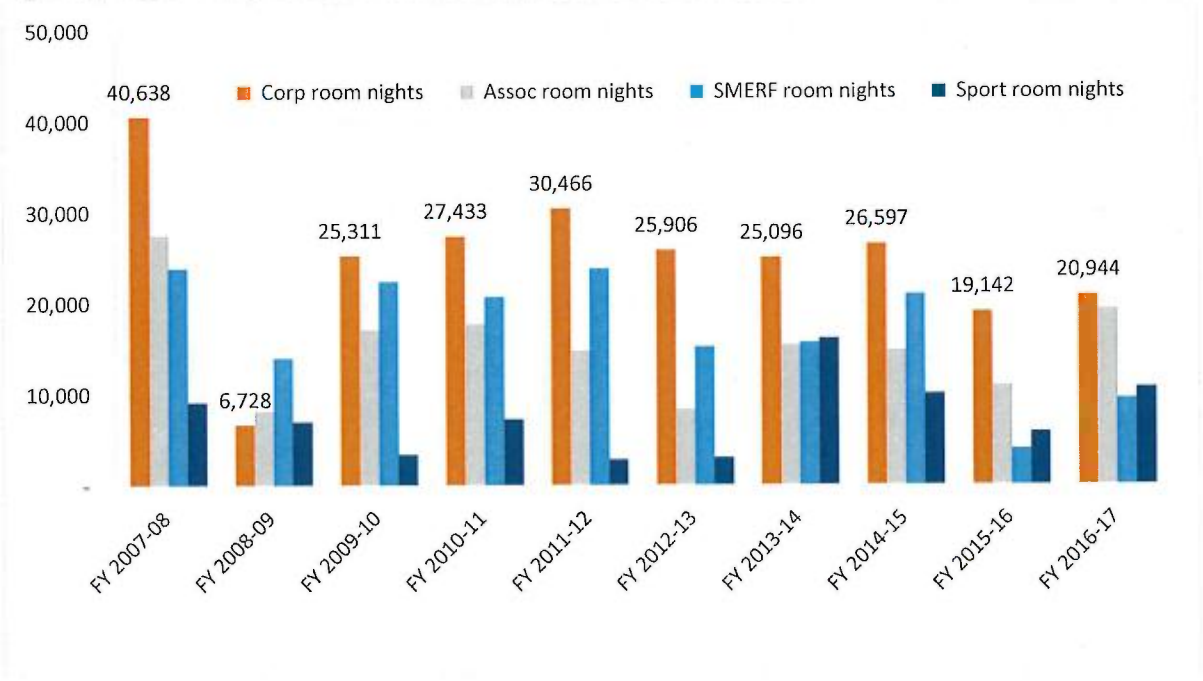
Given that the CVB employs five sales managers, we examined the extent that the CVB strategically utilizes these resources to maximize its performance. Each Sales Manager is

responsible for one of five market areas included in the Contractor's scope of work with the City. These market areas are:

- Corporations
- Social, military, education, religious, and fraternal associations (SMERFs)
- Sports
- Associations
- City-wide events

As illustrated in Figure 34, the CVB books more corporate events in comparison to its other market areas. Given that corporate scheduled events represent the most common type of multi-day event hosted at the SCCC, assigning more staff in this area to work leads could likely result in more events. The CVB could also assign a sales manager to more than one market area that have fewer potential leads and events, such as the Sports and SMERF areas. The CVB management explained that sales managers are reassigned when workloads increase among other managers, but that the CVB needs more support staff to generate and process leads, freeing sales manager to devote their attention to working with the potential client directly. While additional staff have been requested in the budget, the contractor's CVB management explained there was low likelihood the positions would be approved. In FY 2015-16 and FY 2016-17, the CVB did not spend all of its contract funds from the City, leaving up to $517,000 on the balance and enough to hire support personnel.

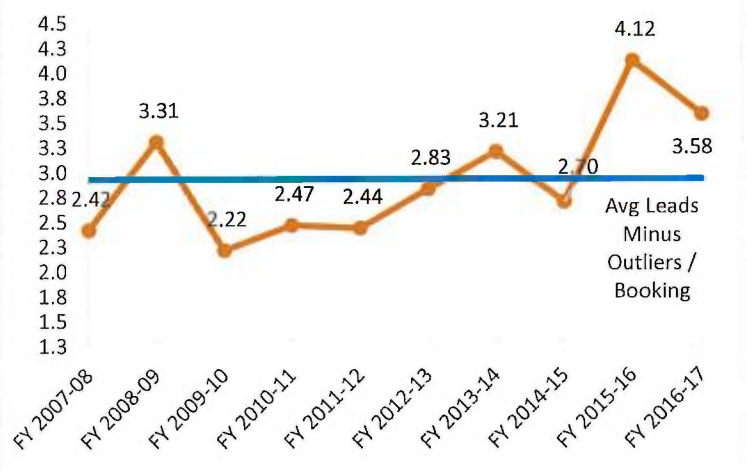
Figure 34: Type of Events and Hotel Room Nights Secured by the CVB



Source of Data: TAP International, Inc. analysis of CVB booking

More Leads are Needed to Successfully Book One Event

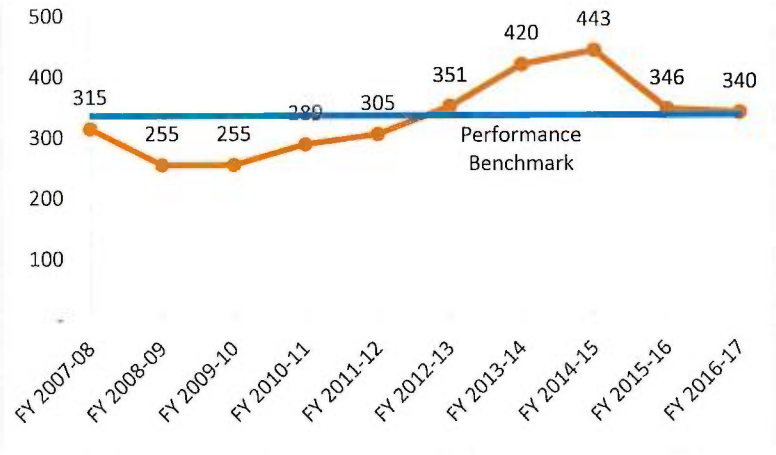
Figure 35: Number of Leads per CVB Booking, Ten-year History



Source of Data: TAP International, Inc. analysis of CVB booking

California has 20 Convention and Event Centers with seven of them located within a 200-mile radius of the SCCC, creating a competitive environment for the CVB to book multi-day events. A key success factor in scheduling the SCCC is generating enough interest, or leads, from potential clients that could result in a scheduled event. A large availability of leads provides ample opportunity for staff to promote the SCCC and area hotels to potential clients. The CVB's own benchmark over a ten-year history averages three leads to schedule one event, but recently, the CVB needs more leads to do so (See Figure 35). Complicating matters is the slight downward trend in total leads available for the CVB in recent years. (See Figure 36). The CVB management reported efforts to pursue other types of lead generation activities that could result in city-wide events, at the recommendation of a City consultant hired to develop enhancements to CVB operations. A city-wide event was originally defined by the CVB as a goal of scheduling events that need 600 room nights at the event's peak. CVB staff explained that this goal was ultimately adjusted to 750 room nights at the time of our review. Leads that involve a substantial amount of room nights require more time to identify and to pursue, said CVB management. At the time of our review, the CVB scheduled two of 22 "city-wide" events targeted.

Figure 36: Number of Total CVB Leads, Ten-Year History

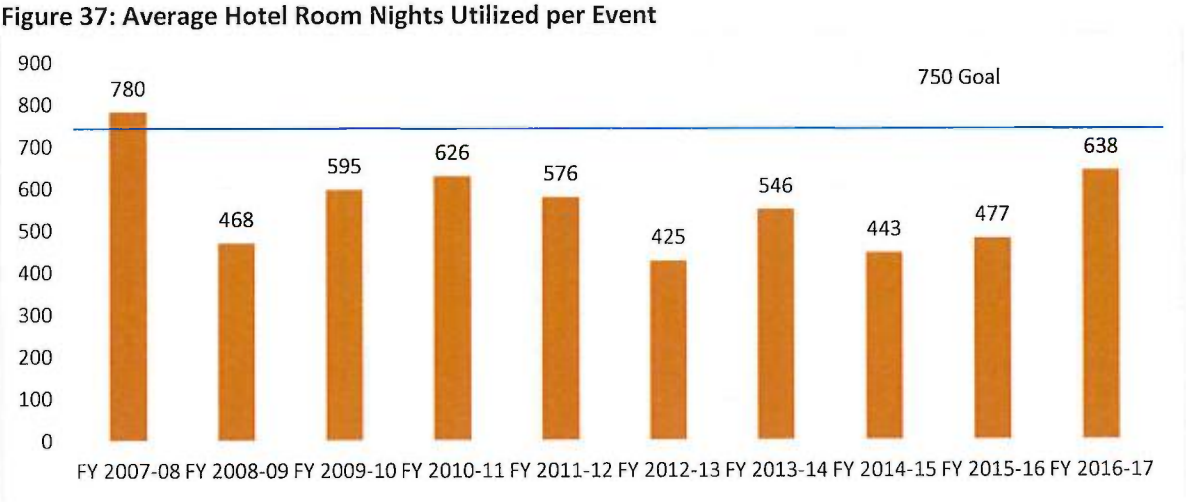


Source of Data: TAP International, Inc. analysis of CVB booking

It is uncertain as to whether the CVB can meet its "city-wide" event goal. Assuming that the SCCC and the CVB operations remain unchanged, three challenges are present. First, as shown in Figure 37, the CVB, historically exceeded its new city-wide goal of 750 room nights per event in one of the last ten years, suggesting that establishing 22 "city-wide" events with 750 room nights at its

peak may be an ambitious goal. Second, CVB employees reported that the surrounding area has a total of 3,800 hotel rooms. To have 750 of these rooms, or 20 percent of all City hotel rooms, available at the same time for any one event, is challenging. Third, the SCCC calendar is nearly full and may not have available dates for these very large events.

Figure 37: Average Hotel Room Nights Utilized per Event



Source of Data: TAP International, Inc. analysis of CVB financial data.

The CVB may not have to focus efforts on scheduling city-wide events. Our analysis of Figure 31 and 32, the SCCC could work towards shifting its one-day events to area hotels resulting in more available dates to schedule multi-day events. The SCCC could also schedule one-day events when needed at the SCCC six months in advance versus 18 months. Had at least three of the 32 potential events that were lost due to unavailable dates (See Figure 33) been successfully scheduled, it could have led up to an additional 4,000 room nights that could have (1) increased the annual overall average per booking for the SCCC; (2) helped the CVB meets its city-wide goal; and, (3) increased the economic impact to the City.

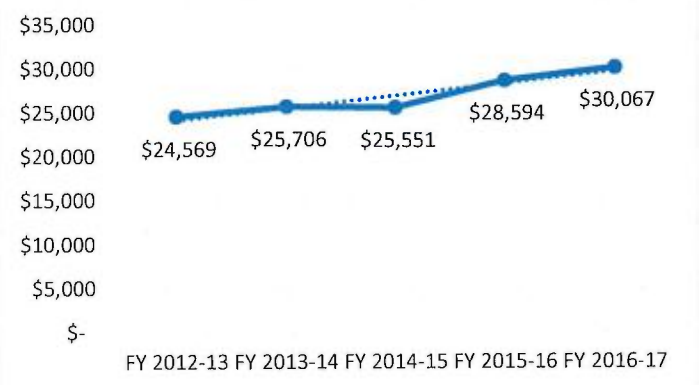
Robust and Strategic Advertising Is Needed

The International Association of Venue Planners state that event planners and attendees are looking for centers that offer unique features, reporting that differentiation is key to attracting more business and larger events. The CVB is implementing current industry marketing strategies to promote the surrounding areas by highlighting restaurants and nightlife, local tours, museums, shops, and outdoor activities, largely through its website. Technology is also leading the way for the SCCC to market itself on the web, by incorporating an interactive map and virtual tour platform, providing useful resources to help in the planning process, making the selection process experience easier for potential clients. Through interactive digital mapping, potential guests can familiarize themselves with the center, as well as the surrounding area, before they arrive.

The CVB also implements direct advertising. While no benchmarks have been established on suggested advertising budgets, the CVB's advertising expenditures ranged between $24,569 to $30,067, as illustrated in Figure 38.[38] Having a small budget for advertising and marketing requires strategic decision-making to leverage limited resources. CVB management explained that it had two goals for advertising and marketing activities: (1) to make the CVB known as a local resource for area businesses to handle its event needs, and (2) to promote the area as a destination for local businesses. At the time of our review, the CVB had:

- Subscribed to various publications and trade tools as well as enrolled in trade and industry associations to help receive leads on prospective clients.
- Performed its own online marketing of the City as a destination area, providing vast information on potential tourist attractions in the local area.
- Received local news coverage to promote its activities.
- Dedicated some of its limited budget to direct advertising and promotion.[39]

Figure 38: Advertising Dollars of the CVB Expenditures



Source of Data: TAP International, Inc. analysis of CVB financial data.

A potential outcome from these activities would be the generation of leads and/or scheduling of events at area hotels or the SCCC. Figure 29 and Figure 36 largely shows an unchanged performed in bookings and in lead generation over time with some fluctuation between the years, suggesting are needed in marketing and advertising strategies.

SCCC Needs Modernizing

The International Association of Venue Planners report that planners do a lot of research before deciding on the best venue, considering factors such as catering services, technology, facility size, and building modernization. As evidenced by Figure 33, the CVB has lost potential clients because the SCCC is too small and both the SCCC and the CVB staff said that condition of the facility needs attention.[40] Figure 39 shows the condition of SCCC's carpeting in place throughout the facility.

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[38] TAP International, Inc. could not develop an apples to apples comparison of CVB's advertising budget with other convention centers.

[39] In the Spring 2018, the CVB spent $5,000 to run six full-page ads in a local newspaper that we discussed earlier in this report as a self-reported conflict of interest.

[40] The Management Agreement states the Contractor is to maintain the Convention Center, the equipment and furniture situated therein, and related facilities in good order and repair and to request such repairs in the SCCC's annual budget or separate City Council action.

The SCCC management explained that the carpeting needs replacement and the kitchen in the Mission City Ballroom requires repair and updating.

The City recognized the need for facility modernization and commissioned a facility assessment in 2017. The facility assessment identified 11 areas that require immediate replacement or modernization. These areas are:

1. Redesign location of Mission City Ballroom, HVAC equipment so that the MCG kitchen becomes functional
2. Replace carpets (Main Building and Great America)
3. Replace tile at base of columns
4. Replace acoustic tile ceiling finishes (Main Building and Great America)
5. Replace fabric faced interior finished (Main Building and Great America)
6. Redesign functionality and replace "air walls"
7. Install reflective coating on flat roofs
8. Provide weather protection for south facing MCG exterior doors
9. Complete replacement of HVAC system
10. Modernization of elevators
11. Provide safety railing at roof perimeters

Figure 39: SCCC Carpet Condition



Photograph by TAP International, Inc.

The 2017 study estimated replacement and modernization costs for these short-term repairs at $5.3M and other long-term repair costs at $57.7M over the next ten years. The City and the SCCC budgeted over $1M to replace the carpeting and budgeted over $4M to update the kitchen in FY 2020-21. Updating the kitchen will likely lead to deficit spending for that year if the SCCC cannot better leverage its bookings. However, in the absence of modernizing the facility, the CVB would be hampered in its ability to attract large events that would require at least 750 room nights.

Appendix A: CVB Revenue, Expenses and Net Income

Figure A1. CVB Revenue, Expenses and Net Income

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
CVB Revenue										
Admin and Service Fees	44,580	32,882	32,893	32,265	32,265	32,160	34,500	34,500	34,500	16,750
Program Services									50	300
On-Line Hotel Reservations	8,111	6,467	2,071	2,261	2,443	2,284	2,625	1,856	1,987	1,047
City Contract	1,411,678	1,446,962	1,468,526	1,456,526	1,521,526	1,521,526	1,521,526	1,521,526	1,521,526	1,489,315
Discount Ticket Sales	2,099	3,529	1,983	7,195	13,049	11,274	7,149	5,812	2,114	1,455
Registration Services	107,393	81,731	122,351	149,400	7,389	399	735	458		
Commission Revenue									22,431	1,946
Banner Ads									1,800	
Interest Income	1,022	647	577	223	185	139	56	47	47	93
All Other Program Services										
CVB TOTAL REVENUE	**1,574,883**	**1,572,218**	**1,628,401**	**1,647,870**	**1,576,857**	**1,567,782**	**1,566,591**	**1,564,199**	**1,584,455**	**1,510,906**
CVB Expenses										
Salaries and Wages	937,383	945,167	1,006,243	1,018,335	900,904	888,877	937,577	918,150	651,150	787,658
Payroll Taxes	76,040	76,234	81,779	83,422	72,967	69,595	70,925	74,100	51,603	55,347
Employee Benefits	174,188	194,517	207,536	202,165	200,299	194,472	208,035	220,383	126,274	102,194
Depreciation/Amort.	10,300	14,994	16,043	9,213	5,963	5,093	5,900	5,093	5,093	5,093
Office Supplies/Maint.	27,639	25,756	24,035	26,104	27,268	26,036	28,207	29,911	25,168	17,143
Computer Service/Maint			1,750	1,094	1,269	958	240	21,810	41,575	33,500
Accounting and Audit	27,845	30,640	31,520	31,150	31,520	32,815	32,656	33,430	34,395	35,320
Legal Fees								35,080	42,894	10,174
Office Equip.	1,228	885	95	722	1,807	360	1,050	1,063		1,356
Rent	88,575	91,232	91,232	91,232	91,232	91,232	91,232	91,232	91,232	91,232
Telephone	22,292	18,899	21,147	21,879	20,079	18,391	17,994	18,634	18,591	17,039

Insurance and Taxes	7,874	10,572	10,904	14,949	17,275	7,994	14,444	11,776	4,633	3,448
Administrative Meeting	2,893	1,952	1,809	1,307	2,479	2,345	1,482	1,739	2,500	1,981
Postage	18,590	15,284	16,660	11,445	13,043	13,283	12,169	14,128	8,176	6,298
Mileage	3,059	3,021	3,102	2,915	2,997	3,192	2,719	2,593	2,332	1,443
Payroll Service fee	4,499	4,347	3,673	7,047	5,896	5,408	6,472	7,091	12,194	5,854
Inside Santa Clara Newsletter	10,500	10,500	10,500	8,000	8,000	8,000	8,000	8,000	6,275	7,949
Advertising-Convention Marketing		17,150	13,177	9,664	3,557	450	3,309	2,951	3,813	4,204
Advertising-Travel Marketing	19,709	17,007	17,461	14,883	15,833	16,119	14,397	14,600	18,506	17,914
Marketing-Servicing	550	330			250					
Marketing-CC Marketing/Sales	103,799	112,744	100,916	50,009	97,735	85,416	90,808	48,895	35,046	99,086
Marketing-Visitors Bureau	52,571	47,626	52,610	48,421	49,102	53,435	47,932	40,335	32,912	49,620
Loss on Disposal of Equipment			8,117							
Outside Services	6,242	200	6,849							
Expense Reimbursements	11,015									
Miscellaneous	1,963	2,507	654	1,769	4,449	3,222	2,580	4,061	3,744	6,354
CVB TOTAL EXPENSES	**1,608,754**	**1,641,564**	**1,727,812**	**1,655,725**	**1,573,924**	**1,526,693**	**1,598,128**	**1,605,055**	**1,218,106**	**1,360,207**
CVB TOTAL NET INCOME (LOSS)	**(33,871)**	**(69,346)**	**(99,411)**	**(7,855)**	**2,933**	**41,089**	**(31,537)**	**(40,856)**	**366,349**	**150,699**
TOTAL FY 2007-08 TO 2016-17										**$278,194**

Appendix B: SCCC Revenue, Expenses and Net Income

Figure B1. SCCC Revenue, Expenses and Net Income

	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
SCCC Revenue										
Space-Exhibit Halls	1,265,660	1,194,129	1,113,905	1,090,620	1,142,031	1,352,496	1,261,166	1,337,354	1,416,000	1,353,372
Space-Ballrooms	209,948	221,195	488,060	622,105	598,929	711,857	823,143	801,308	873,944	915,085
Space-Meeting Rooms	207,984	194,893	180,207	219,685	207,900	239,957	237,630	237,580	262,125	275,466
Space-Great America	286,623	271,593	220,997	214,889	274,632	291,742	360,661	385,969	358,770	404,850
Space-Theater	193,640	189,026	151,590	208,620	203,376	211,483	218,644	200,892	208,720	201,000
Space-Cancellation	63,650	163,594	76,138	24,641	15,899	111,523	72,799	77,641	95,995	60,810
Merchant Fees			(25,191)	(34,347)	(38,468)	(54,177)	(60,668)	(58,205)	(63,372)	(79,196)
Labor-Miscellaneous	10,933	8,915	9,565	19,270	11,168	6,825	5,420	9,139	8,655	8,400
Equipment Rental	64,854	58,374	55,466	99,048	55,400	92,744	76,773	120,308	106,638	123,897
Electrical Comm.	107,391	159,844	105,585	140,410	192,214	222,042	184,879	222,373	203,486	277,045
Electrical Services In-House	94,506	53,573	66,840	164,515	156,749	117,605	107,866	111,470	133,650	58,485
Audio-Visual Comm.	270,992	271,929	362,512	395,825	411,300	462,273	605,755	594,217	609,736	638,611
Services - Misc.	5,810	18,472	4,360	6,525	5,773	5,658	7,100	639	3,930	3,495
Incoming Freight	3,690	3,675	3,175	6,065	9,543	3,764	3,314	2,631	3,423	6,649
Cell Site Revenue	23,009	17,794	17,794	17,794	17,980	18,233	18,936	18,090	26,236	33,039
Telecomm Commission	175,127	127,363	175,520	295,797	327,993	447,915	446,187	432,566	527,971	638,933
Catering Commission	1,262,009	800,499	1,037,616	1,900,070	2,195,799	2,509,846	2,809,971	2,566,610	2,572,066	3,060,064
Insurance Revenue	2,610	2,245	2,085	2,170	2,135	2,853	3,115	1,995	1,750	2,030
Interest Revenue	72,998	65,877	57,670	42,934	43,423	20,004	14,025	10,752	7,175	23,689
Advertising Comm.	25,154	26,015	15,976	26,009	32,254	32,536	30,449	26,983	29,658	35,644
Sponsorship Revenue	2,300	1,600	1,800	5,550	5,700	16,500	10,950	4,000	2,800	14,150
Business Center Comm.	5,324	4,123	4,481	5,220	5,645	6,710	12,502	14,802	12,682	10,088
Other Income	11,057	2,204	8,874	8,629	4,134	18,771	3,572	3,702	4,629	28,158

SCCC TOTAL REVENUE	**4,365,268**	**3,856,929**	**4,135,023**	**5,482,042**	**5,881,508**	**6,849,158**	**7,254,188**	**7,122,815**	**7,406,668**	**8,093,763**
SCCC Expenses										
Labor Related	3,530,564	3,659,221	3,766,957	3,866,593	4,059,755	4,408,338	4,595,404	4,778,024	4,818,759	4,983,964
Parking Fees	16,165	8,925	15,720	26,145	38,865	25,320		6,901	36,982	8,550
City Admin Fee	45,000	45,000	45,000	45,000	45,000	45,000	45,000	47,250	50,000	136,699
Other Operating	2,297	196	2,220	8,546	12,463	25,823	10,490	76	3,760	39,500
Professional Associations	9,525	9,884	10,450	7,522	6,555	8,854	6,945	8,846	8,364	9,152
Advertising and Promotion	6,447	6,677	1,593	3,959	2,520	1,844	1,245	1,567	998	970
Telephone	38,317	37,901	29,812	21,706	19,905	5,693	5,072	4,799	6,951	8,568
Office Expense	55,708	79,755	107,015	78,843	61,358	87,511	169,619	146,692	89,810	111,525
Insurance	86,365	98,905	110,509	106,457	122,635	138,012	163,734	169,868	166,849	169,206
Employee Expenses (payroll, training, etc.)	41,998	39,188	39,856	45,346	40,836	45,244	51,004	53,715	57,088	72,780
Maintenance	135,467	143,632	134,231	135,042	158,071	177,577	247,704	209,468	237,890	244,576
Janitorial and Cleaning	90,082	83,373	83,326	89,032	108,849	146,616	133,914	138,593	152,630	144,713
Utilities	530,715	531,693	590,929	611,426	636,488	667,429	676,428	694,485	720,152	732,235
SCCC TOTAL EXPENSES	**4,588,650**	**4,744,350**	**4,937,619**	**5,045,617**	**5,313,299**	**5,783,261**	**6,106,561**	**6,260,284**	**6,350,233**	**6,662,438**
SCCC TOTAL NET INCOME (LOSS)	**(223,383)**	**(887,421)**	**(802,597)**	**436,425**	**568,209**	**1,065,897**	**1,147,627**	**862,531**	**1,056,435**	**1,431,325**
TOTAL FY 2007-08 TO 2016-17										**$4,655,050**

Figure B2. SCCC Revenue, Expenses and Net Income for FY 2017-18

The SCCC provided the full FY 2017-18 Income Statement after our financial analysis was completed. It is included here to show the SCCC ended the year with $2.2M in revenue.

	FY 2017-18
SCCC Revenue	
Space Rental	3,718,344
Event Revenue	592,910
Audio-Visual	853,587
Catering	2,874,957
Telecommunications	559,546
Other	448,259
SCCC TOTAL REVENUE	**$9,047,603**
SCCC Expenses	
Labor Related	5,020,837
Insurance	174,206
JLL Evaluation	89,375
Maintenance & Supplies	234,521
Management Fee	133,184
Monthly Service Contracts	146,575
Office & Legal	268,886
Parking Fees & Rentals	6,000
Utilities	746,653
TOTAL SCCC EXPENSES	**6,820,237**
SCCC TOTAL NET INCOME	**$2,227,366**

18-1166 **Agenda Date: 11/27/2018**

REPORT TO COUNCIL

SUBJECT

Action on Presentation by TAP International, Inc. of "City of Santa Clara Tourism Improvement District - Governance, Internal Controls and Oversight Need Attention"

BACKGROUND

TAP International, Inc. (TAP) was hired by the City to conduct a performance audit on the Santa Clara Convention Center (SCCC) and Convention-Visitors Bureau (CVB). As part of the initial data gathering for this audit, TAP noted that the Santa Clara Chamber of Commerce (Chamber) administered all funds for the TID, in accordance with the TID Bylaws designating the Chamber as the manager of the TID program with the responsibility to among other items receive and disburse TID funds.

Based on TAP's early review of information for the SCCC and CVB performance audit, TAP suggested, and the Council approved on August 28, 2018, an audit of the TID.

The financial audit of the TID included an examination of the following questions:

1. Have the hotels participating in the TID accurately remitted TID revenue to the City for FY15/16, and FY16/17?
2. Are the expenses of the TID consistent with TID bylaws and policies since FY12/13?
3. What is the nature and extent of any outstanding bills and payables, if any, that have not yet been recorded in the TID's financial system.

DISCUSSION

TAP will make a presentation to Council on the audit and its findings. Prior to the issuance of the final report, "City of Santa Clara Tourism Improvement District - Governance, Internal Controls and Oversight Need Attention" (attached), entrance and exit conferences were held with the Chamber of Commerce, TID Advisory Board and City and a draft report was provided for review and comment.

Separately, City staff has prepared a companion report (#18-1371) with a response and implementation matrix based the audit's findings.

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environmental Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

FISCAL IMPACT

There is no fiscal impact associated with the presentation of the audit.

COORDINATION
This report has been coordinated with the City Attorney's Office.

PUBLIC CONTACT
Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION
Action on the audit "City of Santa Clara Tourism Improvement District - Governance, Internal Controls and Oversight Need Attention"

Reviewed by: Ruth Shikada, Assistant City Manager
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS
1. Tourism Improvement District Audit - November 19, 2018



TAPInternational

CITY OF SANTA CLARA TOURISM IMPROVEMENT DISTRICT – GOVERNANCE, INTERNAL CONTROLS AND OVERSIGHT NEED ATTENTION

FINAL REPORT

November 19, 2018

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Results in Brief

Why the Audit was Performed

The City of Santa Clara (City) contracted with TAP International, Inc. to examine the financial management of the Santa Clara Tourism Improvement District (TID) because of concerns about the TID's audited financial statements, which were issued with a qualified audit opinion. The TID has been managed by a local non-profit organization since 2005, herein referred to as the TID Administrator. The TID Administrator also served as the City's contractor for the Santa Clara Convention and Visitors Bureau (CVB) and the Santa Clara Convention Center (SCCC).

What was Audited

The audit objectives were to determine: (1) if hotels participating in the TID accurately remitted TID revenue to the City for fiscal year (FY) 2015-16 and FY 2016-17; (2) if expenses of the TID were consistent with TID bylaws and policies between FY 2012-13 and FY 2016-17; and (3) the nature/extent of outstanding bills and payables that have not yet been recorded in the TID's financial system.

What the Audit Found

Although the TID Did Not Have Proper Authority to Collect Fees for Most Years, the TID Fees Collected Were Generally Accurate

The TID, between FY 2005-06 and FY 2017-18, was assessing and collecting fees from hotel guests without proper authority because, following initial inception and authorization in 2005, the assessment fee was not annually approved by the Santa Clara City Council (City Council) as required by State law. Since inception, approximately $8.3 million in TID fees have been collected. All TID assessment fees that were remitted to the TID Administrator by the City were deposited into a bank account owned by the TID administrator's organization, using the organization's own tax identification number. The TID is in the process of filing the necessary documentation with the State of California for incorporation that would allow financial institutions to establish separate bank accounts under the TID's own tax identification number.

This audit examined the accuracy of TID fees assessed and collected by the TID for FY 2015-16 and FY 2016-17. Of the approximately $1.5M in fees collected during this two-year time period, between 98.8 and 99.8 percent of TID fees had been properly remitted to the City. The TID fees that were not collected (known as leakage) is between 0.2 and 1.2 percent, ranging from $2,500 to $17,500 in revenue opportunity had all the hotels uniformly implemented ordinance requirements to charge the $1 assessment fee for all occupied hotel room nights. Had the City conducted compliance and oversight efforts of the City Ordinance at the inception of the TID in 2005, it is estimated the City could have collected approximately between $14,000 and $96,000 in additional fees[1].

[1] Large range in the estimate is due to a high standard deviation of errors between the hotels and inconsistent methods the hotels used to determine the TID assessment fees owed.

The estimated TID leakage rate was caused by implementation of the City's ordinance that varied among the TID's nine participating hotels at the time of our review. One of these hotels collected and remitted the TID fee assessment in accordance with the City Ordinance. The other hotels variously did not assess a TID fee for government agencies that applied for exemption of the assessment fee and/or did not collect the fee from their patrons who used hotel rooms designated as "complimentary" by the hotel. The different methods of fee assessment occurred because the City did not conduct oversight of the TID to ensure effective compliance with the City's ordinance. Uniform implementation of the City's TID ordnance would provide an opportunity to enhance revenue of about $1,300 to $8,700 per year depending on economic and business conditions for the hotels.

Governance, Accounting and Financial Internal Control Concerns are Present Although TID Spending is Consistent with City Ordinance

Although there was an absence of a formal contract with the TID Administrator to manage the TID, and an absence of spending authority that was not provided by the City Council, the spending by the TID Administrator between FY 2012-13 through FY 2016-17[2] generally aligned with the City's TID ordinance. Our review of the TID's general ledger identified spending on:

- Destination marketing;
- SCCC marketing efforts to attract additional conventions;
- Print ads;
- Advertising; and
- Administration costs.

During this time period, the TID Administrator was under budget an average of $86,000 per year.

TAP International examined 68 expense transactions for their appropriateness, allowability, and implementation of key internal controls, identifying 47 exceptions that can be considered significant deficiencies in internal controls.

- Nineteen expense transactions did not have any supporting documentation to verify the expense totaling about $308,172, including credit card expenses[3].
- Other exceptions included:
    - the lack of two signatories required for checks,
    - errors in posting expenses to incorrect sub-accounts, including insufficient detail to explain individual charges, and
    - checks that were generated prior to approval by both the TID Administrator and the TID President or Treasurer in contrast to the TID Administrator's policy.

[2] Excluding FY 2014-15 as the supporting documentation for the year was not available during the time of audit fieldwork.

[3] The TID Administrator reports that it was not given the opportunity to find documentation; however, the TID Administrator was aware of the missing documentation on November 6, 2018. Internal controls for financial management call for accounting records to be available for inspection and review upon request. An audit recommendation was directed to the City to review the records should the documentation become available.

How other expenses were managed was also problematic. The TID provides subsidies to selected event sponsors and to the SCCC for reimbursement of facility and lodging costs. Our analysis found that:

- Some subsidies were posted as transportation subsidies because the TID Administrator did not create sub-accounts in the financial system, which has since been corrected by the new TID accountant.
- Although $418,172 in transportation subsidies were provided between FY 2012-13 and FY 2016-17, there is no transportation subsidy guideline governing their issuance.
- All sixteen awarded subsidies that we reviewed could not be accurately reconciled against the TID subsidy guidelines.
- The TID Administrator explained that the subsidies to the respective recipients speaks to the high level of repeat business. However, the TID subsidy guidelines do not include "repeat business' as a criterion for award; the absence of public transparency on the availability of the subsidies, and the concentration of subsidies ($170,682 out of $222,833, between July 2018 and July 2021) awarded to five event sponsors shows that not all event sponsors may have the same access to subsidies available to them (i.e. equity), and the City does not guarantee due process in awarding of the public funds (i.e. fairness).

TID Has Some Outstanding Bills

Because the TID Administrator records expenses upon their payment, TAP International reviewed outstanding bills owed by the TID. As of September 21, 2018, the TID has $132,642 in outstanding bills. The TID checking and savings account balances were $567,978 as of September 20, 2018 and are sufficient to pay these expenses. The funds available in the savings and checking accounts do not include approximately $201,884 in assessment fees for April through June of 2018 that the City has yet to remit to the TID.

Other Issues Noted

- TID Administrator has not effectively implemented key TID bylaws that we reviewed.
- Prior audit issues with the TID have not been resolved.

Recommendations

1. The City Manager should work with the City Attorney to determine how to address the improper collection of TID fees since FY 2005-06.
2. The City Attorney should conduct research to determine if the TID should cease or continue efforts to incorporate.
3. The City Manager should work with the TID Advisory Board to update the TID bylaws with particular attention paid to procedures for budget preparation and approval, recordkeeping requirements, allowable expenses, implementation of subsidies, policies and procedures to establish proper oversight of cash accounts, and conducting at least yearly board meetings with minutes prepared in sufficient detail to document discussion points, decisions and commitments.

4. The City Manager should develop and implement guidance and training for the TID's participating hotels on the City's TID ordinance and how the assessment fee should be calculated.
5. The City Manager should consider the feasibility of having the TID managed by City staff or contracting the management of the TID to a third party. If the City decides to contract with a third party, the contract should include all City required insurance coverages, performance expectations and reporting requirements for audited financial statements of the TID and related management letters.[4]
6. As the expense documentation for FY 2014-15 was found after the completion of audit fieldwork, the City Manager should decide if further work is warranted to review the expenses from that year for allowability, appropriateness and implementation of internal controls.
7. Upon the submission of appropriate documentation within a reasonable time period to support $308,172 in expenses missing during audit fieldwork, the City Manager should audit available records and based on the audit results, make any needed adjustment to the amount owed.
8. The City Manager should establish a contract manager to administer oversight of TID operations. Oversight activities should include periodic TID assessment fee audits, internal control audits and compliance audits.
9. The City Manager should consider working with the TID to update the subsidy program into a grant program that is open to all event sponsors to apply for public funds to offset the cost of events contracted at the SCCC.
10. The City Manager should determine whether to conduct a TID assessment fee audit of the one participating hotel that could not provide requested sample testing documentation regarding hotel occupancy for this audit due to illness.

Background Section

Background

In California, TIDs may be formed pursuant to Part 6, entitled "Parking and Business Improvement Area Law of 1989" (89 Act), of Division 18 of the California Streets and Highways Code (SHC). This Act allows for the creation of a special benefit assessment district to raise funds within a specific geographic area. TIDs may also be formed by similar enabling ordinance by a charter city like the City of Santa Clara.[5] The City's Ordinance 1797 that creates the TID does not address whether

[4] This recommendation was made to provide the option for contracting with a third party, regardless of whom that third party is. Presently, there is no formal contract for TID administration services. The current TID Administrator raised the issue that this report omits stating that over $8M of public funds were remitted without a contract or City Council approval. However, the report states in Section 2, page 11, that the "TID Administrator Assumed TID Operations without a Formal Contract." This report also states on page 1, the TID was assessing and collecting fees without proper authority. The authority would come from the City through Council approval.

[5] The City enabling ordinance for the TID does not require a third party to manage TID funds.

the City can manage and operate its own TID or whether the City is required to contract out operations to a third party.

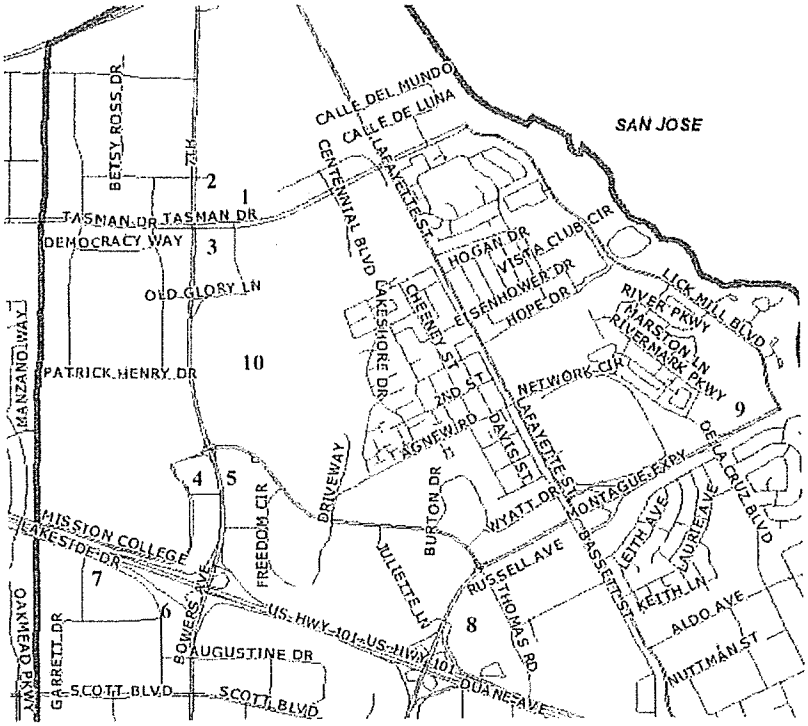
The key difference between TIDs formed under the 89 Act and other special benefit assessment districts is that funds raised may be returned to the private non-profit corporation under contract with the district to administer and implement the activities and improvements as specified in the TID budget. Assessment proceeds collected by a TID are public funds that are earmarked for a specific purpose.

The City's TID was established in January 2005 to use funds from the TID to create programs to promote tourism in the City. Per the City Ordinance 1797, the TID aims to sponsor an aggressive and colorful marketing campaign to attract additional travelers, tourists, and conventions. The funds from the TID are generated through a formula developed by the TID Committee. The assessment fee is based on a payment of $1.00 per room per occupied night for all hotel properties located within the boundaries established in Figure 1.

Figure 1: Santa Clara Tourism Improvement District Boundaries

MAP OF PROPOSED DISTRICT (CITY SOURCE)

1	Santa Clara Convention Center	5001 Great America Parkway
2	Westin Hotel	5101 Great America Parkway
3	Hilton	4949 Great America Parkway
4	Holiday Inn	4200 Great America Parkway
5	Santa Clara Marriott	2700 Mission College Boulevard
6	Embassy Suites	2885 Lakeside Drive
7	The Plaza Suites	3100 Lakeside Drive
8	The Biltmore	2151 Laurelwood Road
9	Sierra Suites	3915 Rivermark Plaza
10	Great America Theme Park	#1 Great America Parkway



As part of the Advisory Board's duties, an annual report must be presented for City Council review and approval prior to the beginning of each fiscal year. The annual report needs to comply with a provision regarding public notice and hearing prior to establishment of the benefit assessments for the following fiscal year. The submission of the TID's budget is a mandated part of the annual report.

The TID Administrator charged the TID $30,000 annually in management fees in addition to salaries, wages, taxes, incentives, benefits and overhead costs for CVB employees who provided support services to the TID.

Objectives

The City contracted with TAP International to address the following questions under this performance audit:

1. Have the hotels participating in the TID accurately remitted TID assessment fee revenue to the City for FY 2015-16 and FY 2016-17?
2. Are the expenses of the TID consistent with TID bylaws and policies since FY 2012-13?
3. What is the nature/extent of outstanding bills and payables that have not yet been recorded in the TID's financial system?

Scope

- TAP International focused audit efforts among the nine hotels currently participating in the TID and the management entity responsible for TID operations.
- The areas audited included financial management and administration.

Methodology

To determine whether hotels participating in the TID accurately remitted TID revenue to the City, TAP International reviewed remittance documents from the City, TID assessment fee reports from participating hotels, TID exemption forms, and the hotels' occupied room night reports. The time period of this analysis was FY 2015-16 through FY 2016-17. One of the nine TID hotels did not provide occupancy data to assess the accuracy of the TID fees collected because of illness of a staff member.

TAP International interviewed TID and participating hotel officials in order to understand how each hotel assesses, collects, and remits TID fees. We also compared TID revenue remitted to the City with TID assessment fee collection reports from the participating hotels. Each of the hotels' methods for collecting TID assessment fees were compared with guidance published in City Resolution 7176 and City Ordinance 1797.

To determine whether TID generated expenses were consistent with TID bylaws and policies, TAP International reviewed TID budgets, TID check registers, TID financial transaction data and performed analysis that categorized the types of expenditures incurred and reported under the TID. TAP International also performed statistical tests to identify and select financial transaction data to compare against original source documentation. Where data was available, TAP International examined 68 transactions for the allowability and appropriateness of the expense,

for application of proper internal controls governing review and authorization of the expenses, and determined whether the expense was accurately captured in the TID's general ledger. The results were summarized and discussed later in this report. The period of this analysis was from FY 2012-13 to FY 2016-17, except for FY 2014-15.

FY 2014-15 was excluded from this audit because all supporting documents associated with $860,795 in expenses that were paid by the TID Administrator were missing during the time of audit fieldwork. The documentation was eventually found on November 15, 2018, soon after issuance of the draft report. This timing did not permit sufficient time to include the review of the transactions in this audit. While the TID Administrator reported that its external financial auditor found that its expenses were appropriate, there was no means to verify that the third party's work examined the allowability and appropriateness of the expenses per City Ordinance. This report includes a recommendation to the City Manager to separately audit FY 2014-15 expenses for allowability, appropriateness, and implementation of other internal controls. The TID Administrator could not explain the initial lack of availability of the FY 2014-15 financial records, other than that they were misplaced and subsequently found.

To determine the nature and extent of outstanding bills and payables that have not yet been recorded in the TID's financial system, TAP International collected information on all outstanding invoices that were not yet posted in the TID's general ledger and analyzed and summarized the data. TAP International also compared the total amount of outstanding payables due by the TID against current cash available.

TAP International interviewed the TID Treasurer and President, City management, and staff from the TID Administrator.

Limitations of the Review

Some sampled expense data from fiscal years other than FY 2014-15 was also not available. The TID Administrator could not definitively explain the whereabouts of the records; these occurrences were identified as audit exceptions in this report.

CVB employees who provided management support activities for the TID through FY 2017-18 were not available for interviews due to structural changes implemented by the TID Administrator's organization regarding the CVB. [6] Other personnel responsible for TID administration were also not available due to resignations.

A draft report was provided to the TID Advisory Board President and Treasurer, the TID Administrator, and the City Manager's Office for review and comment. All applicable comments were incorporated into the report.

We conducted this performance audit from August 2018 to November 2018 in accordance with generally accepted government auditing standards. Those standards require that we plan and

[6] The organization serving as the TID Administrator terminated the employees of CVB who performed work for the TID. The organization's President/CEO explained that the CVB employees were not available due to the City not renewing the CVB contract with its organization. The organization opted to terminate employment of the CVB employees despite a June 2018 City decision to provide funds to the TID Administrator for the sole purpose of funding salaries and specific related costs for up to 60 days.

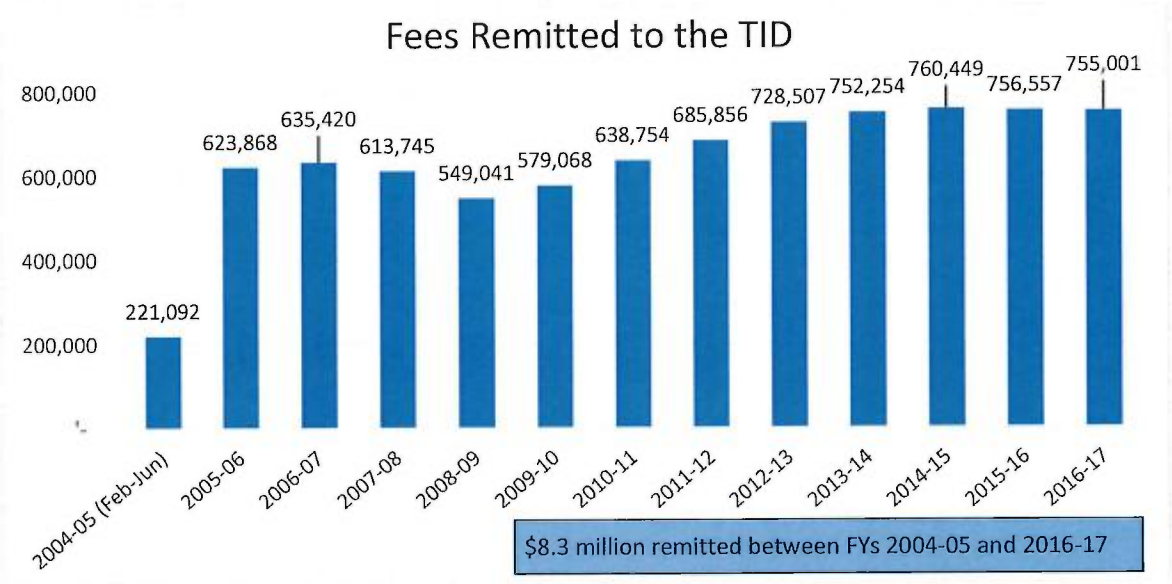
perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Section 1: Although the TID Did Not Have Proper Authority to Collect Fees for Most Years, the Fees Collected Were Generally Accurate

TID Assessment Fee Did Not Receive Proper Approval by the City Council After Initial Inception Until FY 2018-19

When hotel guests lodge at participating hotels within the TID, the hotels should assess fees of $1.00 per occupied room night to hotel guests. The fee is collected by the hotels and then remitted to the City. The City then remits the fees, less an administration fee of $3,000 per year, to the TID, who use the funds to support economic stimulation and business enhancement. Since inception in FY 2004-05, the City has remitted almost $8.3M in benefit fees to the TID[7], as shown in Figure 2.[8]

Figure 2: TID Assessment Fees Collected by Fiscal Year



Source of Data: TID Annual Reports

All TID assessment fees that were remitted to the TID Administrator by the City were deposited into a bank account owned by the TID administrator's organization, using the organization's own tax identification number and separated in the TID Administrator's accounting system by a general ledger identifier. The TID is in the process of filing the necessary documentation with the State of California for incorporation that would allow financial institutions to establish separate bank accounts under the TID's own tax identification number.

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[7] Per the TID Annual Reports.

[8] The TID Administrator raised the need for an audit recommendation to identify other public funds collected without compliance to public law. However, there is no evidence submitted by the TID Administrator of other funds improperly collected to support such a recommendation, or to support describing the issue as needing further review.

State law requires the City Council to annually renew the TID assessment fee by City Council Resolution, after it has reviewed and approved the TID annual report. The TID was formed under the 1989 State law authorizing TIDs, which requires the annual renewal of the assessment.[9] Based on available archived City Council meeting agendas and supplemental documentation, the City Council had approved the fee in the TID's first year of operations and had not formally renewed the TID assessment annually, as required by State law. Reversing this trend, in August 2018, the City Council formally approved the TID assessment for the next fiscal year. Without annual approval of the assessment fee, the hotels do not have formal authority to assess and collect the fee. The City historically did not perform oversight activities of TID operations to ensure City compliance with its own ordinance until the current City management identified the need for annual approval of the assessment fee and suspended the collection of fees effective July 1, 2018 until proper authority was provided by the City Council in August 2018.

Both the TID Advisory Board representatives and the TID Administrator reported they were unaware of the requirement of the annual approval for the assessment fee by the City Council and explained that City officials had never questioned the requirement until June.

Notwithstanding Governance Concerns, the Accuracy of TID Assessment Fees Collected and Remitted to the City Varied Among Hotels

Our review of the accuracy and completeness of the nine hotels' collection of the assessment fees found that implementation of the City Ordinance 1797 varied. One hotel had accurately remitted the fee assessment to the City. This hotel correctly applied the assessment fee formula requirements and collected $61,792 in TID fees from hotel guests who utilized 61,792 room nights between FY 2015-16 to FY 2016-17.

Another seven hotels were nearly accurate in TID fees remitted to the City as follows:

- Two of these hotels underpaid TID fees because government agencies requiring lodging were not charged the assessment fee.
- Three other hotels also underpaid TID fees because these hotels did not assess a fee for guests using complementary room nights.
- Another two hotels did not assess the fees for both government agency rooms and complementary rooms.

The remaining one hotel did not submit information to assess the accuracy of the TID fees collected because of employee illness.

Overall, the nine hotels were approximately 99.4 percent (+-0.5%) accurate in their submittals collecting $1,517,569 in TID fees from hotel guests between FY 2015-16 to FY 2016-17. Hotel officials generally explained that they applied the TID assessment in the same manner as the transient occupancy tax (TOT), so that organizations that are eligible for TOT exemptions were also (incorrectly) exempted from the TID assessment fee. TOT taxes are generally assessed as a

[9] Cities may also form a TID under the 1994 State law, which does not require annual renewal of the assessment during the life of a district management plan. The TID did not include preparation of a district management plan.

percentage of revenue collected for each room charged lodging fees versus an occupied room night.

Based on our sample testing of TID assessment fees covering two fiscal years (2015-16 and 2016-17) the City could have collected between $2,500 and $17,500 in additional fees (referred to as leakage) had all the hotels uniformly implemented the ordinance requirements. Since the TID's inception, the City could have possibly collected between $14,000 and $96,000 in additional fees.

Section 2: Governance, Accounting and Financial Internal Control Concerns are Present although TID Spending is Consistent with City Ordinance

TID Administrator Assumed TID Operations without a Formal Contract

The TID Administrator does not have a formal contract with the City that outlines the full scope of services expected and the related fees. An agreement for the operations of the CVB for FY 2017-18 (CVB Agreement) between the City and a local nonprofit organization (Contractor), who also serves as the TID Administrator, stated that the Contractor was to manage certain aspects of the TID operations through the CVB. The CVB agreement required the Contractor to (1) manage TID advertising in lieu of an ad agency; and specified that (2) advertisements and trade shows in FY 2017-18 will be partially paid by the TID. Although a separate contract was not in place, the TID Administrator managed TID operations. TID Advisory Board members confirmed that because the formation of the TID was led by the current TID Administrator, the TID Administrator assumed operations. The TID Administrator had developed budgets, oversaw the spending of the TID funds, completed external financial audits in accordance with the TID bylaws, and coordinated annual meetings of the TID Advisory Board. The City acknowledged the TID Administrator's role in managing TID operations by remitting the TID fees to them. Upon acceptance of public funds remitted to the TID Administrator by the City, the TID Administrator has a responsibility to ensure the public funds are spent in accordance with the City Ordinance and TID bylaws. Without a formal contract, however, the TID Administrator did not have the City required insurance coverages for related operations or other requirements in place to guide operational accountability.

City TID Ordinance Requires a Budget to Govern Spending

The City's Ordinance 1797 (Section 16.10.1220) that establishes the TID contains a requirement for submission to the City of an annual report of the TID.[10] The annual report is to contain a budget describing the expenditure of TID revenues for the next fiscal year.

Article VII Finances, Section 4: Budget, of the TID bylaws states that the TID Advisory Board will be presented an annual budget for approval. This is a misstatement in the bylaws. Under state and local requirements[11], the TID Advisory Board does not have the authority to unilaterally approve the annual TID budget although Advisory Board can recommend approval to the City Council. City Council approval of the budget provides proper spending authority of public funds for programs and services as well as for entities such as the TID. The budget approval process ensures that the elected officials perform their fiduciary and oversight responsibility to ensure that proposed spending is consistent with the bylaws of the TID.

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[10] Also required in SHC, Div. 18, Part 6, Chapter 3, Section 36533

[11] SHC, Div. 18, Part 6, Chapter 3, Section 36530 and TID Ordinance Sec. 16.10.1220

The TID bylaws assign responsibility for compilation of the budget, by name, to a local nonprofit organization who serves as administrator/management of the TID. The bylaws do not explicitly assign responsibility to either the TID Advisory Board or the TID Administrator for presentation of the budget to the City Council. Based on available archived City Council meeting agendas and supplemental documentation, the City, for the past 13 fiscal years[12], did not approve an annual budget until August 2018 when the City Council formally approved the TID's budget for FY 2018-19. Prior to this, the City did not implement proper budget oversight to ensure that the TID Administrator submit the annual budget for the TID.

Figure 3, below, describes the state and local requirements for the TID annual report and budget process

Figure 3. Roles & Responsibilities for Development and Approval of the TID Annual Report & Budget According to State Law, Local Ordinance and TID Advisory Board Bylaws

Contractor: *Santa Clara Chamber of Commerce & Convention - Visitors Bureau*	TID Advisory Board	City of Santa Clara Mayor & City Council
State Law • Does not require a "budget" but says the annual report must contain, among other things, a description of the improvements and activities for the fiscal year and the estimated cost of providing those activities. "an advisory board shall make a recommendation to the city council on the expenditure of revenues derived from the levy of assessments..." (36530)	**State Law** • The Advisory Board shall make a recommendation to the City Council on the expenditure of revenues derived from the levy of assessments. State law requires an annual report, which includes the identification of the "improvements and activities" for that fiscal year and an estimate of the cost of providing those services, as well as any surpluses or deficits from the prior year. (SHC, Div. 18, Part 6, Chapter 3, Sections 36530 and 36533 (a))	**State law** • Requires the City Council to review, modify and approve the annual report presented by the TID Advisory Board, prior to adopting a separate resolution of intention to levy an annual assessment for that fiscal year and the expenditures of the funds collected according to the description of planned activities in the annual report. (Section 36534)
City of Santa Clara Ordinance • Submission of the annual TID budget is a mandated component of the TID annual report (Section 16.10.1220)	**City of Santa Clara Ordinance** • Decisions regarding the expenditures of funds (Section 16.10.1230) will be made in accordance with the applicable state laws.	**City of Santa Clara Ordinance** • Decisions regarding the expenditures of funds (Section 16.10.1230) will be made in accordance with the applicable state laws.

[12] FY 005-06 to FY 2017-18

TID Bylaws • Compile a TID budget of estimated expenses and income for the upcoming year and prior to the beginning of the fiscal year. • Present it to the TID Advisory Board for approval. (Auditor Note: Advisory Board does not have authority to approve the budget but can make a recommendation to approve the budget.)	**TID Bylaws** • The Contractor (SCC & CVB) will present the budget to the TID Advisory Board for approval.	**TID Bylaws** • Does not address. The TID bylaws do not state what happens to the budget after it is submitted to the TID Advisory Board for approval, nor who shall submit the budget to the City Council for approval. The bylaws do state that funds may not be disbursed until after the budget is "approved" but does not say who must approve it first. (Article VII, Section 1: FUNDS)

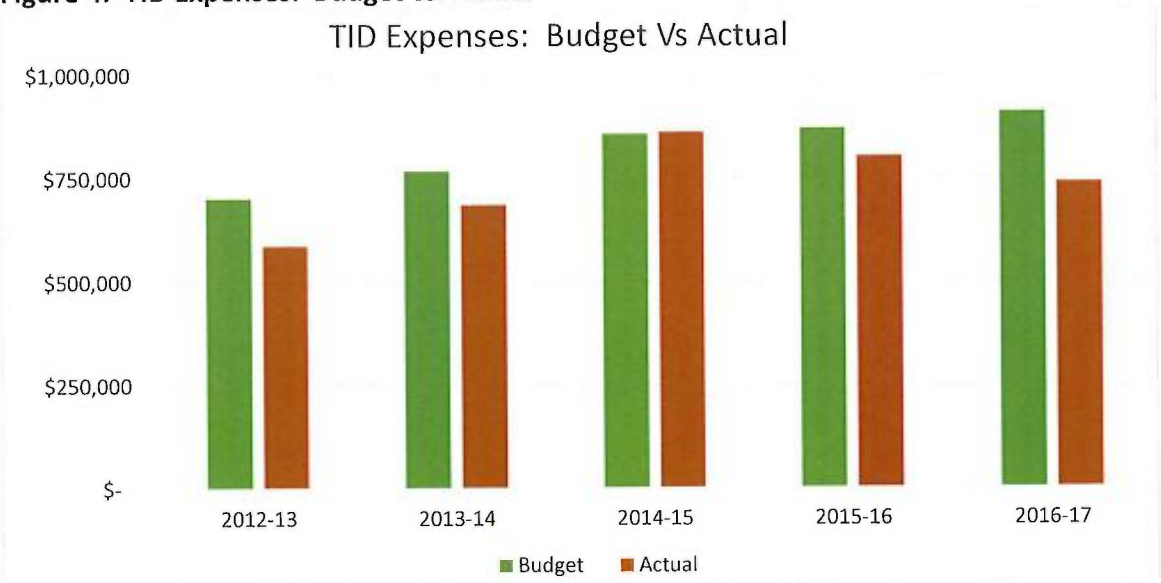
Source of Data: TAP International, Inc. analysis

Despite Absence of a Contract and Proper Spending Authority, TID Expenditures Align with Types of Expenditures Allowed Under State Law and City Ordinance

TID spending was analyzed using three methods of analysis: (1) budget vs. actual analysis; (2) review of spending against TID ordinance requirements; and (3) review of selected transactions.

The budget versus actual analysis showed that the TID spending was within the TID budget despite the absence of the spending authority for most years. As shown in Figure 4 below, the TID from FY 2012-13 through FY 2016-17 was underbudget four of the five years, totaling about $431,000 across the five years. The TID Administrator staff explained that the TID budget was used to supplement the budget gaps of the CVB.

Figure 4: TID Expenses: Budget vs. Actual



Source of Data: TAP International, Inc. analysis based on TID Audited Financial Statements.

The activities for which the TID has spent, or plans to spend money, generally align with the focus areas identified in recent TID annual reports (FY 2015-16 and FY 2017-18) as well the FY 2018-19 budget and the 2005 enabling Ordinance. The Ordinance states that the identified activities are only a partial list of the "types of improvements and activities" that could be provided by the TID (Section 16.10.1160 Purpose and Use of Benefit Assessments). Figure 5 compares the alignment of the seven areas of potential activities identified in the 2005 Ordinance to actual and proposed spending. The annual financial statements reflect the categorization of TID expenses that were spent in prior fiscal years and the budget shows what activities the TID plans to spend its monies.

Figure 5. Comparison of Areas for TID activities in Ordinance, Annual Reports, and Audited Financial Statements.

2005 City Ordinance	TID Annual Reports (for FY2015-16 and for FY2017-18)	Budget Related Expense Categories (FY2018-19 Budget)	Audited Financial Statements (Related Expense Categories for FY2016-17)
(1) Sponsorship of an aggressive and colorful marketing campaign developed to **attract additional travelers and tourists.**	• Market and sell the TID as an overnight destination. (#1) • Through the Internet, publicize weekend hotel packages for individual consumers and families. (#9) • Update Santa Clara destination videos, including TID hotel content. (#5)	Leisure Marketing & Advertising Internet Marketing	Leisure Advertising Internet Marketing
(2) Sponsorship of aggressive marketing efforts to attract additional conventions.	• Enhance the City's position as a viable meeting, convention, and leisure destination and improve the overall awareness and perception of the destination. (#2) • Increase hotel occupancy and utilization of the SCCC. (#3)	Direct Sales (Trade Shows) Advertising: Conference Media Other subsidies	Trade Shows Conference Media

2005 City Ordinance	TID Annual Reports (for FY2015-16 and for FY2017-18)	Budget Related Expense Categories (FY2018-19 Budget)	Audited Financial Statements (Related Expense Categories for FY2016-17)
(3) Possibly sponsor the services of consulting firm to prepare a **Travel/Tourism Marketing Study and Plan** for the purpose of determining where to focus marketing funds and what market(s) to target as well as what specific marketing programs might be most effective.	• Provide research funding to keep current with marketing trends and to monitor overall performance of the TID. (#8)	Research	Research
(4) Possibly sponsor **print ads** in Sunset, Via and other similar **travel publications**.	• Direct sales effort specifically targeting, sports and city-wide groups, short term business, weekend and holiday need period business and leisure, along with a variety of weekend packages and holiday packages. (#4)	Leisure Marketing & Advertising	Leisure Advertising
(5) Possibly sponsor a creative and colorful **outdoor advertising campaign**.	• Unable to determine.	Unable to determine	Unable to determine
(6) Possibly sponsor a commercial marketing campaign to attract specific **cultural groups**.	• Drive small group and city wide corporate, association, sports and SMERF type "A" business to the City, convention facilities and our Santa Clara hotel properties thru direct sales efforts. (#10)	Direct Sales (incudes Trade Shows) Advertising: Conference Media Operational Expenses & fees (includes subsidy liability)	Trade Shows Conference Media Other subsidies

2005 City Ordinance	TID Annual Reports (for FY2015-16 and for FY2017-18)	Budget Related Expense Categories (FY2018-19 Budget)	Audited Financial Statements (Related Expense Categories for FY2016-17)
(7) Sponsor **administrative costs** of program development and implementation.	• Upgrade technology systems when necessary to compete more effectively. (#6)	Staff Subsidy (includes Compensation and benefits, expenses, membership dues, monthly operating costs, bonus incentive, ADP, workers compensation insurance) Overhead (includes Insurance, Audit fees, SCCC Admin fee, check printing) Operational Expenses & fees (incudes Technology Systems)	Compensation and benefits Administration fee Rent Audit fees Bank fees Administrative meetings

Source of Data: TAP International, Inc. analysis

The review of 68 financial transactions for their appropriateness, allowability, and implementation of key controls found 47 internal control exceptions in addition to the missing documentation from FY 2014-15. Some supporting documents from other fiscal years were also missing (19 transactions, totaling $308,172). Figure 6 below shows the results of the transaction review.

Figure 6: Results of Financial Transaction Review

Number of Transactions	Exception	Transaction Value
19	No supporting documentation, including for credit card charges.	$308,172
10	Insufficient signatory provided.	$129,084

14	Subsidies to event clients that were based on hotel room bookings were posted to a general ledger account for Travel Subsidies rather than a more accurate name such as client event subsidies.	$172,002
4	Four sample transactions included payments for Leisure Advertising within the reimbursement for CVB employee salaries and benefits. No supporting documentation was provided for these advertising payments.	$5,520

Source: TAP International, Inc. analysis

Our review identified other comparable issues. For example:

- For FY 2016-17, incentive payments totaling $1,950 could not be reconciled between the general ledger and the CVB incentive payment worksheets that detail incentive pay computation. For FY 2012-13 to FY 2015-16 incentive payments totaling $116,382 could not be reconciled because of the documentation detailing incentive pay computation was not available at the time of our review.
- Expenses shown on invoices received from law firms were incorrectly posted as incentive payments. The FY 2013-14 general ledger showed two legal firm payments reported under bonus and incentive payments. These transactions were not within our sample selection so are not included in the previous table.
- Checks were generated prior to receiving proper approval for the expense for most all sampled transactions because the process was redundant. TID Administrator staff explained that because a packet comprised of the invoice, check request form, and check for payment is submitted to the TID Board Treasurer all at once, and given the check payment had already been created and signed by the TID Administrator, it was not necessary to have the check requests signed. The TID Administrator executive management further explained that the TID Advisory Board approved the budgets and a TID authorized signer signed each check, including authorizing expenses and reviewed each payment. However, our analysis determined that this process was not fully effective because checks were generated without prior TID Advisory Board approval, checks were sometimes not signed by both the authorized TID Administrator and TID Advisory Board President or Treasurer, and specific expense detail was often not present to determine the allowability of the expense.

The absence of consistent application of internal controls does not provide the City or the TID Advisory Board assurance that expenses were appropriately authorized, reviewed, and paid as allowable.

Subsidies Could Not Be Reconciled

Between FYs 2012-13 and 2016-17, the TID provided approximately $418,172 to event sponsors and the SCCC using public funds, in the form of subsidies, when event sponsors met or exceeded hotel lodging levels. The event sponsors would receive reimbursement from $2 to $6 per room

night, as shown in Figure 7. Since July 2018, there were four subsidies provided to event sponsors and another 12 planned for event sponsors contracted to use the SCCC through 2021. The TID Advisory Board members explained that the subsidies allow the CVB to encourage potential event sponsors to host events at the SCCC and use TID hotels.

Figure 7: TID Subsidy Policy

Subsidy Rate	Number of TID Hotels Used	Number of Peak Room Nights Used
$2	2	300
$4	2	400
$6	3	500

Source of data: SCCC Booking Policies and Procedures.

The audit identified the following exceptions:

- None of the 16 event subsidies provided and planned could be reconciled to subsidy policies. The CVB sales managers would determine, through negotiations with the potential clients, the amount of subsidies needed. If the subsidies needed exceeded the standard TID subsidy policy, the sales manager would need to request additional subsidies from the TID Advisory Board. E-mail records between the CVB and the TID Advisory Board that could aid in reconciliation were not available for review because the CVB employees were recently terminated by the City's Contractor that had managed the CVB.
- Four of the 16 events received $59,125 in transportation subsidies even though the TID does not have guidance in place offering this type of subsidy.
- Five of the nine organizations that have received or are planned to receive subsidies have received multiple subsidies, raising public fairness and equity concerns about the TID program. In other TIDs, such as City of Napa Tourism Improvement District and the County of Sonoma Tourism Improvement District, grant programs were established so that all event sponsors have the opportunity to apply for public funding based on specific eligibility criteria. The TID Administrator explained that the subsidies to the respective event sponsors speak to the high level of repeat business. However, TID subsidy guidelines do not include "repeat business" as a criterion for award and the absence of public transparency about the availability of the subsidies, and the concentration of subsidies ($170,682 of $222,833, or 77%) awarded to five of nine event sponsors shows that not all event sponsors may have the same access to subsidies made available to them (i.e. equity), and guarantee of due process in awarding of subsidies (i.e. fairness).

Figure 8 on the following page shows the CVB incentive worksheet of current and future events.

Figure 8: CVB Incentive Worksheet

Meeting Name **********	Meeting Start	Meeting End	Contract Room Block Begin	Contract Room Block End	Attendees	Contract Rooms	Contract Peak	Pickup Rooms	Pickup Peak	TID Subsidy Type	TID Subsidy Transportation $2	TID Subsidy Total
Jehovah's Witnesses Convention 2018	07/06/18	07/08/18	07/05/18	07/08/18	5500	1350	450	0	0			$ 16,950.00
Jehovah's Witnesses Convention 2018	07/13/18	07/15/18	07/12/18	07/15/18	5500	1350	450	0	0			$ 16,950.00
National Championship 2018	07/19/18	07/22/18	07/18/18	07/22/18	4000	1815	560	0	0	Other		$ 8,275.00
Jehovah's Witnesses Convention 2018	07/27/18	07/29/18	07/26/18	07/29/18	5500	1095	365	0	0			$ 16,950.00
STITCHES WEST 2019	02/20/19	02/24/19	02/18/19	02/25/19	9000	1700	524	0	0	$6/room	3400	$ 13,600.00
CASL Conference 2019	04/04/19	04/07/19	04/01/19	04/08/19	1000	1856	451	0	0	$2/room		$ 3,712.00
2019 CAEYC Conference & Expo	04/11/19	04/13/19	04/09/19	04/13/19	3000	1270	513	0	0	$6/room	$2,540.00	$ 10,160.00
STITCHES WEST 2020	02/19/20	02/23/20	02/17/20	02/25/20	9000	2354	666	0	0	$6/room	4708	$ 18,832.00
2020 CA DECA Career Development Conference	02/28/20	03/02/20	02/27/20	03/01/20	1800	2599	864	0	0	$6/room	$5,198.00	$ 20,792.00
2020 NCCNA XLII Convention	04/09/20	04/12/20	04/08/20	04/13/20	5000	1927	713	0	0	$6/room		$ 9,300.00
CETPA 2020 Annual Conference	12/02/20	12/05/20	11/30/20	12/05/20	2000	2668	900	0	0	$6/room	$5,640.00	$ 22,560.00
STITCHES WEST 2021	02/17/21	02/21/21	02/15/21	02/21/21	7000	2259	645	0	0	$6/room	4518	$ 18,072.00
2021 CA DECA Career Development Conference	03/05/21	03/08/21	03/04/21	03/07/21	1800	2599	864	0	0	$6/room	$5,198.00	$ 20,792.00
CASL Conference 2021	04/08/21	04/11/21	04/05/21	04/12/21	1000	1856	451	0	0	$2/room		$ 3,712.00
2021 CAEYC Conference & Expo	04/15/21	04/17/21	04/13/21	04/17/21	3000	1270	513	0	0	$6/room	2543	$ 10,160.00
2021 Annual Convention	07/04/21	07/11/21	06/24/21	07/13/21	1000	3004	450	0	0	$4/room		$ 12,016.00

Source of Data: Santa Clara Convention Center, the entity responsible for the payment of subsidies.

Section 3: TID Has Some Outstanding Bills

The TID uses a cash basis of accounting, meaning that revenue and expenses are accounted for upon payment and receipt rather than when earnings and expenses are incurred. The external financial auditor for the TID noted that the TID's cash basis of accounting represents a departure from generally accepted accounting principles (GAAP)[13]. The purpose of GAAP is to ensure that financial reporting is transparent. Government entities must follow a set of GAAP standards as determined by the Governmental Accounting Standards Board (GASB).

Under a cash basis of accounting, outstanding bills will not be recorded in any financial report until the bills are paid. Concerns would exist if there were multiple invoices that were not yet paid over a long period of time. Our analysis showed that outstanding bills totaled about $132,642 as of September 21, 2018. All of the outstanding bills to the TID were for reimbursement of expenses that were previously paid by the SCCC or CVB. The TID accounting manager explained that the marketing and convention center expenses would normally have been paid directly from a TID checking account (created under the TID Administrator's tax identification number), but because the TID accounts were frozen by the City, the SCCC and CVB had paid the expenses and subsequently have billed the TID. The expense for employee wages, benefits, and taxes are normally paid by the CVB, then invoiced monthly to the TID for reimbursement.

The TID checking and savings account balances of $567,978 as of September 20, 2018 are sufficient to pay the outstanding payables shown in Figure 9. This balance does not include approximately $201,884 in TID assessment fees for April to June 2018 that the City has collected but has not yet remitted to the TID.

Figure 9: Outstanding expenses, Tourism Improvement District as of September 20, 2018

Date	Payee	Amount	No. of Days Outstanding (as of 9/21/18)	Nature of Expense	Description
8/28/2018	Santa Clara Convention Center	$645.00	24	Overhead	Renewal for QuickBooks Online subscription. Initially paid by SCCC employee, who was reimbursed by the SCCC, who then billed the TID.

[13] Per TID Audited Financial Statements and Independent Auditors' Reports

5/27/2018	KGO-TV	$3,690.00	117	Marketing	Charge for social media video distributed via ABC7News.com and ABC7Social.com. This expense was paid by the CVB and billed to the TID.
8/28/2018	SC Chamber/CVB	$61,091.98[14]	24	Operational	Reimbursement of employee benefits, taxes, wages
8/28/2018	SC Chamber/CVB	$6,427.97	24	Operational	American Express Credit Charges, June 2018
8/28/2018	SC Chamber/CVB	$335.86	24	Operational	Mastercard charges, June 2018
8/28/2018	SC Chamber/CVB	$601.36	24	Operational	Employee expense reimbursements
7/31/2018	Santa Clara Convention Center	$50,850	52	Subsidy Payment	Subsidy for Christian Congregation of Jehovah's Witnesses Convention (3 separate events)
9/21/2018	Destination Advantage	$9,000	0	Marketing	Internet marketing services
TOTAL		**$ 132,642.17**			

Source of Data: Santa Clara Convention Center

[14] Includes: employee salaries, taxes and 401(k) for June to August 2018, employee bonuses for quarter ending June 2018 and benefits for July to August 2018.

Section 4: Other Issues

TID Administrator Has Not Effectively Implemented TID Bylaws

During the course of our activities to address the audit objectives, TAP International identified significant issues applicable to the TID bylaws. These bylaws describe the basic governance and management activities of the TID. As shown in Figure 10, of five selected bylaw established in 2009:

- One was in the process of implementation at the time of our review
- Another was in partial compliance regarding holding and documenting annual meetings.
- Two bylaws were not implemented and one of them was improperly stated
- One bylaw was partially implemented although the bylaw was improperly stated

The TID Administrator questioned whether it had responsibility for implementing the TID bylaws and explained that it was the responsibility of the TID board itself to implement the bylaws. Basic governance tenants call for a board to have responsibility for ensuring that the managing body have implemented requirements in accordance with governing documents. Although no formal contract had been implemented between the TID Advisory Board and the organization serving as the TID Administrator, or between the TID Administrator and the City, the TID Administrator was implementing key aspects of TID operations, from budgeting, spending, implementing TID guidelines, and ensuring implementation of third party financial audits. In addition, when the TID Administrator accepted public funds from the City, the organization had a responsibility to implement and comply with the TID's governing documents.

Figure 10: TID Compliance Issues Identified by TAP International, Inc.

TID Bylaw	Bylaw Description	Issue	Impact	Cause
Article I, Section 1:	TID is incorporated	**In Process.** Bylaws are misstated. The TID has not been incorporated. Only recently has the TID Advisory Board begun process of incorporating the TID with the State of California.	TID fees were deposited into the TID Administrator's core organization's bank accounts.	The City did not conduct oversight to ensure incorporation occurred or whether incorporation was needed.

TID Bylaw	Bylaw Description	Issue	Impact	Cause
Article III, Section 1:	An annual meeting of the TID Advisory Board should be held.	**Partial compliance.** TID Advisory Board reported that meetings were held, but there was no documentation of meeting agendas or meeting minutes.	Absence of governance.	Absence of effective governance by the TID Administrator.
Article IV, Section 4:	TID has an agreement with the Santa Clara Chamber of Commerce and Convention-Visitor's Bureau to manage the TID program.	**Not implemented and improperly stated.** TID has no contractual authority to enter into an agreement with the Chamber or CVB.	Misstatement of bylaws has led to misinformation among TID Administrator employees.	The City did not conduct oversight of the TID. TID Administrator did not follow up to ensure that an agreement was prepared.
Article VII, Section 1:	Funds unused from the current year's budget will be placed in a reserve account. Monies allotted to subsidies will be placed in a money market account.	**Not implemented.** Funds remaining from the prior year budget were not regularly transferred to a reserve account and funds used for subsidies were drawn from the same account that was used for operating expenditures.	Funds were not separated for transparency and ease of identification of use.	The TID Advisory Board and Administrator were not aware of this requirement.

TID Bylaw	Bylaw Description	Issue	Impact	Cause
Article VII, Section 4:	TID budget is to be presented to the TID Advisory Board for approval.	**Partially Implemented, and Improperly stated.** TID Advisory Board is an advisory board and should not have budget approval authority. It can provide a recommendation for the City Council to approve the budget.	City Council was not provided the budget for approval as required by the City Ordnance.	TID Administrator was unaware of State law and City Ordinance requirements.

Source: TAP International, Inc. analysis

Prior Audit Issues for the TID Have Not Been Resolved

As required by generally accepted government auditing standards, a review of prior audit reports[15] is necessary in planning and conducting audits. As shown in Figure 11, our review of the FY 2016-17 audited financial statements and the related management letter to the TID Advisory Board and the Management of the TID identified that:

- Two of the five audit recommendations made by the external auditor were not yet implemented.
- One recommendation was partially implemented.
- One recommendation was in progress at the time of our review.
- One recommendation is no longer applicable to the TID.

We were not able to determine if the recommendations were made in prior year end audits as not all management letters were available through the TID Administrator.

[15] Santa Clara Tourism Improvement District Financial Statements and Independent Auditor's Reports for FY 2012-13 to FY 2016-17.

Figure 11: Status of Prior TID Audit Issues

Issue Identified	FY 2016-17 External Auditor Recommendation	Status
Record Storage and Retrieval	Accounting records frequently could not be located when needed. The TID Administrator informed the external auditor that procedures were implemented.	**Not Implemented.** Accounting records were not available to TAP International for FY 2014-15. Some transaction files were missing from the other in-scope years. No new policies and procedures had been developed.
Support for Cash Disbursement Needed	Santa Clara Tourism Improvement District should require that supporting receipts be submitted for all charges for which it is practical to obtain a receipt and that the business purpose of the expense be clearly documented and a formal policy be adopted that prohibits the personal use of business credit cards and requires sufficient supporting documentation for all charges.	**Not implemented.** TID Advisory Board members are not aware that credit card policies and procedures have been prepared.
Bank Account Access Capabilities	The Board should contact Key Point to update authorized users and remove inactive persons timely, to avoid any unplanned account activity.	**In Progress** The TID Advisory Board reported that bank account updates will occur by November 9, 2018.
Documentation and Maintenance of Critical Information	A written agreement should be prepared and signed between the Tourism Improvement District and the Santa Clara Convention Center to perform all services necessary to direct, manage, and supervise the operations of the District as of September 2016. The agreement should name the parties involved, list the item of the services, and identify the fees.	**Not applicable.** The TID does not have contractual authority to enter into the agreement.

Issue Identified	FY 2016-17 External Auditor Recommendation	Status
Board Meetings	Santa Clara Tourism Improvement District should have at least one annual meeting of the Board of Directors. Discussion minutes of the meeting should be taken to clearly document all decisions made and approved by the Board. The minutes should also be retained as evidence of the meeting and related actions.	**Partially implemented.** TID Advisory Meetings reported that meetings were held, but there was not documentation of meeting agendas or meeting minutes.

Source: TAP International, Inc. analysis of TID Audited Financial Statements

18-1571 **Agenda Date: 11/27/2018**

SUBJECT

Action on Presentation from Santa Clara Chamber of Commerce/Convention-Visitors Bureau in Response to Audit Titled “City of Santa Clara Tourism Improvement District - Governance, Internal Controls and Oversight Need Attention”

BACKGROUND

On November 19, 2018, TAP International issued its final report titled “City of Santa Clara Tourism Improvement District - Governance, Internal Controls and Oversight Need Attention”. The Santa Clara Chamber of Commerce/Convention-Visitors Bureau has requested an opportunity to address the Council to provide a response to TAP’s audit on the Tourism Improvement District (TID).

RECOMMENDATION

Action on Santa Clara Chamber of Commerce/Convention-Visitors Bureau Response to the TAP International audit titled “City of Santa Clara Tourism Improvement District - Governance, Internal Controls and Oversight Need Attention” dated November 19, 2018.

18-1371 **Agenda Date: 11/27/2018**

REPORT TO COUNCIL

SUBJECT

Action on Presentation from the City on the Audit by TAP International titled "City of Santa Clara Tourism Improvement District - Governance, Internal Controls and Oversight Needed"

BACKGROUND

In accordance with actions required by state law, the City Council established the Tourism Improvement District (TID) by adoption of Ordinance 1797 in January 2005 to fund activities such as marketing campaigns to attract additional travelers with a focus of booking hotel rooms, tourists, cultural groups, and conventions; print ads in travel publications; outdoor advertising campaign; and fund administrative costs of the program. A TID Advisory Board was also established, at that time, representing the nine participating hotels. The TID Advisory Board prepared Bylaws for the TID.

TAP International was hired by the City to conduct a Performance Audit on the Santa Clara Convention Center (SCCC) and Convention-Visitors Bureau (CVB). As part of the initial data gathering for the Audit, TAP noted that the Santa Clara Chamber of Commerce (Chamber) administered all funds for the TID Advisory Board, in accordance with the TID Bylaws designating the Chamber as the an authorized representative to receive and disburse TID funds as provided for in the TID annual budget. As such, given that the CVB Audit was underway and TID funding had been found to be used for staff bonuses/commissions, TAP International suggested, and the Council approved, an audit of the TID. As the party responsible by the TID Bylaws for fiscal receipt and disbursement of TID funds, the Chamber essentially served as the "Fiscal Agent," where it acted on behalf of another party (City and TID Advisory Board) for performing various financial duties, including the employment of employees to implement the annual program, budget, and independent financial audits.

Based on this recommendation on August 28, 2018, Council approved an Amended and Restated Agreement with TAP International to include the financial audit of the TID examining the following questions:

1. Have the hotels participating in the TID accurately remitted TID revenue to the City for FY15/16, and FY16/17?
2. Are the expenses of the TID consistent with TID bylaws and policies since FY12/13?
3. What is the nature and extent of any outstanding bills and payables, if any, that have not yet been recorded in the TID's financial system.

As a separate but related matter, staff advised Council on July 16, 2018, that the legal procedures required for the TID to properly levy a $1.00 per room night fee had not been followed. The public hearing on the August 28, 2018 Council agenda brought the TID back into compliance with State law effective September 1, 2018.

DISCUSSION

This report transmits the Auditor's findings of the above referenced Audit (Attachment 1), summarizes the Audit findings, and provides a staff response to the Audit recommendations and findings.

As a standard audit practice, in late October/early November, the Auditor provided the City, Chamber, and TID Advisory Board with the preliminary audit for review of facts and misstatements and allowed the City, Chamber and TID Advisory Board to provide comments regarding the draft for the Auditor's consideration. Since the Council commissioned the audit, by its own motion and direction, the Auditor will present the report and audit findings to the Council during the November 27, 2018 Council meeting.

On November 12, 2018 the Chamber provided input to the draft Audit that was issued to the City, Chamber, and TID Advisory Board. In in response to a statement by TAP in the draft that records were missing for various expenditures and for the entirety of FY 2014/15, the Chamber later produced an entire fiscal year of missing financial records. As a result, the audit notes a limitation in its review because of the gap in records at the time of the audit. Additional review of FY 2014/15 is needed to fully understand the Chamber's fiscal management of the TID funds, particularly since other documents have still not been produced that would substantiate over $300,000 of expenditures.

Similar to the Convention Center/CVB Audit, the TID audit findings document that the Chamber, as the TID's fiscal agent, mismanaged public funds, did not have appropriate policies in place, and practiced sloppy record keeping. Similarly, the Audit also appropriately confirmed a lack of City oversight, as staff reported in summer 2018. The nature of the audit findings show similar patterns of the Chamber's misuse and mismanagement of public resources as found in the Convention Center/CVB audit and an absence of City oversight and compliance management.

More disturbingly, it appears that the Chamber and/or TID Advisory Board had full knowledge of its financial mismanagement and poor accounting practices of public funds which it did not disclose to the City (Governing Body of the TID). Evidence of documented awareness, within their internal documentation, can be confirmed most recently as of October 25, 2017. Other Management Letters are under review to better determine how long the Chamber and/or TID Advisory Board knew about these deficient fiscal practices that went uncorrected for years. Staff will be requesting additional information related to the Management Letters, and possibly additional Management Letters for past fiscal years, and all related audit papers from fiscal years prior to the audit period. A separate staff report can be produced at a later time.

For example, during review of prior independent financial audit reports that the Chamber had commissioned, the Auditor reviewed the Chamber's FY 2016/17 audited financial statements and Auditor's Management Letter to the TID Advisory Board which had warned that it noted "significant deficiencies" in some internal controls, accounting records frequently could not be located, and supporting receipts for expenditures were not properly maintained by staff (Attachment 2). The Management Letter reinforced the importance that expenditures should have proper supporting documentation and be submitted to substantiate the expenditures. Previous audit recommendations were either partially implemented or not implemented (Pages 26-27 of Attachment 1). Specifically, the October 25, 2017 Management Letter (Chamber Commissioned Independent Financial Audit by Johanson & Yau, Accountancy Corporation) states:

> Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, ***we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies***.
>
> A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis.
>
> A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet imp01tant enough to merit attention by those charged with governance. ***We consider the deficiencies in Santa Clara Tourism Improvement District's internal control presented on page 2 of this letter to be significant deficiencies***. ***[Emphasis Added***]

While the Chamber has denied adamantly its poor fiscal controls and management of public contracts or funds, the Chamber's own internal documentation by their commissioned professional accountants, to produce independent financial audits of its financial statements, serve as evidence that they were made aware of their "significant deficiencies" with managing public funds (e.g., TID funds). Instead of taking corrective action or working with the City to cure this mismanagement, the Chamber has taken a different route by attempting to discredit TAP International, City staff, and/or assign the City's intent as political motivation. The Chamber should have been more transparent with the City Council, City staff, and public of its own possession of evidence documenting its "significant deficiencies" with respect to financial mismanagement and accounting. This is of serious concern and of significant public interest.

As the fiscal agent, responsible for the financial accounting for the TID, the Chamber was not recently able to locate TID financial records for a 12-month period during the audit review period; all supporting documents associated with $860,795 in expenses that were paid by the Chamber in Fiscal Year 2014/15 were not located until November 15, 2018 after the draft audit report was issued (Page 7 of Attachment 1). Additionally, nearly 78 percent of sampled expense transactions had internal control exceptions (Page 17 of Attachment 1). For example, nineteen of 68 sampled expense transactions, valued at $308,172, had no supporting documentation including credit card charges (Pages 2 and 17 of Attachment 1) and ten transactions valued at $129,084 was expended without the required signatures.

As noted, neither the Chamber nor TID Advisory Board sought City Council annual approval of its proposed Budget (for public transparency of use of the levied assessments) and/or proper action to continue the assessment. Further, the TID's bylaws indicated that it had been incorporated when in fact it had not. Additionally, the City failed to enforce annual procedures required by both the Chamber and TID Advisory Board to initiate a proposed Budget for the Council's approval and perform required annual actions to continue the levied assessments. As such, the TID did not have

collection and spending authority for most of its years; in fact, Fiscal Year 2018/19 is the first year after the establishment of the district that the TID assessment fee charge was formally approved by the City Council and administered in accordance with state law. In spite of TID not having proper authority to collect fees for most years, the TID fees collected were generally accurate.

Further, the Audit found that the Chamber and TID did not adhere to its own discount or subsidies policies, much like the same pattern found in the Convention Center/CVB audit. For example, the TID funded subsidy payments to event sponsors were not consistent with subsidy policies (Page 19 of Attachment 1). Four of the 16 event sponsors received approximately $59,125 in transportation subsidies even though the TID does not have guidelines in place to offer such subsidies (Page 19 of Attachment 1). Five of the nine organizations are repeat subsidy recipients, raising fairness and equity concerns (given that these funds are publicly levied) about the TID program and whether the TID was using levied assessments to attract and expand users (Page 19 of Attachment 1).

City Actions to TID Audit

City staff reviewed the audit, its findings, and recommendations. Staff concurs with the findings and recommendations. The attached matrix (Attachment 3) identifies the recommendations; the current status of implementation classified as “Not Implemented,” “Partially Implemented,” and “Implemented;” and steps taken so far for complete and partially implemented recommendations and next steps for the remaining recommendations. Staff will provide quarterly updates on the implementation status of the recommendations.

Table 1: Summary of TID Audit Recommendations (November 2018)

Status	Complete	Partially Implemented	Not Implemented	Total
Number of Audit Recommendations	1	1	7	9

ENVIRONMENTAL REVIEW

The action being considered does not constitute a “project” within the meaning of the California Environmental Act (“CEQA”) pursuant to CEQA Guidelines section 15378(b)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

FISCAL IMPACT

There is no fiscal impact associated with the presentation of the audit other than staff time to transmit the report.

COORDINATION

This report has been coordinated with the Finance Department and the City Attorney’s Office.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City’s official-notice bulletin board

outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Action on City Response to Audit titled "City of Santa Clara Tourism Improvement District - Governance, Internal Controls and Oversight Needed"

Reviewed by: Ruth Shikada, Assistant City Manager
Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Audit submitted by TAP International
2. Management Letter
3. Staff Response Matrix

TAPInternational

CITY OF SANTA CLARA TOURISM IMPROVEMENT DISTRICT – GOVERNANCE, INTERNAL CONTROLS AND OVERSIGHT NEED ATTENTION

FINAL REPORT

November 19, 2018

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Results in Brief

Why the Audit was Performed

The City of Santa Clara (City) contracted with TAP International, Inc. to examine the financial management of the Santa Clara Tourism Improvement District (TID) because of concerns about the TID's audited financial statements, which were issued with a qualified audit opinion. The TID has been managed by a local non-profit organization since 2005, herein referred to as the TID Administrator. The TID Administrator also served as the City's contractor for the Santa Clara Convention and Visitors Bureau (CVB) and the Santa Clara Convention Center (SCCC).

What was Audited

The audit objectives were to determine: (1) if hotels participating in the TID accurately remitted TID revenue to the City for fiscal year (FY) 2015-16 and FY 2016-17; (2) if expenses of the TID were consistent with TID bylaws and policies between FY 2012-13 and FY 2016-17; and (3) the nature/extent of outstanding bills and payables that have not yet been recorded in the TID's financial system.

What the Audit Found

Although the TID Did Not Have Proper Authority to Collect Fees for Most Years, the TID Fees Collected Were Generally Accurate

The TID, between FY 2005-06 and FY 2017-18, was assessing and collecting fees from hotel guests without proper authority because, following initial inception and authorization in 2005, the assessment fee was not annually approved by the Santa Clara City Council (City Council) as required by State law. Since inception, approximately $8.3 million in TID fees have been collected. All TID assessment fees that were remitted to the TID Administrator by the City were deposited into a bank account owned by the TID administrator's organization, using the organization's own tax identification number. The TID is in the process of filing the necessary documentation with the State of California for incorporation that would allow financial institutions to establish separate bank accounts under the TID's own tax identification number.

This audit examined the accuracy of TID fees assessed and collected by the TID for FY 2015-16 and FY 2016-17. Of the approximately $1.5M in fees collected during this two-year time period, between 98.8 and 99.8 percent of TID fees had been properly remitted to the City. The TID fees that were not collected (known as leakage) is between 0.2 and 1.2 percent, ranging from $2,500 to $17,500 in revenue opportunity had all the hotels uniformly implemented ordinance requirements to charge the $1 assessment fee for all occupied hotel room nights. Had the City conducted compliance and oversight efforts of the City Ordinance at the inception of the TID in 2005, it is estimated the City could have collected approximately between $14,000 and $96,000 in additional fees[1].

[1] Large range in the estimate is due to a high standard deviation of errors between the hotels and inconsistent methods the hotels used to determine the TID assessment fees owed.

The estimated TID leakage rate was caused by implementation of the City's ordinance that varied among the TID's nine participating hotels at the time of our review. One of these hotels collected and remitted the TID fee assessment in accordance with the City Ordinance. The other hotels variously did not assess a TID fee for government agencies that applied for exemption of the assessment fee and/or did not collect the fee from their patrons who used hotel rooms designated as "complimentary" by the hotel. The different methods of fee assessment occurred because the City did not conduct oversight of the TID to ensure effective compliance with the City's ordinance. Uniform implementation of the City's TID ordnance would provide an opportunity to enhance revenue of about $1,300 to $8,700 per year depending on economic and business conditions for the hotels.

Governance, Accounting and Financial Internal Control Concerns are Present Although TID Spending is Consistent with City Ordinance

Although there was an absence of a formal contract with the TID Administrator to manage the TID, and an absence of spending authority that was not provided by the City Council, the spending by the TID Administrator between FY 2012-13 through FY 2016-17[2] generally aligned with the City's TID ordinance. Our review of the TID's general ledger identified spending on:

- Destination marketing;
- SCCC marketing efforts to attract additional conventions;
- Print ads;
- Advertising; and
- Administration costs.

During this time period, the TID Administrator was under budget an average of $86,000 per year.

TAP International examined 68 expense transactions for their appropriateness, allowability, and implementation of key internal controls, identifying 47 exceptions that can be considered significant deficiencies in internal controls.

- Nineteen expense transactions did not have any supporting documentation to verify the expense totaling about $308,172, including credit card expenses[3].
- Other exceptions included:
    - the lack of two signatories required for checks,
    - errors in posting expenses to incorrect sub-accounts, including insufficient detail to explain individual charges, and
    - checks that were generated prior to approval by both the TID Administrator and the TID President or Treasurer in contrast to the TID Administrator's policy.

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[2] Excluding FY 2014-15 as the supporting documentation for the year was not available during the time of audit fieldwork.

[3] The TID Administrator reports that it was not given the opportunity to find documentation; however, the TID Administrator was aware of the missing documentation on November 6, 2018. Internal controls for financial management call for accounting records to be available for inspection and review upon request. An audit recommendation was directed to the City to review the records should the documentation become available.

How other expenses were managed was also problematic. The TID provides subsidies to selected event sponsors and to the SCCC for reimbursement of facility and lodging costs. Our analysis found that:

- Some subsidies were posted as transportation subsidies because the TID Administrator did not create sub-accounts in the financial system, which has since been corrected by the new TID accountant.
- Although $418,172 in transportation subsidies were provided between FY 2012-13 and FY 2016-17, there is no transportation subsidy guideline governing their issuance.
- All sixteen awarded subsidies that we reviewed could not be accurately reconciled against the TID subsidy guidelines.
- The TID Administrator explained that the subsidies to the respective recipients speaks to the high level of repeat business. However, the TID subsidy guidelines do not include "repeat business' as a criterion for award; the absence of public transparency on the availability of the subsidies, and the concentration of subsidies ($170,682 out of $222,833, between July 2018 and July 2021) awarded to five event sponsors shows that not all event sponsors may have the same access to subsidies available to them (i.e. equity), and the City does not guarantee due process in awarding of the public funds (i.e. fairness).

TID Has Some Outstanding Bills

Because the TID Administrator records expenses upon their payment, TAP International reviewed outstanding bills owed by the TID. As of September 21, 2018, the TID has $132,642 in outstanding bills. The TID checking and savings account balances were $567,978 as of September 20, 2018 and are sufficient to pay these expenses. The funds available in the savings and checking accounts do not include approximately $201,884 in assessment fees for April through June of 2018 that the City has yet to remit to the TID.

Other Issues Noted

- TID Administrator has not effectively implemented key TID bylaws that we reviewed.
- Prior audit issues with the TID have not been resolved.

Recommendations

1. The City Manager should work with the City Attorney to determine how to address the improper collection of TID fees since FY 2005-06.
2. The City Attorney should conduct research to determine if the TID should cease or continue efforts to incorporate.
3. The City Manager should work with the TID Advisory Board to update the TID bylaws with particular attention paid to procedures for budget preparation and approval, recordkeeping requirements, allowable expenses, implementation of subsidies, policies and procedures to establish proper oversight of cash accounts, and conducting at least yearly board meetings with minutes prepared in sufficient detail to document discussion points, decisions and commitments.

4. The City Manager should develop and implement guidance and training for the TID's participating hotels on the City's TID ordinance and how the assessment fee should be calculated.
5. The City Manager should consider the feasibility of having the TID managed by City staff or contracting the management of the TID to a third party. If the City decides to contract with a third party, the contract should include all City required insurance coverages, performance expectations and reporting requirements for audited financial statements of the TID and related management letters.[4]
6. As the expense documentation for FY 2014-15 was found after the completion of audit fieldwork, the City Manager should decide if further work is warranted to review the expenses from that year for allowability, appropriateness and implementation of internal controls.
7. Upon the submission of appropriate documentation within a reasonable time period to support $308,172 in expenses missing during audit fieldwork, the City Manager should audit available records and based on the audit results, make any needed adjustment to the amount owed.
8. The City Manager should establish a contract manager to administer oversight of TID operations. Oversight activities should include periodic TID assessment fee audits, internal control audits and compliance audits.
9. The City Manager should consider working with the TID to update the subsidy program into a grant program that is open to all event sponsors to apply for public funds to offset the cost of events contracted at the SCCC.
10. The City Manager should determine whether to conduct a TID assessment fee audit of the one participating hotel that could not provide requested sample testing documentation regarding hotel occupancy for this audit due to illness.

Background Section

Background

In California, TIDs may be formed pursuant to Part 6, entitled "Parking and Business Improvement Area Law of 1989" (89 Act), of Division 18 of the California Streets and Highways Code (SHC). This Act allows for the creation of a special benefit assessment district to raise funds within a specific geographic area. TIDs may also be formed by similar enabling ordinance by a charter city like the City of Santa Clara.[5] The City's Ordinance 1797 that creates the TID does not address whether

[4] This recommendation was made to provide the option for contracting with a third party, regardless of whom that third party is. Presently, there is no formal contract for TID administration services. The current TID Administrator raised the issue that this report omits stating that over $8M of public funds were remitted without a contract or City Council approval. However, the report states in Section 2, page 11, that the "TID Administrator Assumed TID Operations without a Formal Contract." This report also states on page 1, the TID was assessing and collecting fees without proper authority. The authority would come from the City through Council approval.

[5] The City enabling ordinance for the TID does not require a third party to manage TID funds.

the City can manage and operate its own TID or whether the City is required to contract out operations to a third party.

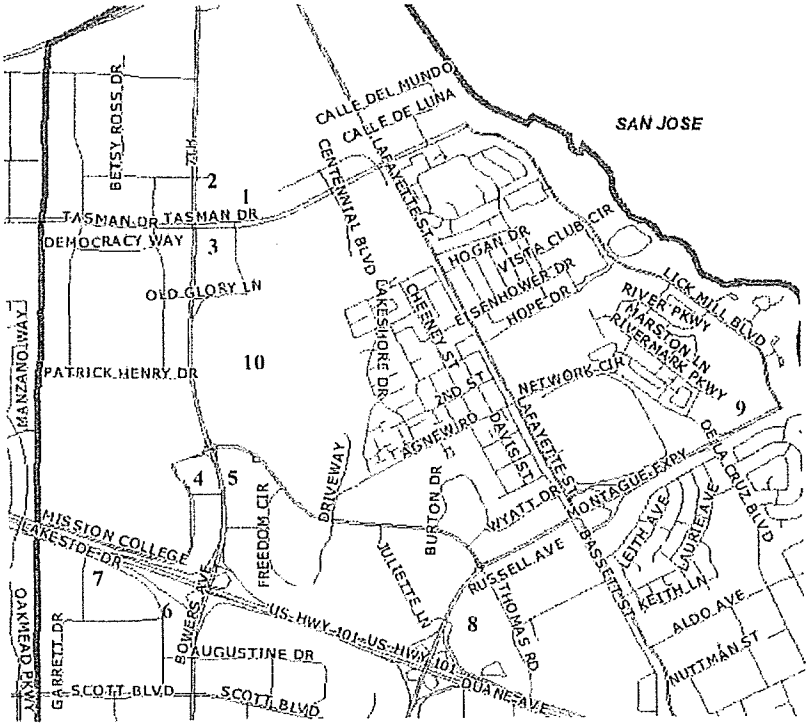
The key difference between TIDs formed under the 89 Act and other special benefit assessment districts is that funds raised may be returned to the private non-profit corporation under contract with the district to administer and implement the activities and improvements as specified in the TID budget. Assessment proceeds collected by a TID are public funds that are earmarked for a specific purpose.

The City's TID was established in January 2005 to use funds from the TID to create programs to promote tourism in the City. Per the City Ordinance 1797, the TID aims to sponsor an aggressive and colorful marketing campaign to attract additional travelers, tourists, and conventions. The funds from the TID are generated through a formula developed by the TID Committee. The assessment fee is based on a payment of $1.00 per room per occupied night for all hotel properties located within the boundaries established in Figure 1.

Figure 1: Santa Clara Tourism Improvement District Boundaries

MAP OF PROPOSED DISTRICT (CITY SOURCE)

1	Santa Clara Convention Center	5001 Great America Parkway
2	Westin Hotel	5101 Great America Parkway
3	Hilton	4949 Great America Parkway
4	Holiday Inn	4200 Great America Parkway
5	Santa Clara Marriott	2700 Mission College Boulevard
6	Embassy Suites	2885 Lakeside Drive
7	The Plaza Suites	3100 Lakeside Drive
8	The Biltmore	2151 Laurelwood Road
9	Sierra Suites	3915 Rivermark Plaza
10	Great America Theme Park	#1 Great America Parkway



As part of the Advisory Board's duties, an annual report must be presented for City Council review and approval prior to the beginning of each fiscal year. The annual report needs to comply with a provision regarding public notice and hearing prior to establishment of the benefit assessments for the following fiscal year. The submission of the TID's budget is a mandated part of the annual report.

The TID Administrator charged the TID $30,000 annually in management fees in addition to salaries, wages, taxes, incentives, benefits and overhead costs for CVB employees who provided support services to the TID.

Objectives

The City contracted with TAP International to address the following questions under this performance audit:

1. Have the hotels participating in the TID accurately remitted TID assessment fee revenue to the City for FY 2015-16 and FY 2016-17?
2. Are the expenses of the TID consistent with TID bylaws and policies since FY 2012-13?
3. What is the nature/extent of outstanding bills and payables that have not yet been recorded in the TID's financial system?

Scope

- TAP International focused audit efforts among the nine hotels currently participating in the TID and the management entity responsible for TID operations.
- The areas audited included financial management and administration.

Methodology

To determine whether hotels participating in the TID accurately remitted TID revenue to the City, TAP International reviewed remittance documents from the City, TID assessment fee reports from participating hotels, TID exemption forms, and the hotels' occupied room night reports. The time period of this analysis was FY 2015-16 through FY 2016-17. One of the nine TID hotels did not provide occupancy data to assess the accuracy of the TID fees collected because of illness of a staff member.

TAP International interviewed TID and participating hotel officials in order to understand how each hotel assesses, collects, and remits TID fees. We also compared TID revenue remitted to the City with TID assessment fee collection reports from the participating hotels. Each of the hotels' methods for collecting TID assessment fees were compared with guidance published in City Resolution 7176 and City Ordinance 1797.

To determine whether TID generated expenses were consistent with TID bylaws and policies, TAP International reviewed TID budgets, TID check registers, TID financial transaction data and performed analysis that categorized the types of expenditures incurred and reported under the TID. TAP International also performed statistical tests to identify and select financial transaction data to compare against original source documentation. Where data was available, TAP International examined 68 transactions for the allowability and appropriateness of the expense,

for application of proper internal controls governing review and authorization of the expenses, and determined whether the expense was accurately captured in the TID's general ledger. The results were summarized and discussed later in this report. The period of this analysis was from FY 2012-13 to FY 2016-17, except for FY 2014-15.

FY 2014-15 was excluded from this audit because all supporting documents associated with $860,795 in expenses that were paid by the TID Administrator were missing during the time of audit fieldwork. The documentation was eventually found on November 15, 2018, soon after issuance of the draft report. This timing did not permit sufficient time to include the review of the transactions in this audit. While the TID Administrator reported that its external financial auditor found that its expenses were appropriate, there was no means to verify that the third party's work examined the allowability and appropriateness of the expenses per City Ordinance. This report includes a recommendation to the City Manager to separately audit FY 2014-15 expenses for allowability, appropriateness, and implementation of other internal controls. The TID Administrator could not explain the initial lack of availability of the FY 2014-15 financial records, other than that they were misplaced and subsequently found.

To determine the nature and extent of outstanding bills and payables that have not yet been recorded in the TID's financial system, TAP International collected information on all outstanding invoices that were not yet posted in the TID's general ledger and analyzed and summarized the data. TAP International also compared the total amount of outstanding payables due by the TID against current cash available.

TAP International interviewed the TID Treasurer and President, City management, and staff from the TID Administrator.

Limitations of the Review

Some sampled expense data from fiscal years other than FY 2014-15 was also not available. The TID Administrator could not definitively explain the whereabouts of the records; these occurrences were identified as audit exceptions in this report.

CVB employees who provided management support activities for the TID through FY 2017-18 were not available for interviews due to structural changes implemented by the TID Administrator's organization regarding the CVB. [6] Other personnel responsible for TID administration were also not available due to resignations.

A draft report was provided to the TID Advisory Board President and Treasurer, the TID Administrator, and the City Manager's Office for review and comment. All applicable comments were incorporated into the report.

We conducted this performance audit from August 2018 to November 2018 in accordance with generally accepted government auditing standards. Those standards require that we plan and

[6] The organization serving as the TID Administrator terminated the employees of CVB who performed work for the TID. The organization's President/CEO explained that the CVB employees were not available due to the City not renewing the CVB contract with its organization. The organization opted to terminate employment of the CVB employees despite a June 2018 City decision to provide funds to the TID Administrator for the sole purpose of funding salaries and specific related costs for up to 60 days.

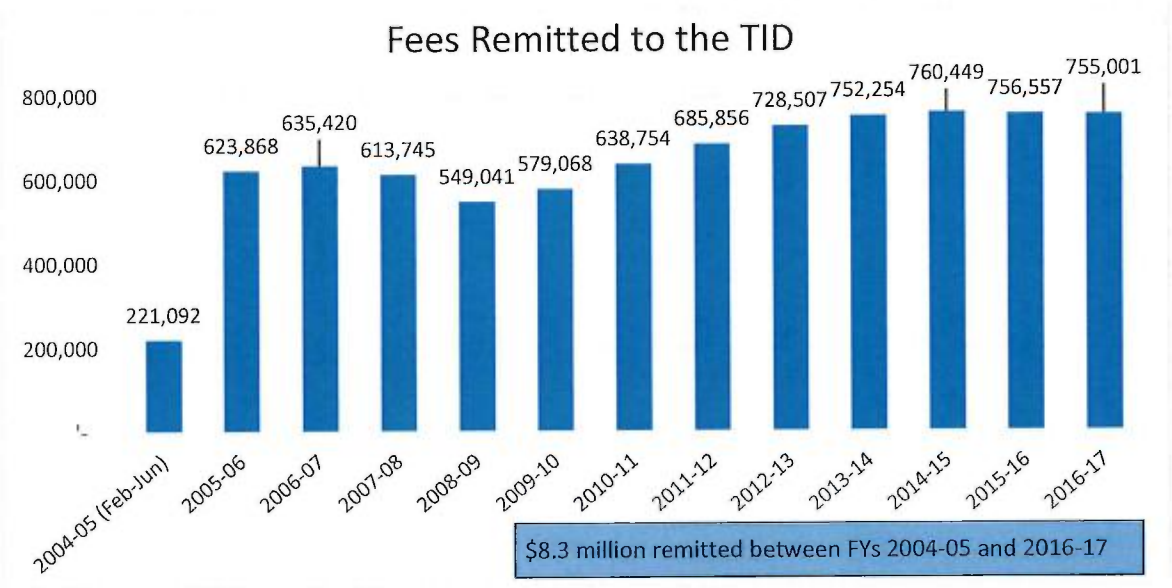
perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Section 1: Although the TID Did Not Have Proper Authority to Collect Fees for Most Years, the Fees Collected Were Generally Accurate

TID Assessment Fee Did Not Receive Proper Approval by the City Council After Initial Inception Until FY 2018-19

When hotel guests lodge at participating hotels within the TID, the hotels should assess fees of $1.00 per occupied room night to hotel guests. The fee is collected by the hotels and then remitted to the City. The City then remits the fees, less an administration fee of $3,000 per year, to the TID, who use the funds to support economic stimulation and business enhancement. Since inception in FY 2004-05, the City has remitted almost $8.3M in benefit fees to the TID[7], as shown in Figure 2.[8]

Figure 2: TID Assessment Fees Collected by Fiscal Year



Source of Data: TID Annual Reports

All TID assessment fees that were remitted to the TID Administrator by the City were deposited into a bank account owned by the TID administrator's organization, using the organization's own tax identification number and separated in the TID Administrator's accounting system by a general ledger identifier. The TID is in the process of filing the necessary documentation with the State of California for incorporation that would allow financial institutions to establish separate bank accounts under the TID's own tax identification number.

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[7] Per the TID Annual Reports.

[8] The TID Administrator raised the need for an audit recommendation to identify other public funds collected without compliance to public law. However, there is no evidence submitted by the TID Administrator of other funds improperly collected to support such a recommendation, or to support describing the issue as needing further review.

State law requires the City Council to annually renew the TID assessment fee by City Council Resolution, after it has reviewed and approved the TID annual report. The TID was formed under the 1989 State law authorizing TIDs, which requires the annual renewal of the assessment.[9] Based on available archived City Council meeting agendas and supplemental documentation, the City Council had approved the fee in the TID's first year of operations and had not formally renewed the TID assessment annually, as required by State law. Reversing this trend, in August 2018, the City Council formally approved the TID assessment for the next fiscal year. Without annual approval of the assessment fee, the hotels do not have formal authority to assess and collect the fee. The City historically did not perform oversight activities of TID operations to ensure City compliance with its own ordinance until the current City management identified the need for annual approval of the assessment fee and suspended the collection of fees effective July 1, 2018 until proper authority was provided by the City Council in August 2018.

Both the TID Advisory Board representatives and the TID Administrator reported they were unaware of the requirement of the annual approval for the assessment fee by the City Council and explained that City officials had never questioned the requirement until June.

Notwithstanding Governance Concerns, the Accuracy of TID Assessment Fees Collected and Remitted to the City Varied Among Hotels

Our review of the accuracy and completeness of the nine hotels' collection of the assessment fees found that implementation of the City Ordinance 1797 varied. One hotel had accurately remitted the fee assessment to the City. This hotel correctly applied the assessment fee formula requirements and collected $61,792 in TID fees from hotel guests who utilized 61,792 room nights between FY 2015-16 to FY 2016-17.

Another seven hotels were nearly accurate in TID fees remitted to the City as follows:

- Two of these hotels underpaid TID fees because government agencies requiring lodging were not charged the assessment fee.
- Three other hotels also underpaid TID fees because these hotels did not assess a fee for guests using complementary room nights.
- Another two hotels did not assess the fees for both government agency rooms and complementary rooms.

The remaining one hotel did not submit information to assess the accuracy of the TID fees collected because of employee illness.

Overall, the nine hotels were approximately 99.4 percent (+-0.5%) accurate in their submittals collecting $1,517,569 in TID fees from hotel guests between FY 2015-16 to FY 2016-17. Hotel officials generally explained that they applied the TID assessment in the same manner as the transient occupancy tax (TOT), so that organizations that are eligible for TOT exemptions were also (incorrectly) exempted from the TID assessment fee. TOT taxes are generally assessed as a

[9] Cities may also form a TID under the 1994 State law, which does not require annual renewal of the assessment during the life of a district management plan. The TID did not include preparation of a district management plan.

percentage of revenue collected for each room charged lodging fees versus an occupied room night.

Based on our sample testing of TID assessment fees covering two fiscal years (2015-16 and 2016-17) the City could have collected between $2,500 and $17,500 in additional fees (referred to as leakage) had all the hotels uniformly implemented the ordinance requirements. Since the TID's inception, the City could have possibly collected between $14,000 and $96,000 in additional fees.

Section 2: Governance, Accounting and Financial Internal Control Concerns are Present although TID Spending is Consistent with City Ordinance

TID Administrator Assumed TID Operations without a Formal Contract

The TID Administrator does not have a formal contract with the City that outlines the full scope of services expected and the related fees. An agreement for the operations of the CVB for FY 2017-18 (CVB Agreement) between the City and a local nonprofit organization (Contractor), who also serves as the TID Administrator, stated that the Contractor was to manage certain aspects of the TID operations through the CVB. The CVB agreement required the Contractor to (1) manage TID advertising in lieu of an ad agency; and specified that (2) advertisements and trade shows in FY 2017-18 will be partially paid by the TID. Although a separate contract was not in place, the TID Administrator managed TID operations. TID Advisory Board members confirmed that because the formation of the TID was led by the current TID Administrator, the TID Administrator assumed operations. The TID Administrator had developed budgets, oversaw the spending of the TID funds, completed external financial audits in accordance with the TID bylaws, and coordinated annual meetings of the TID Advisory Board. The City acknowledged the TID Administrator's role in managing TID operations by remitting the TID fees to them. Upon acceptance of public funds remitted to the TID Administrator by the City, the TID Administrator has a responsibility to ensure the public funds are spent in accordance with the City Ordinance and TID bylaws. Without a formal contract, however, the TID Administrator did not have the City required insurance coverages for related operations or other requirements in place to guide operational accountability.

City TID Ordinance Requires a Budget to Govern Spending

The City's Ordinance 1797 (Section 16.10.1220) that establishes the TID contains a requirement for submission to the City of an annual report of the TID.[10] The annual report is to contain a budget describing the expenditure of TID revenues for the next fiscal year.

Article VII Finances, Section 4: Budget, of the TID bylaws states that the TID Advisory Board will be presented an annual budget for approval. This is a misstatement in the bylaws. Under state and local requirements[11], the TID Advisory Board does not have the authority to unilaterally approve the annual TID budget although Advisory Board can recommend approval to the City Council. City Council approval of the budget provides proper spending authority of public funds for programs and services as well as for entities such as the TID. The budget approval process ensures that the elected officials perform their fiduciary and oversight responsibility to ensure that proposed spending is consistent with the bylaws of the TID.

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[10] Also required in SHC, Div. 18, Part 6, Chapter 3, Section 36533

[11] SHC, Div. 18, Part 6, Chapter 3, Section 36530 and TID Ordinance Sec. 16.10.1220

The TID bylaws assign responsibility for compilation of the budget, by name, to a local nonprofit organization who serves as administrator/management of the TID. The bylaws do not explicitly assign responsibility to either the TID Advisory Board or the TID Administrator for presentation of the budget to the City Council. Based on available archived City Council meeting agendas and supplemental documentation, the City, for the past 13 fiscal years[12], did not approve an annual budget until August 2018 when the City Council formally approved the TID's budget for FY 2018-19. Prior to this, the City did not implement proper budget oversight to ensure that the TID Administrator submit the annual budget for the TID.

Figure 3, below, describes the state and local requirements for the TID annual report and budget process

Figure 3. Roles & Responsibilities for Development and Approval of the TID Annual Report & Budget According to State Law, Local Ordinance and TID Advisory Board Bylaws

Contractor: *Santa Clara Chamber of Commerce & Convention - Visitors Bureau*	TID Advisory Board	City of Santa Clara Mayor & City Council
State Law • Does not require a "budget" but says the annual report must contain, among other things, a description of the improvements and activities for the fiscal year and the estimated cost of providing those activities. "an advisory board shall make a recommendation to the city council on the expenditure of revenues derived from the levy of assessments..." (36530)	**State Law** • The Advisory Board shall make a recommendation to the City Council on the expenditure of revenues derived from the levy of assessments. State law requires an annual report, which includes the identification of the "improvements and activities" for that fiscal year and an estimate of the cost of providing those services, as well as any surpluses or deficits from the prior year. (SHC, Div. 18, Part 6, Chapter 3, Sections 36530 and 36533 (a))	**State law** • Requires the City Council to review, modify and approve the annual report presented by the TID Advisory Board, prior to adopting a separate resolution of intention to levy an annual assessment for that fiscal year and the expenditures of the funds collected according to the description of planned activities in the annual report. (Section 36534)
City of Santa Clara Ordinance • Submission of the annual TID budget is a mandated component of the TID annual report (Section 16.10.1220)	**City of Santa Clara Ordinance** • Decisions regarding the expenditures of funds (Section 16.10.1230) will be made in accordance with the applicable state laws.	**City of Santa Clara Ordinance** • Decisions regarding the expenditures of funds (Section 16.10.1230) will be made in accordance with the applicable state laws.

[12] FY 005-06 to FY 2017-18

TID Bylaws • Compile a TID budget of estimated expenses and income for the upcoming year and prior to the beginning of the fiscal year. • Present it to the TID Advisory Board for approval. (Auditor Note: Advisory Board does not have authority to approve the budget but can make a recommendation to approve the budget.)	**TID Bylaws** • The Contractor (SCC & CVB) will present the budget to the TID Advisory Board for approval.	**TID Bylaws** • Does not address. The TID bylaws do not state what happens to the budget after it is submitted to the TID Advisory Board for approval, nor who shall submit the budget to the City Council for approval. The bylaws do state that funds may not be disbursed until after the budget is "approved" but does not say who must approve it first. (Article VII, Section 1: FUNDS)

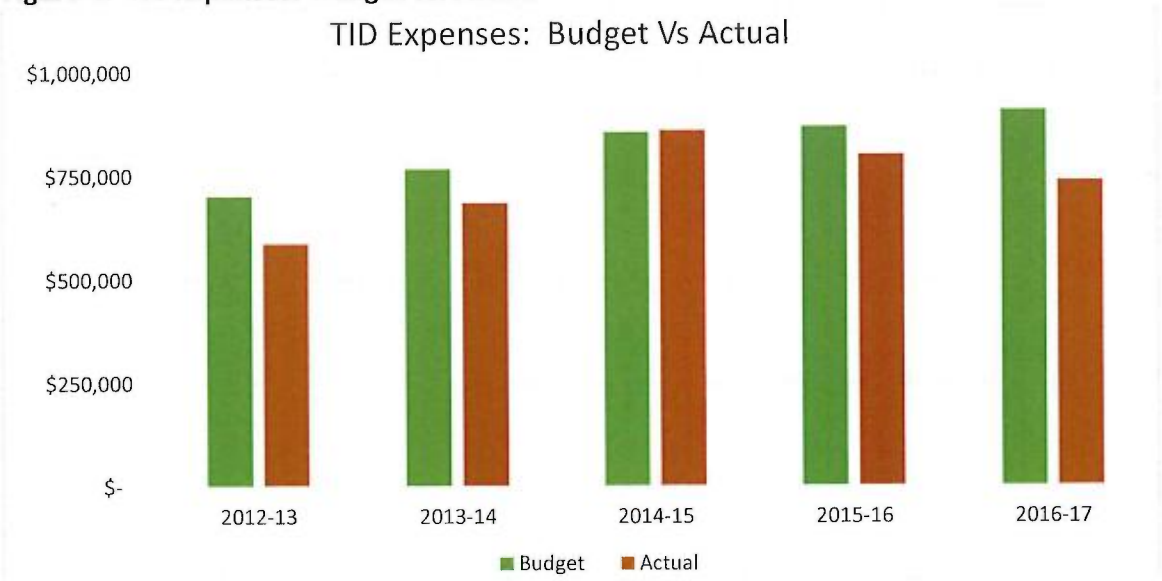
Source of Data: TAP International, Inc. analysis

Despite Absence of a Contract and Proper Spending Authority, TID Expenditures Align with Types of Expenditures Allowed Under State Law and City Ordinance

TID spending was analyzed using three methods of analysis: (1) budget vs. actual analysis; (2) review of spending against TID ordinance requirements; and (3) review of selected transactions.

The budget versus actual analysis showed that the TID spending was within the TID budget despite the absence of the spending authority for most years. As shown in Figure 4 below, the TID from FY 2012-13 through FY 2016-17 was underbudget four of the five years, totaling about $431,000 across the five years. The TID Administrator staff explained that the TID budget was used to supplement the budget gaps of the CVB.

Figure 4: TID Expenses: Budget vs. Actual



Source of Data: TAP International, Inc. analysis based on TID Audited Financial Statements.

The activities for which the TID has spent, or plans to spend money, generally align with the focus areas identified in recent TID annual reports (FY 2015-16 and FY 2017-18) as well the FY 2018-19 budget and the 2005 enabling Ordinance. The Ordinance states that the identified activities are only a partial list of the "types of improvements and activities" that could be provided by the TID (Section 16.10.1160 Purpose and Use of Benefit Assessments). Figure 5 compares the alignment of the seven areas of potential activities identified in the 2005 Ordinance to actual and proposed spending. The annual financial statements reflect the categorization of TID expenses that were spent in prior fiscal years and the budget shows what activities the TID plans to spend its monies.

Figure 5. Comparison of Areas for TID activities in Ordinance, Annual Reports, and Audited Financial Statements.

2005 City Ordinance	TID Annual Reports (for FY2015-16 and for FY2017-18)	Budget Related Expense Categories (FY2018-19 Budget)	Audited Financial Statements (Related Expense Categories for FY2016-17)
(1) Sponsorship of an aggressive and colorful marketing campaign developed to **attract additional travelers and tourists**.	• Market and sell the TID as an overnight destination. (#1) • Through the Internet, publicize weekend hotel packages for individual consumers and families. (#9) • Update Santa Clara destination videos, including TID hotel content. (#5)	Leisure Marketing & Advertising Internet Marketing	Leisure Advertising Internet Marketing
(2) Sponsorship of aggressive marketing efforts to attract additional conventions.	• Enhance the City's position as a viable meeting, convention, and leisure destination and improve the overall awareness and perception of the destination. (#2) • Increase hotel occupancy and utilization of the SCCC. (#3)	Direct Sales (Trade Shows) Advertising: Conference Media Other subsidies	Trade Shows Conference Media

2005 City Ordinance	TID Annual Reports (for FY2015-16 and for FY2017-18)	Budget Related Expense Categories (FY2018-19 Budget)	Audited Financial Statements (Related Expense Categories for FY2016-17)
(3) Possibly sponsor the services of consulting firm to prepare a **Travel/Tourism Marketing Study and Plan** for the purpose of determining where to focus marketing funds and what market(s) to target as well as what specific marketing programs might be most effective.	• Provide research funding to keep current with marketing trends and to monitor overall performance of the TID. (#8)	Research	Research
(4) Possibly sponsor **print ads** in Sunset, Via and other similar **travel publications.**	• Direct sales effort specifically targeting, sports and city-wide groups, short term business, weekend and holiday need period business and leisure, along with a variety of weekend packages and holiday packages. (#4)	Leisure Marketing & Advertising	Leisure Advertising
(5) Possibly sponsor a creative and colorful **outdoor advertising campaign.**	• Unable to determine.	Unable to determine	Unable to determine
(6) Possibly sponsor a commercial marketing campaign to attract specific **cultural groups.**	• Drive small group and city wide corporate, association, sports and SMERF type "A" business to the City, convention facilities and our Santa Clara hotel properties thru direct sales efforts. (#10)	Direct Sales (incudes Trade Shows) Advertising: Conference Media Operational Expenses & fees (includes subsidy liability)	Trade Shows Conference Media Other subsidies

2005 City Ordinance	TID Annual Reports (for FY2015-16 and for FY2017-18)	Budget Related Expense Categories (FY2018-19 Budget)	Audited Financial Statements (Related Expense Categories for FY2016-17)
(7) Sponsor **administrative costs** of program development and implementation.	• Upgrade technology systems when necessary to compete more effectively. (#6)	Staff Subsidy (includes Compensation and benefits, expenses, membership dues, monthly operating costs, bonus incentive, ADP, workers compensation insurance) Overhead (includes Insurance, Audit fees, SCCC Admin fee, check printing) Operational Expenses & fees (incudes Technology Systems)	Compensation and benefits Administration fee Rent Audit fees Bank fees Administrative meetings

Source of Data: TAP International, Inc. analysis

The review of 68 financial transactions for their appropriateness, allowability, and implementation of key controls found 47 internal control exceptions in addition to the missing documentation from FY 2014-15. Some supporting documents from other fiscal years were also missing (19 transactions, totaling $308,172). Figure 6 below shows the results of the transaction review.

Figure 6: Results of Financial Transaction Review

Number of Transactions	Exception	Transaction Value
19	No supporting documentation, including for credit card charges.	$308,172
10	Insufficient signatory provided.	$129,084

14	Subsidies to event clients that were based on hotel room bookings were posted to a general ledger account for Travel Subsidies rather than a more accurate name such as client event subsidies.	$172,002
4	Four sample transactions included payments for Leisure Advertising within the reimbursement for CVB employee salaries and benefits. No supporting documentation was provided for these advertising payments.	$5,520

Source: TAP International, Inc. analysis

Our review identified other comparable issues. For example:

- For FY 2016-17, incentive payments totaling $1,950 could not be reconciled between the general ledger and the CVB incentive payment worksheets that detail incentive pay computation. For FY 2012-13 to FY 2015-16 incentive payments totaling $116,382 could not be reconciled because of the documentation detailing incentive pay computation was not available at the time of our review.
- Expenses shown on invoices received from law firms were incorrectly posted as incentive payments. The FY 2013-14 general ledger showed two legal firm payments reported under bonus and incentive payments. These transactions were not within our sample selection so are not included in the previous table.
- Checks were generated prior to receiving proper approval for the expense for most all sampled transactions because the process was redundant. TID Administrator staff explained that because a packet comprised of the invoice, check request form, and check for payment is submitted to the TID Board Treasurer all at once, and given the check payment had already been created and signed by the TID Administrator, it was not necessary to have the check requests signed. The TID Administrator executive management further explained that the TID Advisory Board approved the budgets and a TID authorized signer signed each check, including authorizing expenses and reviewed each payment. However, our analysis determined that this process was not fully effective because checks were generated without prior TID Advisory Board approval, checks were sometimes not signed by both the authorized TID Administrator and TID Advisory Board President or Treasurer, and specific expense detail was often not present to determine the allowability of the expense.

The absence of consistent application of internal controls does not provide the City or the TID Advisory Board assurance that expenses were appropriately authorized, reviewed, and paid as allowable.

Subsidies Could Not Be Reconciled

Between FYs 2012-13 and 2016-17, the TID provided approximately $418,172 to event sponsors and the SCCC using public funds, in the form of subsidies, when event sponsors met or exceeded hotel lodging levels. The event sponsors would receive reimbursement from $2 to $6 per room

night, as shown in Figure 7. Since July 2018, there were four subsidies provided to event sponsors and another 12 planned for event sponsors contracted to use the SCCC through 2021. The TID Advisory Board members explained that the subsidies allow the CVB to encourage potential event sponsors to host events at the SCCC and use TID hotels.

Figure 7: TID Subsidy Policy

Subsidy Rate	Number of TID Hotels Used	Number of Peak Room Nights Used
$2	2	300
$4	2	400
$6	3	500

Source of data: SCCC Booking Policies and Procedures.

The audit identified the following exceptions:

- None of the 16 event subsidies provided and planned could be reconciled to subsidy policies. The CVB sales managers would determine, through negotiations with the potential clients, the amount of subsidies needed. If the subsidies needed exceeded the standard TID subsidy policy, the sales manager would need to request additional subsidies from the TID Advisory Board. E-mail records between the CVB and the TID Advisory Board that could aid in reconciliation were not available for review because the CVB employees were recently terminated by the City's Contractor that had managed the CVB.
- Four of the 16 events received $59,125 in transportation subsidies even though the TID does not have guidance in place offering this type of subsidy.
- Five of the nine organizations that have received or are planned to receive subsidies have received multiple subsidies, raising public fairness and equity concerns about the TID program. In other TIDs, such as City of Napa Tourism Improvement District and the County of Sonoma Tourism Improvement District, grant programs were established so that all event sponsors have the opportunity to apply for public funding based on specific eligibility criteria. The TID Administrator explained that the subsidies to the respective event sponsors speak to the high level of repeat business. However, TID subsidy guidelines do not include "repeat business" as a criterion for award and the absence of public transparency about the availability of the subsidies, and the concentration of subsidies ($170,682 of $222,833, or 77%) awarded to five of nine event sponsors shows that not all event sponsors may have the same access to subsidies made available to them (i.e. equity), and guarantee of due process in awarding of subsidies (i.e. fairness).

Figure 8 on the following page shows the CVB incentive worksheet of current and future events.

Figure 8: CVB Incentive Worksheet

Meeting Name **********	Meeting Start	Meeting End	Contract Room Block Begin	Contract Room Block End	Attendees	Contract Rooms	Contract Peak	Pickup Rooms	Pickup Peak	TID Subsidy Type	TID Subsidy Transportation $2	TID Subsidy Total
Jehovah's Witnesses Convention 2018	07/06/18	07/08/18	07/05/18	07/08/18	5500	1350	450	0	0			$ 16,950.00
Jehovah's Witnesses Convention 2018	07/13/18	07/15/18	07/12/18	07/15/18	5500	1350	450	0	0			$ 16,950.00
National Championship 2018	07/19/18	07/22/18	07/18/18	07/22/18	4000	1815	560	0	0	Other		$ 8,275.00
Jehovah's Witnesses Convention 2018	07/27/18	07/29/18	07/26/18	07/29/18	5500	1095	365	0	0			$ 16,950.00
STITCHES WEST 2019	02/20/19	02/24/19	02/18/19	02/25/19	9000	1700	524	0	0	$6/room	3400	$ 13,600.00
CASL Conference 2019	04/04/19	04/07/19	04/01/19	04/08/19	1000	1856	451	0	0	$2/room		$ 3,712.00
2019 CAEYC Conference & Expo	04/11/19	04/13/19	04/09/19	04/13/19	3000	1270	513	0	0	$6/room	$2,540.00	$ 10,160.00
STITCHES WEST 2020	02/19/20	02/23/20	02/17/20	02/25/20	9000	2354	666	0	0	$6/room	4708	$ 18,832.00
2020 CA DECA Career Development Conference	02/28/20	03/02/20	02/27/20	03/01/20	1800	2599	864	0	0	$6/room	$5,198.00	$ 20,792.00
2020 NCCNA XLII Convention	04/09/20	04/12/20	04/08/20	04/13/20	5000	1927	713	0	0	$6/room		$ 9,300.00
CETPA 2020 Annual Conference	12/02/20	12/05/20	11/30/20	12/05/20	2000	2668	900	0	0	$6/room	$5,640.00	$ 22,560.00
STITCHES WEST 2021	02/17/21	02/21/21	02/15/21	02/21/21	7000	2259	645	0	0	$6/room	4518	$ 18,072.00
2021 CA DECA Career Development Conference	03/05/21	03/08/21	03/04/21	03/07/21	1800	2599	864	0	0	$6/room	$5,198.00	$ 20,792.00
CASL Conference 2021	04/08/21	04/11/21	04/05/21	04/12/21	1000	1856	451	0	0	$2/room		$ 3,712.00
2021 CAEYC Conference & Expo	04/15/21	04/17/21	04/13/20	04/17/21	3000	1270	513	0	0	$6/room	2540	$ 10,160.00
2021 Annual Convention	07/04/21	07/11/21	06/24/21	07/13/21	1000	3004	450	0	0	$4/room		$ 12,016.00

Source of Data: Santa Clara Convention Center, the entity responsible for the payment of subsidies.

Section 3: TID Has Some Outstanding Bills

The TID uses a cash basis of accounting, meaning that revenue and expenses are accounted for upon payment and receipt rather than when earnings and expenses are incurred. The external financial auditor for the TID noted that the TID's cash basis of accounting represents a departure from generally accepted accounting principles (GAAP)[13]. The purpose of GAAP is to ensure that financial reporting is transparent. Government entities must follow a set of GAAP standards as determined by the Governmental Accounting Standards Board (GASB).

Under a cash basis of accounting, outstanding bills will not be recorded in any financial report until the bills are paid. Concerns would exist if there were multiple invoices that were not yet paid over a long period of time. Our analysis showed that outstanding bills totaled about $132,642 as of September 21, 2018. All of the outstanding bills to the TID were for reimbursement of expenses that were previously paid by the SCCC or CVB. The TID accounting manager explained that the marketing and convention center expenses would normally have been paid directly from a TID checking account (created under the TID Administrator's tax identification number), but because the TID accounts were frozen by the City, the SCCC and CVB had paid the expenses and subsequently have billed the TID. The expense for employee wages, benefits, and taxes are normally paid by the CVB, then invoiced monthly to the TID for reimbursement.

The TID checking and savings account balances of $567,978 as of September 20, 2018 are sufficient to pay the outstanding payables shown in Figure 9. This balance does not include approximately $201,884 in TID assessment fees for April to June 2018 that the City has collected but has not yet remitted to the TID.

Figure 9: Outstanding expenses, Tourism Improvement District as of September 20, 2018

Date	Payee	Amount	No. of Days Outstanding (as of 9/21/18)	Nature of Expense	Description
8/28/2018	Santa Clara Convention Center	$645.00	24	Overhead	Renewal for QuickBooks Online subscription. Initially paid by SCCC employee, who was reimbursed by the SCCC, who then billed the TID.

[13] Per TID Audited Financial Statements and Independent Auditors' Reports

5/27/2018	KGO-TV	$3,690.00	117	Marketing	Charge for social media video distributed via ABC7News.com and ABC7Social.com. This expense was paid by the CVB and billed to the TID.
8/28/2018	SC Chamber/CVB	$61,091.98[14]	24	Operational	Reimbursement of employee benefits, taxes, wages
8/28/2018	SC Chamber/CVB	$6,427.97	24	Operational	American Express Credit Charges, June 2018
8/28/2018	SC Chamber/CVB	$335.86	24	Operational	Mastercard charges, June 2018
8/28/2018	SC Chamber/CVB	$601.36	24	Operational	Employee expense reimbursements
7/31/2018	Santa Clara Convention Center	$50,850	52	Subsidy Payment	Subsidy for Christian Congregation of Jehovah's Witnesses Convention (3 separate events)
9/21/2018	Destination Advantage	$9,000	0	Marketing	Internet marketing services
TOTAL		**$ 132,642.17**			

Source of Data: Santa Clara Convention Center

[14] Includes: employee salaries, taxes and 401(k) for June to August 2018, employee bonuses for quarter ending June 2018 and benefits for July to August 2018.

Section 4: Other Issues

TID Administrator Has Not Effectively Implemented TID Bylaws

During the course of our activities to address the audit objectives, TAP International identified significant issues applicable to the TID bylaws. These bylaws describe the basic governance and management activities of the TID. As shown in Figure 10, of five selected bylaw established in 2009:

- One was in the process of implementation at the time of our review
- Another was in partial compliance regarding holding and documenting annual meetings.
- Two bylaws were not implemented and one of them was improperly stated
- One bylaw was partially implemented although the bylaw was improperly stated

The TID Administrator questioned whether it had responsibility for implementing the TID bylaws and explained that it was the responsibility of the TID board itself to implement the bylaws. Basic governance tenants call for a board to have responsibility for ensuring that the managing body have implemented requirements in accordance with governing documents. Although no formal contract had been implemented between the TID Advisory Board and the organization serving as the TID Administrator, or between the TID Administrator and the City, the TID Administrator was implementing key aspects of TID operations, from budgeting, spending, implementing TID guidelines, and ensuring implementation of third party financial audits. In addition, when the TID Administrator accepted public funds from the City, the organization had a responsibility to implement and comply with the TID's governing documents.

Figure 10: TID Compliance Issues Identified by TAP International, Inc.

TID Bylaw	Bylaw Description	Issue	Impact	Cause
Article I, Section 1:	TID is incorporated	**In Process.** Bylaws are misstated. The TID has not been incorporated. Only recently has the TID Advisory Board begun process of incorporating the TID with the State of California.	TID fees were deposited into the TID Administrator's core organization's bank accounts.	The City did not conduct oversight to ensure incorporation occurred or whether incorporation was needed.

TID Bylaw	Bylaw Description	Issue	Impact	Cause
Article III, Section 1:	An annual meeting of the TID Advisory Board should be held.	**Partial compliance.** TID Advisory Board reported that meetings were held, but there was no documentation of meeting agendas or meeting minutes.	Absence of governance.	Absence of effective governance by the TID Administrator.
Article IV, Section 4:	TID has an agreement with the Santa Clara Chamber of Commerce and Convention-Visitor's Bureau to manage the TID program.	**Not implemented and improperly stated.** TID has no contractual authority to enter into an agreement with the Chamber or CVB.	Misstatement of bylaws has led to misinformation among TID Administrator employees.	The City did not conduct oversight of the TID. TID Administrator did not follow up to ensure that an agreement was prepared.
Article VII, Section 1:	Funds unused from the current year's budget will be placed in a reserve account. Monies allotted to subsidies will be placed in a money market account.	**Not implemented.** Funds remaining from the prior year budget were not regularly transferred to a reserve account and funds used for subsidies were drawn from the same account that was used for operating expenditures.	Funds were not separated for transparency and ease of identification of use.	The TID Advisory Board and Administrator were not aware of this requirement.

TID Bylaw	Bylaw Description	Issue	Impact	Cause
Article VII, Section 4:	TID budget is to be presented to the TID Advisory Board for approval.	**Partially Implemented, and Improperly stated.** TID Advisory Board is an advisory board and should not have budget approval authority. It can provide a recommendation for the City Council to approve the budget.	City Council was not provided the budget for approval as required by the City Ordnance.	TID Administrator was unaware of State law and City Ordinance requirements.

Source: TAP International, Inc. analysis

Prior Audit Issues for the TID Have Not Been Resolved

As required by generally accepted government auditing standards, a review of prior audit reports[15] is necessary in planning and conducting audits. As shown in Figure 11, our review of the FY 2016-17 audited financial statements and the related management letter to the TID Advisory Board and the Management of the TID identified that:

- Two of the five audit recommendations made by the external auditor were not yet implemented.
- One recommendation was partially implemented.
- One recommendation was in progress at the time of our review.
- One recommendation is no longer applicable to the TID.

We were not able to determine if the recommendations were made in prior year end audits as not all management letters were available through the TID Administrator.

[15] Santa Clara Tourism Improvement District Financial Statements and Independent Auditor's Reports for FY 2012-13 to FY 2016-17.

Figure 11: Status of Prior TID Audit Issues

Issue Identified	FY 2016-17 External Auditor Recommendation	Status
Record Storage and Retrieval	Accounting records frequently could not be located when needed. The TID Administrator informed the external auditor that procedures were implemented.	**Not Implemented.** Accounting records were not available to TAP International for FY 2014-15. Some transaction files were missing from the other in-scope years. No new policies and procedures had been developed.
Support for Cash Disbursement Needed	Santa Clara Tourism Improvement District should require that supporting receipts be submitted for all charges for which it is practical to obtain a receipt and that the business purpose of the expense be clearly documented and a formal policy be adopted that prohibits the personal use of business credit cards and requires sufficient supporting documentation for all charges.	**Not implemented.** TID Advisory Board members are not aware that credit card policies and procedures have been prepared.
Bank Account Access Capabilities	The Board should contact Key Point to update authorized users and remove inactive persons timely, to avoid any unplanned account activity.	**In Progress** The TID Advisory Board reported that bank account updates will occur by November 9, 2018.
Documentation and Maintenance of Critical Information	A written agreement should be prepared and signed between the Tourism Improvement District and the Santa Clara Convention Center to perform all services necessary to direct, manage, and supervise the operations of the District as of September 2016. The agreement should name the parties involved, list the item of the services, and identify the fees.	**Not applicable.** The TID does not have contractual authority to enter into the agreement.

Issue Identified	FY 2016-17 External Auditor Recommendation	Status
Board Meetings	Santa Clara Tourism Improvement District should have at least one annual meeting of the Board of Directors. Discussion minutes of the meeting should be taken to clearly document all decisions made and approved by the Board. The minutes should also be retained as evidence of the meeting and related actions.	**Partially implemented.** TID Advisory Meetings reported that meetings were held, but there was not documentation of meeting agendas or meeting minutes.

Source: TAP International, Inc. analysis of TID Audited Financial Statements

Title: TID Management Letter FY 2017
Source: Nick Kaspar, SC Chamber of Commerce CEO
Date: 10/25/2018
Prepared by: G Matayoshi, TAP International
Purpose: To document the TID's financial audit management letter

JOHANSON & YAU
ACCOUNTANCY CORPORATION

DAVID R. DAVIS
FREDERICK U. LEONARD
SHERYL L. HINSHAW
BYRON J. ISHIWATA
SARA E. KELLEY

ANTHONY S. C. YAU
Of Counsel

To the Board of Directors and Management of

Santa Clara Tourism Improvement District

Santa Clara, California

In planning and performing our audit of the financial statements of Santa Clara Tourism Improvement District as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America, we considered Santa Clara Tourism Improvement District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in Santa Clara Tourism Improvement District's internal control presented on page 2 of this letter to be significant deficiencies.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the Organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

Johanson & Yau
Accountancy Corporation

San Jose, California

October 25, 2017

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Communication of Internal Control Related Matters Identified in the Audit
Year Ended June 30, 2017

Significant Deficiencies

1) Record Storage and Retrieval

During our audit we noticed that accounting records frequently could not be located when needed. The causes of the problem were numerous:

- Lack of a clearly specified system for filing records
- Failure of those who removed records from the files to indicate who took the record
- Failure to return the record to the files or misfiling it when it was returned

The result was that employees spent nonproductive time searching for needed documents. We have been informed that procedures have been implemented subsequent to yearend to address this issue.

2) Support for Cash Disbursement Needed

During our audit we noticed that certain expenses were charged to credit cards belonging to the Santa Clara Chamber of Commerce, which the Santa Clara Tourism Improvement District subsequently reimbursed to the Santa Clara Chamber of Commerce. Employees were required to prepare expense reports to be turned in to the accounting department on a monthly basis, however, it was determined that several receipts and other supporting documentation for charges were not properly maintained. This practice could result in the payment of unsubstantiated expenses.

We recommend that Santa Clara Tourism Improvement District require that supporting receipts be submitted for all charges for which it is practical to obtain a receipt and that the business purpose of the expense be clearly documented and a formal policy be adopted that prohibits the personal use of business credit cards and requires sufficient supporting documentation for all charges.

3) Bank Account Access Capabilities

During our audit we noticed that personnel who are no longer involved with the District still have access to the bank account with KeyPoint Credit Union. We recommend that the Board to contact KeyPoint to update authorized users and remove inactive persons timely, to avoid any unplanned account activity.

4) Documentation and Maintenance of Critical Information

During our audit we noted that the Santa Clara Tourism Improvement District began paying the Santa Clara Convention Center to perform all services necessary to direct, manage and supervise the operations of the District as of September 1, 2016; however, there was no formal agreement maintained by either party documenting the agreed-upon terms. In order to protect Santa Clara Tourism Improvement District and to eliminate potential problems that can arise from oral agreements, we recommend that a written agreement be prepared and signed. The agreement should name the parties involved, and list the terms of the services and the fees.

5) Board Meetings

We noted during out audit that no minutes of board meetings were available because the Santa Clara Tourism Improvement District has not had a Board meeting in the past two years. Board meetings can be crucial in documenting compliance with accounting and other regulatory issues. It is strongly recommended that Santa Clara Tourism Improvement District has at least an annual meeting of the Board of Directors. Discussion minutes of the meeting should be taken to clearly document all decisions made and approved by the Board. The minutes should also be retained as evidence of the meeting and related actions.

STATUS OF TAP INTERNATIONAL AUDIT RECOMMENDATIONS

TAP INTERNATIONAL AUDIT OF THE TOURISM IMPROVEMENT DISTRICT

(11/20/2018)

	Audit Recommendation	Current Status	Action Taken
1	The City Manager should work with the City Attorney to determine how to address the improper collection of TID fees since FY 2005-06.	Complete	As documented in the audit, for some years TID revenues exceeded expenditures. These prior year surplus funds were placed in the TID Reserve which holds approximately $600,000. On August 28, the Council approved the TID assessment for Fiscal Year 2018/19. As part of this report, staff advised the Council that previous years' TID funds were collected without following the appropriate steps as outlined by State law. Therefore, the reserves funds must be preserved for one year from the date of the proper levy of the assessment. Once the one year has elapsed, the funds can be released for use.
2	City Attorney should conduct research to determine if the TID should cease or continue efforts to incorporate.	Not Implemented	The City Attorney will review the recommendation and determine if the TID should cease or continue efforts to incorporate.
3	The City Manager should work with the TID Advisory Board to update the TID bylaws with particular attention paid to procedures for budget preparation and approval, recordkeeping requirements, allowable expenses, implementation of subsidies, policies and procedures to establish proper oversight of cash accounts, and conducting at least yearly board meetings with minutes prepared in sufficient detail to document discussion points, decisions and commitments.	Not Implemented	The City Manager has already reached out to coordinate with the TID Advisory Board and they invited the City Manager, or designee, to attend TID Advisory Board meetings. The City Manager has already attended one meeting and has requested the TID Advisory Board's meeting schedule. The City Manager will discuss this recommendation with the TID Board at an upcoming Board meeting.
4	The City Manager should develop and implement guidance and training for the TID's participating hotels on the City's TID ordinance and how the assessment fee should be calculated.	Not Implemented	See item 3.
5	The City Manager should consider the feasibility of having the TID managed by City staff or contracting the management of the TID to a third party. If the City decides to contract with a third party, the contract should include all City required insurance coverages, performance expectations and reporting requirements for audited financial statements of the TID and related management letters	Not Implemented	Staff will review the feasibility of this recommendation.
6	As the expense documentation for FY 2014-15 was found after the completion of audit fieldwork, the City Manager should decide if further work is warranted to review the expenses from that year for allowability, appropriateness and implementation of internal controls.	Not Implemented	Staff will amend TAP International's contract for a review of the FY 2014/15 expenses. Based on this additional work, staff will determine if any amount is owed to the City.

STATUS OF TAP INTERNATIONAL AUDIT RECOMMENDATIONS

	Audit Recommendation	Current Status	Action Taken
7	Upon the submission of appropriate documentation within a reasonable time period to support $308,172 in expenses missing during audit fieldwork, the City Manager should audit available records and based on the audit results, make any needed adjustment to the amount owed.	Not Implemented	Staff will issue a letter to the Chamber of Commerce seeking appropriate documentation to support $308,172 in expenses missing during the audit fieldwork and will amend the contract with TAP International to audit any newly made available records. Based on this additional work, staff will make adjustments to the amount owed.
8	The City Manager should establish a contract manager to administer oversight of TID operations. Oversight activities should include periodic TID assessment fee audits, internal control audits and compliance audits.	Partially Implemented	At the September 18, 2018 City Council Meeting, the City Council approved the addition of 1.0 Assistant To The City Manager position to serve among other duties also as a contract manager for the TID. The recruitment for this position is currently underway.
9	The City should consider working with the TID to update the subsidy program into a grant program that is open to all event sponsors to apply for public funds to offset the cost of events contracted at the SCCC.	Not Implemented	See item 3.
10	The City Manager should determine whether to conduct a TID assessment fee audit of the one participating hotel that could not provide requested sample testing documentation regarding hotel occupancy for this audit due to illness.	Not Implemented	Staff will review amending the contract with TAP International for this additional TID assessment fee audit.

18-1536 **Agenda Date: 11/27/2018**

REPORT TO STADIUM AUTHORITY BOARD

SUBJECT

Note and File a Status Report on the Harvey M. Rose Measure J Compliance Audit of the Santa Clara Stadium Authority

BACKGROUND

On October 29, 2018, staff presented an update on the status of the Harvey M. Rose Associates Audit Recommendations to the Ad-Hoc Stadium Audit Committee (Committee) as summarized in the attached staff report (Attachment 1) including an audit recommendation tracking matrix. The matrix lists all thirty-seven audit recommendations including the designation for the status of the recommendation (e.g., Complete, Partially Complete, or Not Implemented) and actions taken to date.

DISCUSSION

This Staff report transmits the Committee report that provides the implementation update of the auditor's recommendation and a detailed description of the action taken as of October 2018. The matrix is color coded by status with items that were previously deemed as completed shown in grey, new proposed completed items shown in green, and partially complete (items that are in process) shown in orange.

The table below shows that 68% (25 of 37) of audit recommendations are complete, a near 40% increase in completed audit recommendations since the last update presented to the Committee in March 2018. The remaining audit recommendations are "Partially Complete." Table 1 reflects staff's progress of implementing the audit recommendations from March to October 2018:

Table 1: Summary of Audit Recommendations Status - March to October 2018

Status	Progress of Audit Recommendations as of March 2018	Progress of Audit Recommendations as of October 2018	% Change
Complete	18	25	39%↑
Partially Complete	14	12	14%↓
Not Implemented	5	0	100%↓
TOTAL	**37**	**37**	

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" within the meaning of the California Environment Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

FISCAL IMPACT
There is no fiscal impact to the Stadium Authority with this status update.

COORDINATION
This report was coordinated with the Stadium Authority Counsel's Office.

PUBLIC CONTACT
Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION
Note and File a Status Report on the Harvey M. Rose Measure J Compliance Audit of the Santa Clara Stadium Authority.

Reviewed by: Angela Kraetsch, Treasurer
Approved by: Deanna J. Santana, Executive Director

ATTACHMENTS
1. Report to Stadium Audit Committee #18-1414
2. Status of Harvey M. Rose Associates Audit Recommendations
3. Recommendation 1.N - Letter to Stadium Manager
4. Recommendation 2.A and 2.I - Letter to ManCo
5. Recommendation 1.F and 4.C - Letter to Stadium Manager
6. Recommendation 2.D - Overview of Comprehensive Audit Program

18-1414 **Agenda Date: 10/29/2018**

REPORT TO STADIUM AUDIT COMMITTEE

SUBJECT
Status of Harvey M. Rose Associates Audit Recommendations

BACKGROUND
On November 27, 2017, staff presented the following to the Ad-Hoc Stadium Audit Committee (Committee): (1) standard audit recommendation tracking matrix listing the thirty-seven audit recommendations, (2) designation for the status of the recommendation (e.g., Complete, Partially Complete, or Not Implemented), and (3) action taken to date. This matrix continues to be used as a tool to track staff's progress and will continue to be presented to the Committee at future meetings.

On March 19, 2018, staff provided an update to the Committee on the progress towards implementing the thirty-seven audit recommendations.

DISCUSSION
The attached Harvey M. Rose Audit Recommendations matrix provides the auditor's recommendation and a detailed description of the action taken as of October 2018. The matrix is color coded by status with items that were previously deemed as completed shown in grey, new proposed completed items shown in green, and partially complete (items that are in process) shown in orange.

The table below shows that 68% (25 of 37) of audit recommendations are complete and none are in the "Not Implemented" status-a near 40% increase in completed audit recommendations since March. Table 1 reflects staff's progress of implementing the audit recommendations from March to October 2018:

Table 1: Summary of Audit Recommendations Status - March to October 2018

Status	Progress of Audit Recommendations as of March 2018	Progress of Audit Recommendations as of October 2018	% Change
Complete	18	25	39%↑
Partially Complete	14	12	14%↓
Not Implemented	5	0	100%↓
TOTAL	**37**	**37**	

During the last seven months, staff has made significant progress in implementing the audit recommendations and other management/oversight improvements of the Stadium Authority. Some of the remaining outstanding audit recommendations are more difficult to implement as they require cooperation, collaboration, and/or consent from ManCo and StadCo as noted in the updates of the

attached matrix, for example:

- Recommendation #1.I requires amending the Management Agreement and the Amended and Restated Stadium Lease to correct conflicting language concerning the furnishing of the Annual Statement of Stadium Operations; and
- Recommendation # 1.O requires amending the Management Agreement to require formal and/or informal bidding procedures.

Staff has been successful in implementing the audit recommendations and strengthening oversight of Stadium Authority operations. One of the key results from the audit is the recent inclusion of Non-NFL event information in the Stadium Authority's Financial Status Report for the Quarter and Fiscal Year Ending March 31, 2018 which provided a greater level of transparency and provided the overall financial results of the Non-NFL events while still maintaining the confidentiality related to a specific event.

That information alone provides greater transparency about management decisions made with respect to scheduling of Non-NFL events, revenue or losses, and foundational information about future public policy making decisions relative to neighborhood impacts.

Since presenting the information, staff has completed analyses of the remaining Fiscal Years and the following table reflects the Non-NFL event information for all four years of Stadium operations and is responsive to recommendations 1.M and 2.B:

Net Revenue for Non-NFL Events

	2014/15		2015/16		2016/17		2017/18	
EVENT TYPE	No. of Events	Net Revenue	No. of Events	Net Revenue	No. of Events	Net Revenue	No. of Events	Net Revenue
Ticketed Events								
Concerts	0	$ -	7	$ 3,791,985	4	$ 2,424,572	2	$ 1,819,099
Sporting events:								
Football (non-NFL)	5	(3,007,907)	4	(2,316,903)	4	(2,946,165)	4	(3,601,827)
Soccer	2	3,948,144	2	891,300	5	2,414,209	3	3,228,754
Miscellaneous events	2	2,504,912	4	(149,392)	5	(159,175)	4	76,379
Subtotal Ticketed Events	9	$ 3,445,149	17	$ 2,216,989	18	$ 1,733,441	13	$ 1,522,405
Special Events (weddings, corporate events, etc.)	186	$ 1,762,404	204	$ 3,862,027	127	$ 3,583,453	113	$ 3,640,924
Total Non-NFL Net Revenue	**195**	**$ 5,207,553**	**221**	**$ 6,079,016**	**145**	**$ 5,316,894**	**126**	**$ 5,163,329**
Total Performance Rent paid to the General Fund*		**$ 2,513,777**		**$ 2,932,008**		**$ 2,533,447**		**$ 2,439,164**
Average General Fund Revenue per Ticketed Event		**$ 184,782**		**$ 62,899**		**$ 45,887**		**$ 55,322**

*Performance Rent is calculated at 50% of the net revenue for Non-NFL events less performance-based credit of 50% of fixed Ground Rent

As shown in the table above, the average net income per ticketed event that benefits the City of Santa Clara's General Fund ranges from a high of $184,782 in 2014/15 (the first year of operations) to a low of $45,887 in 2016/17. Based on the analysis shown above, it is evident that concerts, soccer, and special events (weddings, corporate events, birthday parties, etc.) are positive revenue generators for the Stadium Authority. However, it is clear that Non-NFL football events (college and high school) have generated substantial losses to the Stadium Authority for all four years. This trend aligns with recent Stadium Authority Board action to establish a separate agreement for the College Football Playoff (CFP) to safeguard the SCSA against the negative fiscal impact relative to this event - which most recently for the Atlanta CFP game resulted in local subsidies of approximately $12 - $14 million. The value of this information illustrates that these losses have a direct impact on reducing the

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Performance Rent that is paid to the City's General Fund.

As the next step in completing the audit recommendations, staff intends to return to the Committee in March 2019 to provide an update on the remaining 12 audit recommendations.

COORDINATION
This report was coordinated with the City Attorney's Office.

ENVIRONMENTAL REVIEW
The action being considered does not constitute a "project" within the meaning of the California Environment Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(a)(4) in that it is a fiscal activity that does not involve any commitment to any specific project which may result in a potential significant impact on the environment.

FISCAL IMPACT
There is no fiscal impact to the Stadium Authority with this status update; however, there are decisions that the Ad Hoc Committee will recommend to the SCSA Board that may have a fiscal impact. Further, staff is currently analyzing the audit data to determine if any additional reimbursement is due from the Stadium Authority to the City's General Fund.

PUBLIC CONTACT
Public contact was made by posting the Ad-Hoc Stadium Audit Committee agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION
Note and file an update on the Status of the Harvey M. Rose Associates Audit Recommendations.

Reviewed by: Angela Kraetsch, Treasurer
Approved by: Deanna J. Santana, Executive Director

ATTACHMENTS
1. Status of Harvey M. Rose Associates Audit Recommendations
2. Recommendation 1.N - Letter to Stadium Manager
3. Recommendation 2.A and 2.I - Letter to ManCo
4. Recommendation 1.F and 4.C - Letter to Stadium Manager
5. Recommendation 2.D - Overview of Comprehensive Audit Program

STATUS OF HARVEY ROSE ASSOCIATES AUDIT RECOMMENDATIONS

1. COMPLIANCE WITH STADIUM AUTHORITY AGREEMENTS

	Audit Recommendation	Current Status	Action Taken
1.A	The Stadium Authority Board should direct the Executive Director to request the public safety costs threshold be adjusted through negotiations with StadCo to reflect actual costs to the City for providing public safety services for NFL events.	Partially Complete	Meetings were held on September 20, 2018 and October 4, 2018 for the purpose of engaging in good faith negotiations with respect to an increase in the Public Safety Cost Threshold. At this time, the Stadium Authority is awaiting a response from StadCo.
1.B	The Stadium Authority Board should direct the Executive Director and Stadium Authority counsel to notify ManCo that the absence of five year capital expenditure plans for FYs 2014-15 and 2015-16 was a breach of Section 10.3 of the Stadium Lease and that ManCo is required to provide such plans under the lease for the current and all future Stadium Authority fiscal years.	Complete	ManCo provided a five-year capital expenditure plan in February 2017 for the Fiscal Years 2017-18 thru 2021-22. This plan was incorporated into the Stadium Authority's Adopted Fiscal Year 2017-18 SCSA Budget. ManCo was notified that they were to provide a five year capital expenditure plan going forward. ManCo provided a five-year capital expenditure plan in February 2018 and this plan was incorporated into the Stadium Authority's Proposed Fiscal Year 2018-19 Budget.
1.C	The Stadium Authority Board should direct the Executive Director to provide a copy of the Operation and Maintenance Plan to the Stadium Authority Board for review, in closed session if deemed necessary for public safety reasons by the Stadium Authority counsel.	Complete	In accordance with Section 3.1 of the Stadium Operations Agreement, Section 4.5 of the Stadium Management Agreement, and Section 7.2 of the Stadium Lease Agreement, the 49ers Management Company (ManCo) is responsible for preparing the Stadium Operation and Maintenance Plan (SOMP). The SOMP consists of the Annual Shared Stadium Expense Budget, Annual Public Safety Budget and Capital Expenditure Plan, as well as the Annual Public Safety Budget and the Amortization of Public Safety Capital Expenditures. For Fiscal Year 2018-19 all documents were presented to the Stadium Authority Board at its March 13 meeting. The SCSA Board approved the SCSA Budgets, comprising the SOMP, at the March 27, 2018 meeting.
1.D	The Stadium Authority Board should require that Stadium Authority staff and ManCo prepare an annual public safety budget in conjunction with the City's public safety departments detailing both NFL and non-NFL event public safety costs for submission to and adoption by the Board.	Complete	ManCo provided a Public Safety Budget to staff in February 2017 during the 2017-18 budget process. This was also provided to staff on February 7, 2018 as part of the 2018-19 budget process. The Public Safety Budget was included as part of the 2018-19 Adopted SCSA Budget that was presented to the Board on March 13, 2018. The SCSA Board approved the SCSA budget, comprising the SOMP, at the March 27, 2018 meeting.
1.E	The Stadium Authority Board should direct the Executive Director to renegotiate provisions of the Stadium Lease so that the Stadium Authority receives a share of any concessionaire revenue that exceeds the minimum guaranteed amount from non-NFL events.	Complete	The Stadium Authority does receive revenue in excess of minimum per Stadium Lease: 7.3.2 Concession Revenue. In February 2018, the SCSA Board approved a new concessionaire contracts and included in that presentation was detail of how the SCSA receives revenue. Underway is also the effort to clarify by fiscal year the exact amount generated for Food & Beverage (F&B) revenue.
1.F	The Stadium Authority Board should direct the Executive Director to notify StadCo that a formal consolidated draft parking plan must be produced and delivered to the Community Development Department and to the Board for review and approval as required under the Stadium Lease.	Partially Complete	Stadium Authority staff agrees with the audit that the information provided in the one page summary of parking lots in the TMOP is not adequate to determine the available and utilized parking facilities. Staff has also determined that Stadium Manager requires information from the City permit applications in order to provide a complete consolidated parking plan. City staff will determine what can be provided from the existing permit applications, and what modifications to the City permit application are required, to provide the necessary information to the Stadium Manager to prepare a complete consolidated parking plan.

STATUS OF HARVEY ROSE ASSOCIATES AUDIT RECOMMENDATIONS

	Audit Recommendation	Current Status	Action Taken
1.G	The Stadium Authority Board should direct the Chief of Police to present the public safety plan to the Stadium Authority Board for review and formal approval (in closed session if deemed necessary by Stadium Authority counsel) and to present any updates to the public safety plan to the Stadium Authority Board for review and documented adoption.	Complete	In light of recent national incidents and heightened focus on large crowds, it should be noted that the Plan is dynamic and will require adjustments to respond to various public safety conditions. The public safety plan has been approved and the Executive Director is in possession of a copy under lock and key. The Council can review this plan on an individual basis. In addition, Public Safety experts have been contracted to review the current public safety model and work is underway.
1.H	The Stadium Authority Board should direct the Executive Director to formally notify StadCo that the total cost for stadium insurance must be disclosed in the shared stadium expenses budget pursuant to Section 4.6 of the Management Agreement and, based on the disclosure, consider proposing to StadCo an amendment to the Stadium Lease to remove the provision that the Stadium Authority pay a fixed amount of insurance costs, with StadCo paying an unknown amount.	Complete	Section 8.3.1 of the Stadium Lease states that the Stadium Authority Insurance Share shall be calculated as follows: (i) for the first lease year the Stadium Authority Insurance Share shall equal two million five hundred fifty thousand dollars ($2,550,000) and (ii) on the commencement of the second and each succeeding lease year, the insurance shall be increased by three percent (3%). This fixed rate for insurance was included in the Facility Rent calculation as part of exhibit J and confirmed as part of the Rent Arbitration award. An amendment to the Management Agreement is not recommended at this time.
1.I	The Stadium Authority Board should direct the Executive Director to formally notify StadCo and ManCo that ManCo is in breach of the Management Agreement because it did not furnish Annual Statements of Stadium Operations for FYs 2014-15 and 2015-16, and to require that such statements be provided for those years, for FY 2016-17 and each year thereafter.	Partially Complete	**The Management Agreement and Amended and Restated Stadium Lease provides conflicting language concerning the selection of the third-party certified public accountant (underlined below) that would be contracted to prepare the Annual Statement of Stadium Operations.** The Section 4.2 of the Management Agreement states that the Stadium Manager shall furnish to the Stadium Authority and StadCo a statement for such Fiscal Year, prepared by a qualified, third-party certified public accountant selected by StadCo and approved by the Stadium Authority, setting forth such information as specified in the Stadium Lease. Section 8.3.3 of the Amended and Restated Stadium Lease states that the Landlord (Stadium Authority) shall furnish (or cause the Stadium Manager to furnish) to Tenant (StadCo) a statement for such Lease Year an Annual Statement of Stadium Operations prepared by a qualified, third-party independent certified public accountant selected by Landlord (Stadium Authority) and approved by Tenant (StadCo). Based on the conflicting language, staff is currently reviewing the next steps to address this recommendation. However, staff agrees that it is in the best interest of the Stadium Authority to enter into an agreement with an outside auditor to prepare an Annual Statement of Stadium Operations.
1.J	The Stadium Authority Board should direct the Executive Director to send formal notification to ManCo and StadCo that ManCo was in apparent breach of the Stadium Lease requirement that a one year budget and five year projection of shared Stadium expenses be provided on an annual basis to the Stadium Authority and demanding that ManCo provide such budgets and projections for the current and all future years. The Executive Director should be directed to provide a written response to ManCo each year on the draft budget submitted by ManCo.	Complete	ManCo provided a one year budget and five year projection of shared stadium expenses to staff in February 2017 during the 2017-18 budget process. ManCo was notified that they were to provide this plan annually. These documents were provided to SCSA staff in February 2018 during the 2018-19 budget process and incorporated into the 2018-19 Adopted SCSA Budget.

STATUS OF HARVEY ROSE ASSOCIATES AUDIT RECOMMENDATIONS

	Audit Recommendation	Current Status	Action Taken
1.K	The Stadium Authority Board should direct the Executive Director and Treasurer to work with ManCo to require that the annual operating budget and quarterly financial status reports disclose sufficient information to ensure that staff and the Board can determine whether the Stadium Authority is adhering to Stadium Lease requirements contained in Article 14 regarding the allocation of excess Stadium Authority revenue.	Complete	Article 14 of the Amended and Restated Stadium Authority Lease Agreement describes the steps if Stadium Authority Revenue exceeds Stadium Authority Expenses for any Lease Year prior to the Tenant Season Expansion Date. This information was included on page 16 of the Adopted 2018-19 SCSA Budget. In addition, staff has already begun to change the format of financial reporting for the purpose of transparency and to facilitate understanding of the fiscal report. We have made verbal presentations to the board summarizing the changes each time they are implemented.
1.L	The Stadium Authority Board should direct the Executive Director to notify ManCo that previous annual marketing plans were inadequate as they did not set forth reasonably detailed plans to develop, implement, and monitor marketing, booking, advertising, and promotion of non-NFL activities. The Board should further direct the Executive Director to notify ManCo that future marketing plans must include such details and be reviewed for sufficient detail by the Executive Director before being presented to the Board.	Complete	ManCo provided a Sales and Marketing Plan to staff in February 2017 during the 2017-18 budget process. This information was also provided in February 2018. Staff has worked with ManCo to provide a more robust marketing plan that was presented to the Board on March 13, 2018. As noted during the March 13th presentation, the agreement sets a "reasonable detail" standard which we believe the fiscal year 2018-19 plan reflects. The SCSA Board approved the Marketing Plan on March 27, 2018.
1.M	The Stadium Authority Board should direct the Executive Director to confer with the Finance Director/Treasurer to determine what financial information would be necessary to assess non-NFL event financial performance, including incentive payments to ManCo, and then notify ManCo regarding what additional information will be required on an ongoing basis.	Complete	On October 2, 2018, staff presented the Financial Status Report for the Quarter and Fiscal Year Ending March 31, 2018 which included detailed information by type of event (i.e. concert, sporting events, and miscellaneous events) and by revenue and expense categories. Staff has notified ManCo/StadCo that this information will be required going forward in order to present to the SCSA Board as part of the fourth quarter status report.
1.N	The Stadium Authority Board should direct the Executive Director to notify ManCo that it is in breach of Management Agreement Section 3.3, which requires that written revenue or other reports relating to non-NFL events be provided to the Stadium Authority within 45 days of each non-NFL event with attendance projected to exceed 25,000. The Stadium Authority Board should further direct the Executive Director to demand that ManCo provide such written revenue reports according to specifications to be detailed by the Treasurer for all future non-NFL events with attendance projected to exceed 25,000.	Partially Complete	Section 3.3 of the Management Agreements states that the Stadium Manager shall furnish the Executive Director, within 45 days of each non-NFL event with attendance projected to exceed 25,000 and on a quarterly basis for all other events, such written revenue or other reports relating to non-NFL events as the parties may agree from time to time. On October 1, 2018, SCSA staff requested in writing that this information be provided to the Executive Director for past non-NFL events and on an ongoing basis. In addition, the letter directed the Stadium Manager to provide a written report on the 2018 International Champions Cup that was held on August 4th within one week of receipt of the letter. To date the Stadium Manager has not complied with this request.

STATUS OF HARVEY ROSE ASSOCIATES AUDIT RECOMMENDATIONS

	Audit Recommendation	Current Status	Action Taken
1.O	The Stadium Authority Board should direct the Executive Director and Stadium Authority counsel to request an amendment to the Management Agreement that would require formal and/or informal bidding procedures for any transactions with ManCo affiliates or for transactions above a designated threshold to ensure that goods and services received from an affiliate of ManCo are competitively priced.	Partially Complete	It must be a mutual agreement between both parties to amend the Management Agreement. A letter will be sent to ManCo/StadCo requesting their interest in an amendment and reporting compliance with Section 2.1. Section 2.1 of Amendment No. 1 to the Management Agreement states that the Stadium Manager shall have full authority and discretion to select the providers, and to negotiate, approve, enter into and administer contracts with such providers on behalf of the Stadium Authority, for the purchase of supplies, materials and equipment, and for services, relating to the Stadium and its operations...it further states that the Stadium Manager shall provide the Stadium Authority with information, including the contracting party and the contract amount, regarding all Stadium Procurement Contracts entered into with contract amounts greater than $100,000 within thirty (30) days of entering into any such contract. The forgoing constitutes the Executive Director's delegation to the Stadium Manager. The Executive Director will send a letter to the Stadium Manager ensuring compliance with this provision for the past year and going forward. SCSA staff requested an opinion from the Fair Political Practices Commission (FPPC) on whether these procurement duties require the Stadium Manager to complete a Statement of Economic Interests - Form 700. The FPPC requires public employees who make or influence governmental decisions to submit a Form 700. The FPPC opinion is that these procurement duties do require the Stadium Manager to submit a Form 700. The Stadium Manager complied with this requirement and submitted a Form 700 to the FPPC.
1.P	The Stadium Authority Board should direct the Executive Director to direct ManCo to provide quarterly written reports to the Stadium Authority, to be maintained as permanent Stadium Authority records, detailing parking lot information as required in the first amendment to the management agreement.	Partially Complete	Section 4.1 Off-Site Parking (First amendment to the Management Agreement) In accordance with Section 2.6.22 of the existing Management Agreement, the Stadium Manager shall have full authority and discretion to select the off-site private parking locations for Stadium Events, and to negotiate, approve, enter into and administer contracts with the private parking lot owners for the use of their parking spaces for all or certain of such Stadium Events which agreements may also make provision, to the extent available, for additional parking for surrounding properties that would be paid for by such properties (Private Parking Agreements). At the quarterly meetings (with the Executive Director) as described in Paragraph 3.3, the Stadium Manager shall report on the status of such Private Parking Agreements, the status of any ongoing negotiations with private parking lot owners, and the financial performance and other matters relating to the off-site private parking locations for Stadium Authority Events, and such other similar or other topics as the Stadium Authority may request. On October 18, 2018, the Executive Director requested in writing that the Stadium Manager begin providing written quarterly reports detailing parking lot information as required by the Management Agreement.
1.Q	The Stadium Authority Board should direct the Executive Director to require that all meetings, including the date and purpose of the meetings, between Stadium Authority staff and ManCo be documented and reported quarterly or annually to the Stadium Authority Board.	Complete	The Executive Director issued a quarterly report for the period April 1 - June 30, 2018 on July 17, 2018 and will continue providing such a report at the completion of each quarter

STATUS OF HARVEY ROSE ASSOCIATES AUDIT RECOMMENDATIONS

	Audit Recommendation	Current Status	Action Taken
1.R	The Stadium Authority Board should direct the Executive Director to establish procedures to ensure that all existing plans, reports, and budget documents required to be provided by ManCo are provided to the Stadium Authority in the manner required by existing agreements. The Stadium Authority Board should further direct the Executive Director to report annually on the status (receipt, review, and approval status) of each required plan, report, and budget document.	Complete	Staff has prepared a schedule to track the deliverables. The required documents were provided to staff in February 2018 during the 2018-19 budget process as reported at the March 13, 2018 Stadium Authority Budget Study Session.
2. STADIUM AUTHORITY REVENUES AND EXPENSES			
2.A	The Stadium Authority Board should request that ManCo provide the relevant reports and documentation that back up the NFL ticket surcharge summary report in order to retain permanent verification of the accuracy of the surcharge calculated by ManCo.	Partially Complete	ManCo was notified in writing on October 9, 2018, to provide all relevant reports and documentation that back up the NFL ticket surcharge to the SCSA. StadCo responded on October 18, 2018 to affirm receipt of the letter and to notify staff that they are in the process of providing the requested documentation.
2.B	The Stadium Authority Board should negotiate with ManCo to establish a level of detail regarding non-NFL event revenue and expenses that can be provided in City reports, public documents, and permanent records to be kept by the Stadium Authority without compromising ManCo's ability to book and negotiate deals with non-NFL event acts and performances. The Board should direct staff to include this level of detail for both budgeted and actual revenues and expenses in the annual proposed budget and the quarterly financial status reports to allow the Board and public to monitor the performance of non-NFL events and ManCo's performance in managing and executing the events.	Complete	On October 2, 2018, staff presented the Financial Status Report for the Quarter and Fiscal Year Ending March 31, 2018 which included detailed information by type of event (i.e. concert, sporting events, and miscellaneous events) and by revenue and expense categories. Staff has notified ManCo/StadCo that this information will be required going forward in order to present to the SCSA Board as part of the fourth quarter status report.
2.C	The Stadium Authority Board should require that a detailed breakdown of performance rent calculations and payments to the City of Santa Clara be included in the budget and quarterly financial status reports using additional information provided by ManCo.	Complete	Performance Rent calculation was included in the Stadium Authority's Quarterly Financial Report that was presented to the Board on November 21, 2017 and was included in the Adopted 2018-19 SCSA Budget.
2.D	The Stadium Authority Board should require that ManCo provide reports and documentation that can be kept in Stadium Authority records, consistent with confidentiality provisions in the agreements that back up the non-NFL ticket surcharge summary report in order to verify that the surcharge calculated by ManCo is accurate.	Partially Complete	SCSA staff reviewed the non-NFL ticket surcharge process with ManCo. This is currently under review for completeness.

STATUS OF HARVEY ROSE ASSOCIATES AUDIT RECOMMENDATIONS

	Audit Recommendation	Current Status	Action Taken
2.E	The Stadium Authority Board should require that a comprehensive accounting of Debt Service Fund transactions, including beginning and year-end balances, budget vs. actual revenues and expenditures by specific line item, and details on all transfers in and out of the fund, be presented in Stadium Authority budgets and financial status reports.	Complete	This information has been incorporated in the Stadium Authority's 2017-18 Budget, 2018-19 Budget, and current Quarterly Financial Status Reports.
2.F	The Stadium Authority Board should require that Discretionary Fund revenues, expenses, budget-to-actual comparisons, and account balances be reported in Stadium Authority budgetary documents separately from the Operating Fund.	Complete	The discretionary fund expenses and budget-to-actual comparisons have been reported to the SCSA Board beginning with the YE 3/31/15 Stadium Authority Financial Status Report that was presented on 8/18/15. The revenues that fund the discretionary fund and the account balance have been reported to the SCSA Board since the QE 6/30/16 Stadium Authority Financial Status Report that was presented on 8/23/16. The Discretionary Fund is shown separately on page 16 of the 2018-19 Adopted SCSA Budget.
2.G	The Stadium Authority Board should require that ManCo prepare the five year Shared Expense Budget, per the requirements in the Stadium Management Agreement, and the Board should direct the Executive Director to document receipt of the Shared Expense Budget, and provide written comments to ManCo in response to the proposed expenses.	Complete	ManCo provided a one year budget and five year projection of shared stadium expenses to staff in February 2017 during the 2017-18 budget process. ManCo was notified that they were to provide this plan annually. These documents were provided to SCSA staff in February 2018 during the 2018-19 budget process and incorporated into the 2018-19 Adopted SCSA Budget. (This recommendation seems to be a repeat of recommendation 1.J)
2.H	The Stadium Authority Board, StadCo, and ManCo should amend the Management Agreement or separately establish binding policies that do not allow retroactive increases in authorized expenditures such as Stadium Manager expenses, and should require that detailed explanations be provided to the Board when additional funding is requested midyear in advance of such expenses being incurred.	Complete	SCSA staff has been proactive in bringing the budget adjustments to the Board before the expense is incurred. In addition, The SCSA Board adopted a Budget Policy on March 13, 2018 that requires that budget amendments are approved by the Board before the expense is incurred.
2.I	The Stadium Authority should require that ManCo provide independently prepared reports and documentation to back up the number of NFL tickets sold for each fiscal year in order to verify that the senior/youth fee calculated by ManCo is accurate and to have a set of permanent records documenting the validity of this revenue.	Partially Complete	ManCo was notified in writing on October 9, 2018, to provide all relevant reports and documentation that back up the NFL ticket surcharge to the SCSA. StadCo responded on October 18, 2018 to affirm receipt of the letter and to notify staff that they are in the process of providing the requested documentation.
2.J	The Stadium Authority Board and the City of Santa Clara should clarify when the City Purchasing Authority procurement thresholds (Santa Clara Municipal Code Chapter 2.105.070 et seq.) apply and when the Stadium Authority Procurement Policy thresholds (Santa Clara Municipal Code Chapter 17.30) apply.	Complete	The current practice is to use the City's more restrictive Purchasing Authority threshold if the City is purchasing items on behalf of the Stadium Authority. The City has hired a Purchasing Manager and one of his goals is to update the City and Stadium Authority's procurement policies. With the SCSA Board's approval of establishing a Policy Manual, staff will introduce additional fiscal and procurement policies for its consideration.

STATUS OF HARVEY ROSE ASSOCIATES AUDIT RECOMMENDATIONS

	Audit Recommendation	Current Status	Action Taken
2.K	The Stadium Authority Board should direct staff to prepare policies and procedures pertaining to all purchases made on behalf of the Stadium Authority to require a level of specificity in costs and services in all vendor contracts, that all invoices bill using the rates or unit costs specified in their contracts, and that the invoices and contracts be periodically reviewed by Stadium Authority staff.	Complete	Chapter 17.30 of the City of Santa Clara Code titled "Stadium Authority Procurement Policy", provides the policies and procedures with respect to procurement for the SCSA. The City has recently hired a Contracts Manager and as part of his duties he will be actively monitoring to ensure that billing rates and unit costs are consistent with vendor contracts. In addition, further review of billing rates and unit costs are included as part of the Accounts Payable job duties and further reviewed by the Stadium Authority's external auditor's during their year-end audit procedures. Staff will continue to update the Stadium Authority's Administration Manual as time permits.
2.L	The Stadium Authority Board should require that budgets and actual expenditures for the Stadium construction budget be presented alongside the Stadium Authority Operating Budget to provide an accurate overall picture of purchases for all materials, services, and supplies for the Stadium.	Complete	The construction budget is shown in the Quarterly Financial Reports and Annual Budgets as part of the Capital Expense Budget. The remaining construction budget is designated for warranty related work. For the FY 2018-19 Adopted Stadium Authority Budget, the information is provided on pages 28 - 31.
2.M	The Stadium Authority Board should direct staff to report actual revenues and expenditures on an accrual basis in budgetary documents so that all amounts presented reflect actual results for the year, regardless of the timing of revenue receipt or expenses incurred.	Complete	The Stadium Authority's Third Quarter Financial Report presented to the Board on February 13, 2018 included adjustments to bring the budget to full accrual. The Adopted 2018-19 SCSA Budget was prepared using the accrual method of budgeting. In addition, accrual budgeting was included in the SCSA Budget Policy approved by the Board on March 13, 2018 as a requirement.
3. UNCLAIMED, UNREIMBURSED CITY STAFF COSTS			
3.A	The Stadium Authority Board should request that staff prepare plans for reimbursement to the City's General Fund for unreimbursed staff costs from the appropriate source: Discretionary Fund, ManCo, or, to the extent funds are available and appropriate, the Construction Fund.	Partially Complete	Staff has self-corrected where it was clear that the General Fund was incorrectly charged for Stadium Authority staff time and the General Fund has been repaid in the amount of $11,641. Now that the Stadium Authority Auditor position has been filled, one of her duties will be to review this recommendation and if warranted, work with staff and/or an outside consultant on any additional corrective action.
3.B	The Stadium Authority Board should request that staff have ManCo prepare an annual comprehensive Public Safety budget, as required by the Stadium Lease, to include all components of Stadium public safety costs and reimbursement, including NFL public safety costs paid for directly by ManCo on behalf of StadCo, by the Stadium Authority from the Discretionary Fund, and any costs paid using other funds such as the Construction Fund.	Complete	ManCo provided a Public Safety Budget to staff in February 2017 during the 2017-18 budget process. This was also provided to staff on February 7, 2018 as part of the 2018-19 budget process. The Public Safety Budget was included as part of the 2018-19 Adopted SCSA Budget that was presented to the Board on March 13, 2018.
3.C	The Stadium Authority Board should direct staff to develop specific definitions of which costs should be charged as overhead and which should be direct billed. Alternatively, staff should adjust the rate applied to direct billed staff costs from the current 10 percent to a more appropriate rate, and communicate to all staff which positions or activities will be charged as overhead.	Partially Complete	Staff is in the process of selecting a consultant to prepare an updated Cost Allocation Plan ("CAP"). The completion date for the CAP is targeted for the March/April 2019 timeframe. Once the updated CAP is complete, staff will have a more appropriate overhead rate to be used for Stadium costs.

STATUS OF HARVEY ROSE ASSOCIATES AUDIT RECOMMENDATIONS

	Audit Recommendation	Current Status	Action Taken
4. STADIUM PARKING REVENUE CONTROLS			
4.A	The Stadium Authority should exercise its right stipulated in the agreement between master parking lot operator Citypark and ManCo to periodically audit the detailed records of individual parking lots for NFL and non-NFL events.	Complete	ManCo engaged the audit firm BDO USA, LLP to perform an audit of Parking and Concessions. City staff observed and assisted with the audit process at a Non-NFL event (Gold Cup on 7/26/17). Staff has received a copy of the final audit report that included several findings. ManCo is working with the Parking vendor (ImPark), Concessionaire vendor (Levy), and Merchandise vendor (Fanatics) on responses to the various audit findings and recommendations. SCSA will receive a copy of the responses to the audit findings once they are complete.
4.B	The Stadium Authority Board should direct staff to report back on the advantages and disadvantages of adding City audit rights as a condition of granting parking permits.	Complete	Staff has included audit rights language as a condition of granting parking permits
4.C	The Stadium Authority Board should direct staff to require that ManCo provide a written report on matters related to off-site parking operations at their quarterly meetings, requiring that baseline information be provided in a specific format.	Partially Complete	A letter was mailed on October 18, 2018 from the Executive Director to the Stadium Manager requesting that he provide written reports on parking location, capacity, and availability dates for large non-NFL events beginning with the next Quarterly Status Meeting scheduled for November 29, 2018.

SCSA

Santa Clara Stadium Authority

October 1, 2018

Mr. Jim Mercurio, Stadium Manager
San Francisco Forty Niners Management Company
4900 Marie P. De Bartolo Way
Santa Clara, California 95054

SUBJECT: Management Agreement 3.3

Dear Mr. Mercurio:

Over our past monthly meetings, I have advised of the need for your compliance with Stadium Management Agreement Section 3.3.[1] In addition to the other compliance matters that we have discussed, I am reminding you that per the terms of the Stadium Management Agreement.

> *Stadium Manager shall furnish the Executive Director, within 45 days of each Non-NFL Event with attendance projected to exceed 25,000 and on a quarterly basis for all other events, such written revenue or other reports relating to Non-NFL Events as the Parties may agree from time to time.*

To date, I have not received any written reports as required by the foregoing provision. Our records show that the Stadium Authority Executive Director has never received such reports since Stadium Management Company (ManCo) began operations at the Stadium. ManCo will remain out of compliance with the Stadium Management Agreement, **unless it provides within 30 calendar days all of the past due required quarterly written reports** in accordance with the Stadium Management Agreement that contain the following information for all Non-NFL Events:

- Brief Event Narrative (overview report on event highlights)
- Event Contract
- Event Pro-Forma
- Profit & Loss Statement detailing all revenue and expense items, including all Non-NFL Event Revenue as defined in the Amended and Restated Stadium Lease[2]
- Statistical Event Data such as number of tickets sold, number of tickets scanned, total number of cars parked (main lot and offsite lots), etc.

For the Non-NFL Events with attendance not projected to exceed 25,000, **please provide quarterly reports as outlined above in accordance with the Stadium Authority fiscal year calendar: by March 31, June 30, August 31 and December 31**. Additionally, according to the Levi's Stadium events calendar, the last Non-NFL Event was the 2018 International Champions Cup on August 4, an event with attendance projected to exceed 25,000. I expect to receive the written report, as detailed

[1] Section 3.3 (Quarterly Status Meeting) of First Amendment to Stadium Management Agreement made and entered into as of November 13, 2012 by and between the Santa Clara Stadium Authority, Forty Niners Stadium Management Company LLC, and Forty Niners SC Stadium Company

[2] Section 12.8 Non-NFL Event Revenue

above, for this event within a week of this letter and for the upcoming concert within the time frame established by the Management Agreement.

These written reports do not replace the existing staff-level administrative processes of ManCo providing data for each Non-NFL Event to Santa Clara Stadium Authority (SCSA) as it becomes available. ManCo should continue providing ticket and parking data by email to SCSA Treasurer or her delegate and load data on the shared laptop in the SCSA Stadium office.

Thank you in advance for your compliance with the Stadium Management Agreement. If you have records indicating that Stadium Authority Executive Director received the required information according to the Stadium Management Agreement terms, please provide me with those records.

Sincerely,

Deanna Santana

Deanna J. Santana
Executive Director

cc: Stadium Authority Board
Walter C. Rossmann, Chief Operating Officer
Brian Doyle, Stadium Authority Counsel

SCSA

Santa Clara Stadium Authority

October 9, 2018

Mr. Scott Sabatino
Forty Niners Football Company LLC
4949 Marie P. DeBartolo Way
Santa Clara, CA 95054

RE: Amended and Restated Non-Relocation Agreement

Dear Mr. Sabatino:

Per Article 5 of the Amended and Restated Non-Relocation Agreement the Team ("49ers") shall collect, on the Stadium Authority's behalf, the NFL Ticket Surcharge for all NFL Surcharge Games in an amount equal to ten percent (10%) of the Ticket Receipts and shall deliver to Stadium Authority all collected NFL Ticket Surcharges for each such NFL Surcharge Game within ten (10) days after the game is played.

The Stadium Authority currently receives a summary spreadsheet from the 49ers that provides the following information:

- Net amount for NFL Ticket Receipts
- Calculated Senior/Youth Program Fees
- Calculated NFL Ticket Surcharge
- Number of Tickets Sold per NFL game

However, the Stadium Authority does not receive supporting documentation in order to independently verify that the NFL Ticket Surcharge and Senior/Youth Program fees that are reflected in the summary spreadsheet are calculated correctly. On May 17, 2018, Santa Clara Stadium Authority (SCSA) staff met with StadCo representatives to review ManCo/StadCo's accounting system and at that meeting requested that we be provided all supporting documentation for the SCSA financial reports.

Therefore, I am requesting the following information in order to perform a due diligence audit to confirm the amount of NFL Ticket Surcharge and Senior/Youth Program fees that are delivered to the Stadium Authority:

- Relevant reports and documentation that would provide back up for the NFL ticket surcharge summary report in order to retain permanent verification of the accuracy of the calculated surcharge; and
- Independently prepared reports and documentation to back up the number of NFL tickets sold for each fiscal year in order to verify the accuracy of the calculated Senior/Youth fee.

If you have any questions please do not hesitate to contact me at akraetsch@santaclaraca.gov or 408-615-2342.

Sincerely,

Angela Kraetsch
Treasurer

cc: Executive Director
Stadium Authority Counsel

SCSA

Santa Clara Stadium Authority

October 18, 2018

Mr. Jim Mercurio, Stadium Manager
San Francisco Forty Niners Management Company
4900 Marie P. De Bartolo Way
Santa Clara, California 95054

SUBJECT: Off-Site Parking

Dear Mr. Mercurio:

Per the terms of the Stadium Management Agreement[1],

> *Stadium Manager shall have full authority and discretion to select the off-site private parking locations for Stadium Events, and to negotiate, approve, enter into and administer contracts with the private parking lot owners for the use of their parking spaces for all or certain of such Stadium Events which agreements may also make provision, to the extent available, for additional parking for surrounding properties that would be paid for by such properties ("Private Parking Agreements"). At the quarterly meeting described in Paragraph 3.3 above, the Stadium Manager shall report on the status of such Private Parking Agreements, the status of any ongoing negotiations with private parking lot owners, and the financial performance and other matters relating to the off-site private parking locations for Stadium Authority Events, and such other similar or other topics as the Stadium Authority may request.*

As we discussed during our most recent Quarterly Status Meeting on August 23, 2018 monthly coordination meeting, the notification currently provided via email from the Forty Niners Stadium Management Company LLC (ManCo) to the City of Santa Clara (City) on behalf of the Forty Niners SC Stadium Company LLC (StadCo) pursuant to the Parking Rights Agreement[2] does not satisfy this agreement provision. The February 14, 2018 notification emailed to me is attached for your reference.

Beginning with the next Quarterly Status Meeting[3] on November 29, 2018, please provide written reports in accordance with the above agreement provision including but not limited to the location, parking capacity and availability dates for large non-NFL events; in addition, load the financial performance data, including detail of all revenues and expenditures by location and agreement, in Microsoft Excel or some other electronic spreadsheet format on the laptop in the Santa Clara Stadium Authority (SCSA) office at Levi's Stadium as it becomes available and at least two weeks before every Quarterly Status Meeting. Notify SCSA Treasurer Angela Kraetsch and Stadium Authority Auditor Linh Lam when information is available on the laptop.

Sincerely,

Deanna J. Santana
Executive Director

Attachment

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[1] Section 4.1 of the First Amendment to Stadium Management Agreement made and entered into as of November 13, 2012 by and between the Santa Clara Stadium Authority, Forty Niners Stadium Management Company LLC, and Forty Niners SC Stadium Company

[2] Parking Rights Agreement made and entered into as of March 28, 2012 by and among the City of Santa Clara and Forty Niners SC Stadium Company, LLC

[3] Section 3.3 of the First Amendment to Stadium Management Agreement made and entered into as of November 13, 2012 by and between the Santa Clara Stadium Authority, Forty Niners Stadium Management Company LLC, and Forty Niners SC Stadium Company

CC: Walter C. Rossmann, Chief Operating Officer
Brian Doyle, Stadium Authority Counsel
Angela Kraetsch, Stadium Authority Treasurer
Linh Lam, Stadium Authority Auditor

FORTY NINERS STADIUM MANAGEMENT COMPANY

February 14, 2018

VIA ELECTORNIC MAIL

Attn: Deanna Santana
City Manager, City of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050

Dear Deanna,

Pursuant to Sections 2.1, 2.3 and in accordance with sections 7 and 16 of the City of Santa Clara Parking Rights Agreement ("Agreement"), by and between the City of Santa Clara ("City"), and Forty Niners SC Stadium Company, LLC ("StadCo"), StadCo hereby notifies the City of the use of the Tasman Garage, Convention Center/TechMart Garage and Tasman Drive Surface Lots in conjunction with the attached events.

The attached list includes events scheduled thus far for 2018. New events, updated times, and updated lot requests will be added and highlighted in future requests.

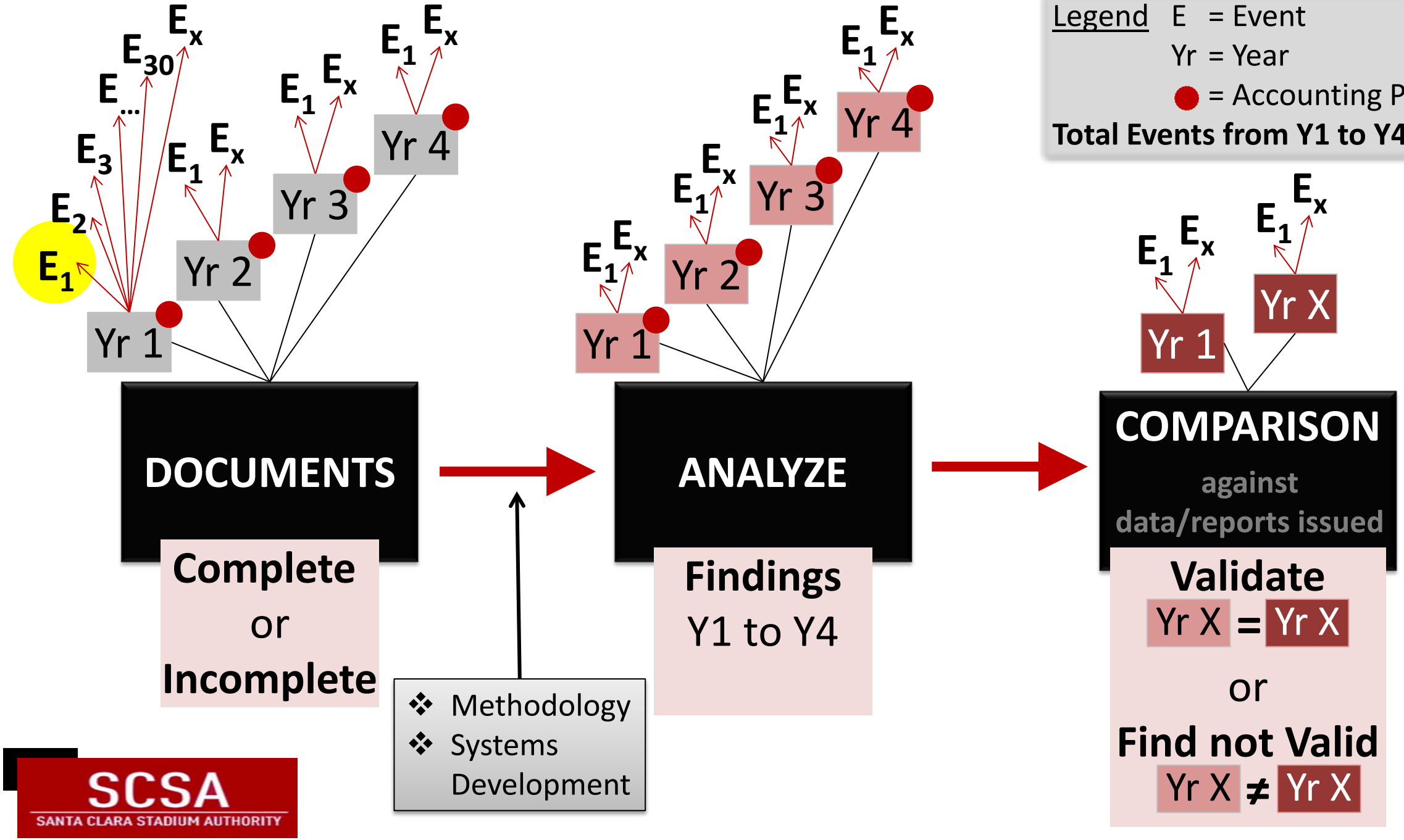
We are excited about the upcoming season at Levi's® Stadium. As future events are confirmed, we will notify you.

Sincerely,

Jim Mercurio
Vice President Stadium Operations
General Manager
Forty Niners Stadium Management Company LLC

CC – Walter Rossmann, City Attorney
Ruth Shikada, Assistant City Manager
Hannah Gordon, 49ers Vice President of Legal and Government Affairs
Rahul Chandhok, 49ers Manager of Government Affairs
49ers Stadium Operations

Date	Event	Expected Attendees	Start Time	Lot Request
Friday, March 23, 2018	Mexico Soccer Match	70,000	7:00 PM	Convention Center/TechMart Garage, Tasman Garage & Tasman Drive Surface Lots
Saturday, April 28, 2018	Monster Jam	30,000	2:00 PM	Convention Center/TechMart Garage, Tasman Garage & Tasman Drive Surface Lots
Friday, May 11, 2018	Taylor Swift Concert	50,000	6:00 PM	Convention Center/TechMart Garage, Tasman Garage & Tasman Drive Surface Lots
Saturday, May 12, 2018	Taylor Swift Concert	50,000	6:00 PM	Convention Center/TechMart Garage, Tasman Garage & Tasman Drive Surface Lots



SCSA
SANTA CLARA STADIUM AUTHORITY

18-1232 **Agenda Date: 11/27/2018**

REPORT TO STADIUM AUTHORITY BOARD

SUBJECT
Informational Santa Clara Stadium Authority Annual Report (Stadium Authority)

BACKGROUND
On June 8, 2010, the voters of the City of Santa Clara approved Measure J, which authorized the City to move forward with the development of a stadium suitable for professional football and other events. The Santa Clara Stadium Authority (the "Stadium Authority" or SCSA) is a public entity formed to facilitate the development and operation of the Stadium Project and to fulfill the mandates of Measure J. The seven elected members of the City Council serve as the governing board for the Stadium Authority (Board). The Stadium Authority Executive Director is the chief executive officer of the Stadium Authority and is responsible to the Board for the proper and efficient administration of all of the affairs of the Stadium Authority.

DISCUSSION
This transmits the Executive Director's Santa Clara Stadium Authority Annual Report for the period of October 2017 through October 2018. The report includes updates on several major work efforts related to management of Levi's Stadium.

ENVIRONMENTAL REVIEW
The action being considered does not constitute a "project" within the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378(b)(5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

FISCAL IMPACT
There is no fiscal impact related to this report except for staff time transmitting the information.

COORDINATION
This report has been coordinated with the City Attorney's Office.

PUBLIC CONTACT
Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <mailto:clerk@santaclaraca.gov> or at the public information desk at any City of Santa Clara public library.

RECOMMENDATION

Note and File the Informational Santa Clara Stadium Authority Annual Report

Reviewed by: Walter C. Rossmann, Chief Operating Officer
Approved by: Deanna J. Santana, Executive Director

ATTACHMENTS

1. Executive Director's Santa Clara Stadium Authority Annual Report

November 21, 2018

Santa Clara Stadium Authority Board
Santa Clara, California

Re: Santa Clara Stadium Authority – Executive Director's Annual Report

Honorable Chair and Stadium Authority Board:

As the chief executive officer for the Santa Clara Stadium Authority (SCSA), I am providing my first Annual Report to increase transparency of all activities undertaken over the past year (October 2017 – October 2018), for both tracking purposes and to prepare a workplan for FY 2019/20 (April 1, 2019 – March 31, 2020).

BACKGROUND

The SCSA is a public agency, separate and distinct from the City of Santa Clara municipal agency, and was established to provide for the development and operation of Levi's Stadium. The SCSA is structured so that the City is not liable for the debts or obligations of the SCSA which maintains a governing body, comprised of the City of Santa Clara City Council, serving as the Board of Directors (Board). The SCSA's annual operational budget is $196,300,000, which does not include its assets.

The SCSA has agreements (e.g., lease, financing, management, etc.) that obligate various activities to ensure the best interest of the public asset—Levi's® Stadium. Some examples of oversight functions include:

- Leasing the land for the stadium from the City pursuant to a long-term ground lease;
- Owner responsibilities of the stadium, including oversight of the tenant's compliance with the annual six month lease period and the Stadium Manager's compliance with the management agreements;
- Complying with financing contracts, financial reporting, and debt management;
- Complying with financial and performance audits;
- Oversight of the sale of stadium builder licenses (SBLs) and monitoring of naming rights requirements relative to the Stadium;

- Obligations and oversight of the stadium for use of NFL events (StadCo) and non-NFL events (ManCo);
- Providing public services, on a reimbursement basis and in compliance with Measure J, relative to stadium operations for football games and other stadium events, including maintenance, security, traffic control, neighborhood protection, and parking;
- Obtaining insurance against hazards such as fires, floods or earthquakes and also insure against tort claims such as injuries to event attendees; and,
- Other activities as required.

DEFINITIONS

The following acronyms are used in this report and are defined as such:

- SCSA = Santa Clara Stadium Authority
- ManCo = Forty Niners Stadium Management Company LLC
- StadCo = Forty Niners SC Stadium Company LLC's
- BAHC = Bay Area Host Committee
- Board = SCSA Chair and Boardmembers

DISCUSSION

This memo highlights progress on key SCSA Board directives and initiatives. It also includes several attachments to add context to the updates provided in this memo and provide the current status going into the next SCSA fiscal year. Section headers note if there are relevant attachments. A matrix is attached (Attachment 1) that summarizes accomplishments and ongoing efforts, while the below narrative represents a select group of initiatives that are worth noting and adding additional commentary.

UPDATES ON MAJOR WORK EFFORTS

College Football Playoff (CFP) 2019 National Championship (Attachment 2) – City staff is working with ManCo on event planning, including review of permit applications and the overall footprint for the event in January 2019. SCSA staff and City public safety and operations staff participated in the public safety tabletop exercise on November 14 and continues to participate in other event planning.

Per the Board's direction to seek full reimbursement from the BAHC, SCSA staff provided an estimated budget (attached) for all CFP-related costs to be reimbursed by the BAHC. Additionally, SCSA has billed BAHC for costs incurred through September 2018 and received payment from BAHC for all amounts due as of November 11, 2018. BAHC is responsible for all net expenditures in accordance with the Assignment and Assumption Agreement approved by the Board on July 17, 2018.

The Stadium Manager will present a final update to the Board during the December 11, 2018 City Council and Authorities Concurrent Meeting.

Community Room (Attachment 3) – As provided in the Stadium Lease[1], SCSA has access to use the Community Room on the field level within Levi's® Stadium. The Community Room may be reserved for Civic Events (i.e., non-profit or other civic use) subject to scheduling priorities of the Stadium for NFL and non-NFL events. There is no room rental charge to SCSA for the use of the room; however, fees may be incurred for non-profit organizations or other civic groups. Specifically, Section 4.7.2:

> Subject to the Scheduling priority for Stadium Events and Tenant Incidental Uses described in Paragraph 4.9 below, the Stadium Authority may Schedule not-for-profit civic or other community events in the Stadium ("Civic Events"), including provision of meeting space in the Community Room (as depicted on the Stadium Plans) for community groups and non-profits. The Stadium Authority shall be responsible for all Civic Event Expenses.

Since receiving Board direction in November 2017, SCSA staff has been working with ManCo to find an alternate location for a Community Room at Levi's® Stadium that is more accessible (both in location and cost) than the current space. After several months of SCSA staff and ManCo actively working toward converting the space adjacent to the Michael Mina restaurant at Levi's® Stadium to a Community Room, StadCo sent notice on September 12, 2018 that the Tenant is not going to convert this space. Staff will schedule a SCSA Board meeting in early 2019 to seek input on proposed next steps, including evaluation of the other locations discussed earlier in 2018. A copy of the due diligence leading to use of this space is included as an attachment to this report, itemizing the various activities taken by SCSA staff to advance this provision. Given that SCSA went as far as working with ManCo for a budget appropriation to build out the designated space and to create the impression that the space would be made available, staff feels like the Board needs to be engaged on next steps.

Concessionaire Transition: 90-Day Worker Retention Report (Attachment 4) – On February 27, 2018, the Board authorized the SCSA Executive Director to execute a contract with Levy Premium Food Service Limited Partnership (Levy) for Concession Services at Levi's® Stadium for 12 years. The Board requested that the Stadium Manager return after the 90-day transition period, as defined in the City of Santa Clara's Worker Retention Ordinance, with a comprehensive report regarding efforts by Levy to retain workers employed by the previous concessionaire, and on their efforts to partner with local educational institutions, minority businesses and non-profits.

[1]Amended and Restated Stadium Lease by and between SCSA and StadCo dated June 19, 2013

Consistent with this Ordinance and the Board's direction, Levy reported to ManCo that, in summary, approximately 80% of 600 individuals provided by Unite Here Local 19 with experience working at the Stadium were successfully onboarded with Levy. Of those, about 46 have since separated or resigned mostly due to full time work that conflicted with Levi's® Stadium schedule. Approximately 40 onboarded employees have been non-responsive to schedule requests and other efforts to make contact. Additionally, Levy's efforts to hire/retain local and minority business partners; to employ existing Levi's® workers at other local venues; and to partner with local hospitality programs (Mission College, Wilcox High School) are included in the attached matrix.

Fiscal Accountability & Budget – SCSA continued efforts to improve fiscal transparency in the annual Operating, Debt Service and Capital Budget with the FY 2018/2019 Budget including a breakdown of the General and Administrative Budget; definition and table of Excess Revenue; and, break out of Non-NFL event revenue and expense budgets (instead of a net budget number). Additionally, staff presented the FY 2018/2019 Budget for review by and comment from the Board in a February Study Session prior to Budget adoption in March 2018. In March 2018, the Board approved a Budget Policy and Governance Policy.

Responding to Board requests, for the first time and after significant due diligence for current and past years, the annual financial status fourth quarter report to the Board for FY 2017/18 included fiscal information about Non-NFL Events by type (e.g., soccer, non-NFL football, concerts, private parties, etc.), and which event types generate revenue and which result in financial losses to the Stadium Authority. This information is significant because the Stadium Authority Board is responsible for approving the annual budget and marketing plan and, with this information, can make informed, data driven policy decisions.

SCSA Auditor and Measure J Compliance Audit – The SCSA Agreements allow for a designated Auditor to perform reviews of SCSA work. In past years, the SCSA did not have a designated staff position charged with these duties and, as such, any reviews by staff were not performed under professional audit standards, not was the work environment established in accordance with pre-audit approaches and methodologies. This past year, the SCSA Ad Hoc Committee and Board reviewed and approved staff's proposal to establish a formal SCSA Auditor. In turn, after a robust recruitment process, City/SCSA Auditor Linh Lam was appointed to this role. As stated in the City annual report of accomplishments, Auditor Linh Lam has extensive background with conducting audits and has the credentials necessary to produce audits meeting professional standards.

The SCSA Ad Hoc Audit Committee of the Board maintained a regular meeting schedule to receive updates on staff's efforts to implement the 37 audit recommendation in the Harvey M. Rose Associates, LLC Comprehensive Audit of Stadium Authority Finances. As reported to the Committee on October 29, 2018, SCSA has now implemented approximately 70% of the audit recommendations, and has strengthened oversight and increased transparency of SCSA's

operations for Levi's® Stadium by improved fiscal and operational data and management practices (See Table 1). The reports on the status of the audit recommendations can be found on the SCSA Ad-Hoc Audit Committee webpage, and detail the various actions taken on all 37 audit recommendations and planned efforts to achieve compliance.

Table 1: Summary of Audit Recommendations Status - March to October 2018

Status	Progress of Audit Recommendations as of March 2018	Progress of Audit Recommendations as of October 2018	% Change
Complete	18	25	39%↑
Partially Complete	14	12	14%↓
Not Implemented	5	0	100%↓
TOTAL	**37**	**37**	

Key Performance Indicators for 2018 Non-NFL Events Marketing & Business Plan (Attachment 5) – During the Draft SCSA Fiscal Year 2018/19 Proposed Budget Study Session, on March 13, 2018, the Board discussed and provided input on the Levi's® Stadium's 2018 Non-NFL Events Marketing & Business Plan (Marketing Plan). ManCo and SCSA staff reported that the strategic initiatives proposed in the Marketing Plan would provide a solid foundation to improve the use of data analytics/metrics for desired performance outcomes.

During the last six months, Manco and SCSA staff efforts to develop meaningful, useful, and sustainable KPIs has not significantly advanced. The draft KPIs submitted by ManCo do include important metrics, such as client satisfaction as measured through in-depth interviews and number of repeat clients year over year, but do not provide enough statistical information to evaluate the effectiveness of the Marketing Plan or inform the decision-making process for the next annual Marketing Plan. SCSA staff continues to work with ManCo, with the intent of providing KPIs to the Board that measure both workload and performance indicators, both for policy decisions and oversight in preparation for review and approval of the FY 2019/20 Marketing Plan.

Measure J, Stadium Lease, and Management Agreement Compliance (Attachment 6) -- SCSA staff continue to review the various agreements and business practices to ensure compliance with Measure J and various agreements, as amended. This has resulted in several inquiries and notices to ManCo and StadCo, such as:

(a) **Stadium Management Agreement –** The Stadium Management Agreement requires that the Stadium Manager report, without limitation, on the status of any upcoming Non-NFL Events,[2] specifically Agreement language states:

[2] Section 3.3 Quarterly Status Meeting, First Amendment to Stadium Management Agreement made and entered into as of November 13, 2012 by and between SCSA, ManCo, and StadCo

> 3.3 Quarterly Status Meetings. The Stadium Manager and the Executive Director shall, at the request of the Executive Director, at a mutually convenient time, meet and confer no less often than quarterly during the Term of the Management Agreement to report on the status of the Stadium Manager's activities pursuant to Paragraph 3.2 above and the then approved Marketing Plan, including, without limitation, the status of Stadium Manager's marketing and promotional efforts, the status of any ongoing negotiations with respect to Non-NFL Events, financial performance and other matters relating to past Non-NFL Events, development of the Marketing Plan for the succeeding fiscal year, and such other similar or other topics as the Stadium Authority may request. In addition, and without limiting the Stadium Manager's obligation to provide an Annual Statement of Stadium Operations pursuant to Section 4.2 of the Existing Management Agreement, the Stadium Manager shall furnish the Executive Director, within 45 days of each Non-NFL event with attendance projected to exceed 25,000 and on a quarterly basis for all other events, such written revenue or other reports relating to Non-NFL Events as the Parties may agree from time to time.

As far back as February 2018, I have repeatedly stated my interest, and rights under the Management Agreement, to both President of San Francisco 49ers Al Guido and Stadium Manager Jim Mercurio to be informed about events prior to their booking so that I can evaluate the City's ability to provide public services throughout Santa Clara during the event, as well as coordinate their needs. This provision is critical to administering the duties as the chief executive as it reveals several trend information, such as:

- number of bids submitted for non-NFL events and percent of which are successful, which informs both business trends but marketing plan strategies and implications;
- contract terms required to successfully book events, which relate to budget and revenue/loss activity;
- financial analyses reports demonstrating event success or industry trend information;
- awareness of non-NFL event planning as it relates to public service resources needed to support events and other community events; and,
- other useful data for contextual decision-making, strategic planning, and compliance.

In reviewing this agreement provision, I have also requested in writing the Non-NFL event reports which, to my knowledge, have not previously been provided by the Stadium Manager. Per this agreement provision, the written report for the August 4, 2018 Non-NFL Event (e.g., International Champions Cup) was due to me September 18 and, per my letter to Stadium Manager specifically requesting the report, by October 8; I have received neither the report, nor acknowledgement of my request. The written report for the September 29,

2018 Non-NFL Event (On the Run II concert) was due November 13, 2018; I did not receive a report as required by the agreement provision. Efforts on the part of ManCo to be compliant with this provision result in no greater knowledge of non-NFL events, nor achieve compliance with the information required in this provision. As demonstrated in my correspondence to ManCo, I have been diligent with asserting the Agreement requirements on several occasions and, despite such execution of my duties and responsibilities; unfortunately, ManCo has not demonstrated the same.

(b) **Stadium Use of Main Lot –** The Parking Agreement[3] limits StadCo's use of the Stadium Main Lot for concession stands and kiosks, signs advertising and other promotional uses to a reasonable time period after the events that have occurred. Following recent claims asserted against SCSA under the Americans with Disabilities Act (ADA), and after SCSA expressed that it was unauthorized use of the Stadium Main Lot for storage, SCSA notified StadCo of their obligation under the Parking Agreement to remove:

1. Kiosks and other equipment from any marked accessible spaces within 3 days after any event in which the magnetometers are in use for admission to an event.
2. The storage corral and all items contained within it must be removed from the Main Lot within 2 weeks of the letter.

On November 19, Stadium Manager Jim Mercurio stated that he would provide and update at our monthly meeting on November 29. Upon that meeting, I will follow-up with the Board. It is worth noting that the Stadium Manager understood the need to comply and expressed efforts that would be taken to comply following the November 29th meeting.

Public Safety Costs Threshold -- The City's public safety costs have exceeded the Public Safety Costs Threshold for three consecutive years, and the Lease clearly provides for SCSA and StadCo to engage in good faith negotiations to adjust the costs threshold[4]:

> (b)If due to unanticipated circumstances other than new or expanded security measures mandated by the NFL, Public Safety Costs for NFL Games exceed the Public Safety Costs Threshold over any three (3) consecutive Lease Years, then, at the request of the City in accordance with the Public Safety Plan, the Stadium Authority, Tenant and the City will engage in good faith negotiations with respect to possible increase in the Public Safety Costs Threshold; provided, however, that Tenant will not be obligated to agree to any increase in the Public Safety Costs Threshold pursuant to this Paragraph 7.5.4(b). Any such increase in the Public Safety Costs Threshold shall be subject to Tenant's approval, which may be granted or withheld in Tenant's sole discretion.

[3] Section 2.1 Stadium Use of the Main Lot, Parking Agreement dated January 1, 2012 among SCSA, StadCo, Cedar Fair Southwest, Inc., and the City of Santa Clara
[4] 7.5.4 Possible Adjustment of Public Safety Costs Threshold

As recently as October, SCSA staff (Executive Director and Counsel) and StadCo met to discuss a compromise on how to process the FY 2017/18 Public Safety Costs that exceeded the threshold, as defined in the lease, as well as the current fiscal year, FY 2018/19, and adjusting the threshold for future years. During a meeting on October 4, 2018, StadCo representatives Patty Inglis and Hannah Gordon, San Francisco 49ers Executive Vice President and Chief Administrative Officer & General Counsel, respectively, stated they would reply. As of November 7, in response to that conversation resulted in a request for information and staff is evaluating the request for existing responsive documents. A resolution of the public safety cost threshold is needed in three categories: past year cost over the threshold; current year's cost that are projected to go over the threshold; and, a permanent approach to public safety deployment and public safety cost for future years.

Independent of good faith negotiations with StadCo, SCSA staff has been evaluating public safety costs and deployment to forecast resources and relative budgets for future years. This includes, but is not limited to: reviewing actual public safety costs from current and previous years; projecting known cost increases for City staff that support NFL Events at Levi's® Stadium; and isolating external public safety services to remove them for the Public Safety Costs Threshold.

Public Safety Deployment Model -- SCSA management of Levi's® Stadium has transitioned from construction and opening to ongoing operational management of this valuable asset; I have found that our organization has areas where we need to evaluate our public services deployment model to support this role. I have taken several actions to support ongoing operation management and ensure that Levi's® Stadium is a safe and profitable event venue.

For example, following the March 23, 2018 Non-NFL Event where there were major safety concerns, I obtained public safety expert services to assist with the evaluation of our deployment model. With these experts, SCSA staff has been evaluating our deployment model and identifying areas where we have already implemented best practices; where we can improve or adapt our deployments; and where we can shift to community-focused services such as neighborhood protection for the communities surrounding the stadium.

Another example, is the November 1, 2018 NFL Event (San Francisco 49ers versus Oakland Raiders) where we implemented several new or supplemental deployments for what was widely recognized as an event requiring a higher level of public safety staff. We held several staff roundtables to ensure cooperation and integration by and between the various City resources supporting the event. We implemented options to increase neighborhood protection services before, during and after the event such as increased police staffing, code enforcement before and after the event, and additional trash collection services following the event. Additionally, we increased coordination between SCSA staff and Stadium Manager to ensure scope of services met expectation of Santa Clara residents, and above all, focused on advance planning to ensure the staffing resources were adequate for the event. Despite some fighting

inside the stadium, the advance planning by SCSA staff resulted in an overall successful event, and a decrease in complaints to Board members and/or SCSA staff.

Strategic Research & Planning – SCSA staff has engaged in three strategic research and planning efforts for the purpose of improving services:

- Community research and engagement about the Stadium's impacts to proximate Santa Clara neighborhoods, neighboring cities, and Santa Clara city-wide, which produced statistically valid data for informing future policy-decision making;
- SCSA staff is also working with project teams comprised of students from the New York University Tisch Institute for Global Sport to develop community engagement action plans; and,
- Public safety (e.g., Police, Fire, Public Works, Planning, etc.) deployment strategies with new approaches for addressing neighborhood impacts and services.

CONCLUSION

While the above actions reflect significant progress on issues important to the SCSA and of both the Board and public's interest, I note that many more accomplishments are noted in the attached Matrix. This past year can easily be characterized as getting the SCSA's business in order, expanding transparency of this public agency's work, and ensuring compliance with Agreements in place for proper oversight of this publicly owned asset. The Board has shown great leadership and support for SCSA's staff work and together we have established strong oversight practices with data to manage forward.

To plan accordingly for the next fiscal year and to ensure that I am aligned to the SCSA Board's goals, I am including the proposed workplan (See Table 2). It should be noted that any open efforts noted in this Annual Report Matrix will continue through the next fiscal year (some of which are highlighted below). Also, as new priorities surface, SCSA staff will be sure to accommodate them and reflect them in future reports.

Table 2: Proposed and Tentative SCSA Work Plan –FY 2019/20

Work Effort	Work Plan	Planned Outcome
ADA Compliance: Magnetometers	• Ensure ADA compliance by requiring removal of equipment when not in use or other satisfactory solutions that prioritize ADA compliance	Compliance regarding accessible parking spaces and Stadium Main Lot Use or other satisfactory solutions that prioritize ADA compliance
Community Room	• Return to Board to seek input on proposed next steps, including evaluation of the other locations discussed earlier in 2018.	Resolution of Community Room location, policy/guidelines for use

Work Effort	Work Plan	Planned Outcome
Public Safety Service Model	• Reviewing as part of March 27, 2018 Board direction • Implement public safety experts' recommendations and pilot new practices (multi-department actions)	Continue to provide a safe and family-friendly environment for NFL and Non-NFL events at Levi's® Stadium, while addressing the impacts to neighborhoods as surfaced in the community research effort
Emergency Operations	• Review model to determine where appropriate to make updates and/or implement best practices	Clarify and document roles and responsibilities
Neighborhood Protection	• Evaluate current deployment, implement changes	Reduce impact of NFL and Non-NFL events at Levi's® Stadium on surrounding neighborhoods and provide greater communication of planned events that may disrupt neighborhoods
Lafayette Overpass at Tasman	• Evaluate rideshare options (locations, signage, enforcement) • Capital project to install fencing on Tasman	Reduce traffic, neighborhood protection issues on Lafayette
Fiscal Accountability	• Continue/complete fiscal review of past years and provide analyses to Board, as available • Review and implement audit functions and support SCSA Auditor on establishing a workplan • Implement remaining Harvey M. Rose audit recommendations (currently 70% complete)	Audit Program for real-time accounting of Non-NFL Events at Levi's® Stadium
San Thomas Aquino Creek Trail	• Evaluate options for keeping trail open during events and/or providing alternate routes if trail is closed	Creek trail access and/or safe and/or accessible alternate route

Work Effort	Work Plan	Planned Outcome
SCSA Board Policy Manual	• Continue to create manual, beginning with Governance and Budget policies • Identify areas where policies are appropriate and propose drafts for the Board's approval. • Already identified: financial reporting; flags flown at Levi's® Stadium; non-NFL event planning	Develop additional policies and present to Board for inclusion in manual

Management of a sport stadium provides an opportunity to ensure that the Stadium supports the best interest of the public. I want to thank the Santa Clara Stadium Authority Board for the opportunity to manage this valuable asset. I hope that this report serves as a valuable first step in building our reporting of SCSA activities, transparency of our work, and summarizes our accomplishments, challenges we are facing, and opportunities to work with the Stadium Manager toward improving oversight of our stadium while minimizing impacts to our neighborhoods. There have been many challenges and opportunities over the past year, and I have enjoyed serving as your Executive Director to the SCSA and look forward to the next year.

Sincerely,

/S/

Deanna J. Santana
Executive Director

Attachments:

1. SCSA Work Efforts Matrix
2. CFP Budget Estimate as of October 29, 2018
3. Levi's Stadium Community Room
    a. August 31, 2018 SCSA Executive Director Letter to Stadium Manager
    b. September 12, 2018 StadCo Letter to SCSA Executive Director
4. Worker Retention Efforts Related to Transition of Concessionaire at Levi's Stadium
    a. September 8, 2018 SCSA Executive Director Letter to Stadium Manager
    b. September 20, 2018 SCSA Executive Director Letter to Stadium Manager
    c. September 27, 2018 Levy Letter to ManCo
5. Key Performance Indicators for Levi's Stadium 2018 Non-NFL Events Marketing & Business Plan
    a. October 4, 2018 SCSA Executive Director Letter to Stadium Manager
    b. October 25, 2018 Revised KPIs from ManCo
6. Stadium Lease and Agreements Compliance
    a. October 1,2018 Letter to Stadium Manager
    b. August 31,2018 Letter to Stadium Manager
    c. October 18,2018 Letter to Executive Director
    d. November 7,2018 SCSA Executive Director Letter Letter to StadCo President

Attachment 1: SCSA Work Efforts Matrix

Santa Clara Stadium Authority Executive Director's Annual Report
FY 2018/2019 Work Efforts Matrix
November 21, 2018

SCSA Work Effort	Recent/Completed Work Efforts	Current Status	Next Steps
ADA Compliance: Magnetometers	• See "Stadium Main Lot Use: Magnetometers" entry		• Ensure ADA compliance by requiring removal of equipment when not in use
Arbitration Award	• Favorable Arbitration Award in August	• True-up payment received in September	• Completed, SCSA continues to receive payment per Arbitration Award
CFP 2019 National Championship *Annual Report Attachment 2*	• Board approved Assignment and Assumption Agreement that will ensure no financial losses to City/Stadium Authority • City/SCSA estimated budget provided to Stadium Manager for planning by BAHC to ensure no financial losses to City/SCSA • Stadium Manager update to Board October 2	• Event planning to ensure adequate staffing and adherence with Assignment Agreement (tabletop exercise Nov 14) • Regular invoicing of BAHC for City/SCSA expenses – payments received through September 2018 • Reviewing permit requests from Stadium – permit applications expected by Nov 30 • Preparing Clean Zone Ordinance for Board approval	• Update to Board on **December 11**
Community Engagement	• Final Community Engagement Report for Issues Related to Levi's Stadium presented to Board in June 2018	• Working with departments to evaluate feasibility of various recommendations from June report • NYU team developing action plans as part of their Community Engagement Project	• Report to Board with work plan for implementing recommendations • Present NYU work product to SCSA Board
Community Engagement: Stadium Contact Information	• Implemented telephone tree in May for call intake • Created a call log report for tracking and follow-up	• Telephone line in use, posted on website and via social media prior to each event • Improving/increasing community messaging with consistent information	• Mimic process for revamped MySantaClara

SCSA Work Effort	Recent/Completed Work Efforts	Current Status	Next Steps
Community Room at Levi's Stadium *Annual Report Attachment 3*	• Worked with StadCo to find suitable alternate location • Presented alternate location to Board in January, following multiple discussions, site visits with ManCo • Due to lack of progress for making space available, SCSA sent letter formally requesting their plan for moving forward with the proposed location	• Received letter from StadCo September 12 stating that Tenant is using the proposed space and will not convert it to another use	• Evaluate options, return to Board for discussion and direction
Concessionaire Transition : Worker Retention Efforts *Annual Report Attachment 4*	• Council authorized Concessions Operating Agreement Feb 27 2018 • Concessionaire transition began in April • 45-day report to Board June 26 • SCSA provided feedback to 90-day transition report to ensure meets Board direction	• Stadium Manager transmitted Levy's 90-day transition report ○ +/- 80% of 600 individuals successfully onboarded with Levy. ○ Of those, +/- 46 have since separated or resigned, with majority due to full time work, and +/- 40 have been non-responsive	Completed.
Concessionaire Transition: CIP	• CIP Improvement permitted in September	• Stadium Terrace (Touchdown Terrace for NFL Events) activated	Completed
Harvey Rose Measure J Compliance Audit	• Update to Ad-Hoc Audit Committee October 29 • 68% of audit recommendations are complete (25 of 37) • Remaining audit recommendations are in "Partially Implemented" status • 40% increase in completed audit recommendations since March 2018	• SCSA working to implement remaining recommendations	• Update to Ad-Hoc Audit Committee in March/April 2019

SCSA Work Effort	Recent/Completed Work Efforts	Current Status	Next Steps

Management Agreement
Annual Report Attachment 6
	• Letters to ManCo to ensure compliance with Stadium Management Agreement, particularly Section 3.3 of First Amendment:
	  ○ Advance communications of potential events to Executive Director (Attached)
	  ○ Written reports for Non-NFL Events
		• See attached letters	• Pending Stadium Manager's response

March 27, 2018 Board Motion	• Obtained public safety expert's services to review March 23 response and assist with strategic planning for future events • Reviewing current public services supporting events at Levi's stadium	• Implementing changes as appropriate (i.e. Nov 1 NFL Event public services deployment)	• Implementing changes as appropriate and by multiple departments.
Noise Monitoring	• Update on noise monitoring program presented to Council December 2017 • Council approved additional funds to continue noise monitoring services	• Administrative Citation issued for September 29 concert (paid in full)	Complete. Noise monitoring and City Code enforcement will continue
Non-NFL Marketing Plan KPIs *Annual Report Attachment 5*	• Multiple discussions to develop meaningful KPIs • SCSA staff provided template for reporting format that provides historical data, current and future projects, and methodology and data source of metrics. • ManCo's KPIs do not provide enough meaningful metrics to evaluate marketing of events • Letter to Stadium Manager requesting revised KPIs, with specific samples to include and use as reference in developing additional measures	• Review and respond to revised KPIs received Oct 25; work with new contact (Director of Special Events) provided by Stadium Manager to develop meaningful KPIs	• Present meaningful KPIs to Board, ETA March 2019

SCSA Work Effort	Recent/Completed Work Efforts	Current Status	Next Steps
NYU Projects	• Developed 2 projects for study by NYU in Fall 2018: Community Engagement and Financial Analysis of Large Events	• Working with project teams	• Report to Board
Parking: Consolidated Parking Plan	• Determined next steps: ○ City staff to provide permit information to Stadium Manager ○ Stadium Manager needs to incorporate all permitted lots in consolidated plan	• Work with City staff and Stadium Manager to prepare and document content and processes	• Finalize consolidated parking plan
Parking: Offsite Permitted Lots	• Code Enforcement inspected lots for November 1 game, a piloted effort to observe value-added	• Provide permit data to Stadium Manager for consolidated parking plan • Determine frequency needed for Code Enforcement to inspect lots	• Continue to deploy Code Enforcement staff on event days
Parking: Permit Fee for Private Parking Lots		• Fee study included in next Fee study effort by Finance Department	• Fee study to ensure appropriate cost recovery and review to ensure proper safety/ management processes are in place
Parking: Private Parking Agreements	• Letter to Stadium Manager Oct 18 regarding requirements to report on Private Parking Agreements		• Continue discussions with Stadium Manager
Public Safety Costs Threshold	• Scheduled good faith negotiations with StadCo • October 4 Meeting with StadCo	• Continue good faith negotiations • Review Nov 7 information request from StadCo and awaiting further response on StadCo's disposition	• Continue to bill 49ers for all actual costs

SCSA Work Effort	Recent/Completed Work Efforts	Current Status	Next Steps
Public Safety Service Model: Emergency Operations	• Reviewing as part of March 27, 2018 direction from Board	• Determined need to document proper organization chart, communications plans/procedures that clearly identify emergence roles • Reviewing our model to determine where appropriate to make updates and/or implement best practices	• Update documentation and implement
San Thomas Aquino Creek Trail		• Trail closed during events.	• Evaluate options for keeping trail open during events and/or providing alternate routes if trail is closed
SBL: Executive Director Signature	• Replaced previous process where SCSA Executive Director received email request for mass approval via stamp held by ManCo/StadCo with electronic processing (DocuSign)	• SCSA Executive Director sign, via DocuSign, all SBLs. • Signature authority no longer delegated.	Closed.
SBL: Field Level Season Tickets	• Staff level permit approval for temporary field level seats which, as permitted, are within authority of Tenant and have no associated SBLs	• 49ers offering season tickets for the on-field recliners at both the North and South end zones	• SCSA staff research needed to determine if this practice is compliant with Agreement
Fiscal Accountability	• Moved to accrual base for FY 2018/19 • Added Non-NFL Event information to 4th Quarter financial status reports, beginning with FY 2017/18 Q4 report	• Budget transformed and rehauled to provide greater transparency of SCSA fiscal practices and planned CIP expenditures	• Continue/complete fiscal review of past years
SCSA Audit Program	• Board appointed Linh Lam, Assistant Finance Director, as Stadium Authority Auditor	• Continue with ongoing specific Board direction, as well as ongoing needs, and develop an audit workplan	• Continue implementing an audit program

SCSA Work Effort	Recent/Completed Work Efforts	Current Status	Next Steps
SCSA Board Policy Manual	• Created manual, beginning with Governance and Budget policies	• Identify areas where policies are appropriate. • Draft policy for those already identified: financial reporting; flags flown at Levi's Stadium; Non-NFL events	• Develop additional policies and present to Board for inclusion in manual
SCSA Office Establishment at Stadium	• Converted existing SCSA space at Stadium from completely bare to working office space for SCSA staff	• SCSA staff regularly uses the offices to audit documents, meet with ManCo staff, and be present in the Stadium • The Office is used to successfully transfer documents from Stadium Manager to SCSA staff and to maintain SCSA related document	• Evaluating cost/options for usable and convenient parking for SCSA staff while at stadium.
Stadium Main Lot Use: Magnetometers *Annual Report Attachment 6*	• Reviewed Parking Agreement for StadCo's obligations regarding removal of equipment after event • ADA compliance implications	• Letter to StadCo requiring removal of all kiosks, other equipment from any marked accessible spaces and within 3 days following any event in which the magnetometers are in use	• Will require ongoing review/enforcement by City staff • ADA compliance implications
Stadium Main Lot Use: Storage *Annual Report Attachment 6*	• Reviewed Parking Agreement for StadCo's obligations regarding ManCo/StadCo storage on Main Lot • ADA compliance implications	• Letter to StadCo and Cedar Fair requiring removal of the storage corral and all items contained within it must be removed from the Main Lot	• Confirm removal and/or enforcement action • ADA compliance implications
Transportation Management and Operations Plan (TMOP)	• Confirmed per Stadium Operations Agreement that Stadium Manager shall deliver updates as part of budget process		• SCSA staff review and provide comments to Stadium Manager as part of budget process

Attachment 2: CFP Budget Estimate

1. Budget Estimate as of October 29, 2018

CFP 2019 National Championship City/SCSA Budget Estimate

Updated November 11, 2018

Budget Estimate

Department/Office	Hours	Budget
Expenses to date	**510**	**$107,325**
Anticipated Expenses		
City Manager	78	$19,260
City Attorney	11	$2,920
Community Development	10	$2,330
Finance	93	$16,490
Fire	358	$55,560
Information Technology	22	$3,080
Police	2,073	$267,470
Public Works	550	$63,670
Silicon Valley Power	30	$4,190
Anticipated Expenses Total	**3,225**	**$434,970**
Grand Total	**3,735**	**$542,295**

Payments to Date

	Amount Invoiced	Amount Paid	Amount Due	Amount Past Due
BAHC Payments to Stadium Authority	$107,325	($105,765)	**$1,560**	$0
Stadium Authority Payments to City	$99,884	$99,884	**$0**	$0

Note:
Invoices are process monthly, after the last payroll cycle of the month has been processed.
Invoices issues for all expenses through October 2018; payment due from BAHC November 16, 2018.
BAHC is invoiced for all City and Stadium Authority expenses.
Stadium Authority is invoiced for all City expenses.

Attachment 3: Levi's Stadium Community Room

1. August 31, 2018 SCSA Letter to Stadium Manager
2. September 12, 2018 StadCo Letter to SCSA

SCSA

Santa Clara Stadium Authority

August 31, 2018

Mr. Jim Mercurio, Stadium Manager
San Francisco Forty Niners Management Company
4900 Marie P. DeBartoloWay
Santa Clara, California95054

SUBJECT: Levi's Stadium Community Room

Dear Mr. Mercurio,

During the November 14, 2017 Santa Clara Stadium Authority (SCSA) meeting, the Board discussed the Community Room at Levi's Stadium, a facility stipulated in the Stadium Lease, as follows[1]:

> *Subject to the Scheduling priority for Stadium Events and Tenant Incidental Uses described in Paragraph 4.9 below, the Stadium Authority may Schedule not-for-profit civic or other community events in the Stadium ("Civic Events"), including provision of meeting space in the Community Room (as depicted on the Stadium Plans) for community groups and non-profits.*

The Board directed staff to return at the next meeting with options to improve the accessibility, both physical and economical, to the Community Room, and to find its original planned location.

During the December 12, 2017 SCSA meeting, which you attended, the Board discussed potential locations, including the space adjacent to the Bourbon Steak and Bourbon Pub restaurants (Proposed Community Room), and ultimately directed staff to return with information and options for the most viable Community Room location. They specifically included consideration of the Proposed Community Room, in part due to your statement at the meeting that it was a location that we could consider.

Based on direction from the Board, SCSA staff and ManCo discussed the viability and cost of the Proposed Community Room during regular monthly coordination meetings. ManCo then facilitated a January site visit where we walked through the space together and assessed use and construction issues. Throughout this period of time, San Francisco 49ers President, Mr. Al Guido, stated that this space could become the Community Room, even though it was currently a leased space, used for restaurant storage, and he would figure out a path forward.

Based on the cooperation and commitment from ManCo to make this space available, SCSA staff prepared an estimate for construction costs to convert it to a Community Room, and presented an update to the SCSA Board on January 30, 2018, citing the Proposed Community Room as the best location to accommodate public access. The SCSA Board then directed staff to include a cost estimate in the Fiscal Year 2018/19 Recommended SCSA Budget for costs associated with the build-out of a Community Room in Levi's Stadium.

Additionally, through our cooperative budget development effort, we proceeded by inserting a capital improvement budget allocation in the February 2018 proposed Fiscal Year 2018/19 SCSA Budget, described specifically as the "Community Room Build Out" for an "unfinished storage space in the stadium" in the Tenant's Exclusive Space, with Tenant approval still pending. There was no objection, nor comments made against this action by ManCo, and you were in attendance at the budget hearings. These

[1] Amended and Restated Stadium Lease by and between Santa Clara Stadium Authority and Forty Niners SC Stadium Company dated June 19, 2013, 4.7.2 Civic Events and the Community Room

actions illustrate how both SCSA and ManCo were actively working toward converting this space to a Community Room and that there was awareness of this commitment by the Board.

Our records show that I have asked Mr. Guido, and you, on several occasions over several months at our monthly meetings and via staff emails for details of the "path forward" to better understand the issues and timeline associated with moving the Community Room to this space:

- December 21, 2017 –SCSA/ManCo coordination meeting agenda item
- January 12, 2018 –SCSA/ManCo Levi's Stadium Community Room site visit
- January 17, 2018 –SCSA/ManCo coordination meeting agenda item
- February 7, 2018 –SCSA/ManCo coordination meeting agenda item
- March 1, 2018 – SCSA/ManCo coordination meeting agenda item
- March 27, 2018 – SCSA email requesting update
- April 26, 2018 – SCSA/ManCo coordination meeting agenda item
- June 5, 2018 – SCSA email requesting update
- July 6, 2018 – SCSA email requesting update
- August 23, 2018 – SCSA/ManCo coordination meeting agenda item

Additionally, after learning from Mr. Guido of the existing lease, I asked to receive a copy so that SCSA could conduct financial analysis related to taking over or terminating that lease. Mr. Guido, and you, responded to my request by asserting that the lease between the Forty Niners SC Stadium Company LLC (StadCo) and the lessee is somehow confidential in full and did not provide a copy. I then requested to receive the relevant information in the lease agreement so that SCSA staff could still complete our financial due diligence; information such as the lease term, the cost to buy or terminate the lease, and any other terms or costs that would inform SCSA's decision to proceed with the Proposed Community Room so that I could report to the Board. Despite several requests, I have never received even this limited information. I have again requested it as recently as during our August 23, 2018 monthly coordination meeting. In fact, it was you who asked me at our August 23, 2018 monthly meeting what the status of the Community Room reservation process was, to which I responded that the Board put that on hold because we needed to get the information that we had asked for on several occasions regarding "the path forward" for the build out of the Proposed Community Room.

I will be bringing the issue of the Community Room to the SCSA Board to seek their direction, and will report SCSA's due diligence, and a failure on ManCo's part to follow through with our multiple requests, regarding providing the Santa Clara community with the adequate space in their publicly owned stadium as agreed to in the Stadium Lease.

The next SCSA meeting is October 2, 2018; I hope to report out on an update of receipt of the information that I have requested over several months; but, if you fail to provide any, I will have to advise the Board. Kindly advise how you plan to proceed on this matter as we are now approaching nearly a year in seeking this information.

Sincerely,

Deanna Santana

Deanna J. Santana
Executive Director

CC: Santa Clara Stadium Authority Board
Walter C. Rossmann, Chief Operating Officer
Brian Doyle, Stadium Authority Counsel

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FORTY NINERS SC STADIUM COMPANY LLC

September 12, 2018

VIA ELECTRONIC MAIL

Deanna Santana
Executive Director
Santa Clara Stadium Authority
1500 Warburton Avenue
Santa Clara, CA 95050

Ms. Santana,

Mr. Mercurio provided me with a copy of your letter dated August 31, 2018 regarding the Tenant Exclusive Area that the SCSA expressed interest in. Tenant is using the space and is not going to convert the Tenant Exclusive Area to another use.

I know that Mr. Mercurio will be meeting with you tomorrow to address, among other topics, any characterizations of the past, as well as any operational issues to assist with ease of use of the Community Room and the other spaces that have been offered to community groups who would like to book space.

Sincerely,

DocuSigned by:
0B36ED2B93AA45B...
Hannah Gordon
Chief Administrative Officer and General Counsel

Cc:
Jim Mercurio, Forty Niners Stadium Management Company
Brian Doyle, Santa Clara Stadium Authority

Attachment 4: Worker Retention Efforts Related to Transition of Concessionaire at Levi's Stadium

1. September 8, 2018 SCSA Letter to Stadium Manager
2. September 20, 2018 SCSA Letter to Stadium Manager
3. September 27, 2018 Levy Letter to ManCo

SCSA

Santa Clara Stadium Authority

September 8, 2018

Mr. Jim Mercurio, Stadium Manager
San Francisco Forty Niners Management Company
4900 Marie P. De Bartolo Way
Santa Clara, California95054

SUBJECT: Worker Retention Efforts Related to Transition of Concessionaire at Levi's Stadium

Dear Mr. Mercurio,

Thank you for transmitting the memo from the Levi's Stadium Concessionaire, Levy Premium Food Service Limited Partnership (Levy), regarding their worker retention efforts, received via email August 29, 2108 and attached for your reference. During the February 27, 2018, Stadium Authority meeting, when the Stadium Authority Board (Board) authorized the Concessions Operations Agreement with Levy, they gave specific direction on what information to include when reporting back on worker retention efforts:

- How many employees were retained
- How many were released and for what reasons (not expected to provide specifically by employee)
- Efforts to hire/retain local and minority business partners
- Possibility of Levy to employ existing Levi's workers at other local venues
- Efforts to partner with local hospitality programs (Mission College, Wilcox High School)

The Stadium Authority Board noted their expectation to receive a detailed and thorough report of efforts by Levy to protect and retain employees employed by the previous concessionaire at Levi's Stadium, as well as additional information regarding Levy's effort to partner with the local businesses and schools. The Board also noted that this is the first implementation of the City of Santa Clara Work Retention Ordinance at Levi's Stadium, and their interest in worker retention during this transition.

Please work with Levy to revise or supplement their memo to meet the reporting expectations of the Board, and provide to me by September 17, 2018, so that we may proceed with agenda packet production for the next SCSA meeting on October 2, 2018.

Sincerely,

Deanna J. Santana
Executive Director

Attachment

CC: Santa Clara Stadium Authority Board
Walter C. Rossmann, Chief Operating Officer
Brian Doyle, Stadium Authority Counsel

Received via email
August 29, 2018
from Stadium Manager

Levy

Jim,

I wanted to provide an update regarding staffing levels at Levi's Stadium since our last update in June. While Levy continues to make progress hiring an 'in house" or consistent event-based workforce, we are still facing challenges.

As stated in the last update, we had on boarded about 475 from the original list of almost 600 employees that was provided by Unite Here, Local 19. In terms of progress from our last update, we have hired an additional 250 new employees for a grand total of 725. However, for past three events (two soccer games and our first preseason 49ers game), we averaged a total of 400 in-house. This suggests that a large number of employees have since found alternative work. The hospitality industry's high turnover rate and the local markets tight job market is certainly a contributing factor. That said, we are hopeful that the regular season will draw a large number of team members back to the fold.

Levy continues to devote a significant amount of time and effort to recruiting locally in the Santa Clara community. We have seen a boost in the number of applicants after we recently started an "employee referral bonus" program. This not only yields quality candidates and helps support our current employee base. We continue to partner with Mission College and its local sister schools. We have also created partnerships with local culinary schools via an outreach program that includes in-person presentations, site for visits, and hosting orientations at the schools.

Levy enjoys a close working relationship Unite Here Local 19 team. We continue to work with Local 19's leadership to better understand how to improve channels of communications with their employee base. We would also be interested in exploring what other avenues we can partner on to recruit employees. This may entail hosting an open house or additional off-site locations to make ourselves more accessible for prospective employees.

We remain positive that we will overcome the staffing deficit via a strong partnership with Local 19 HERE and are committed to ensuring the stadium is staffed with a best-in-class workforce.

Sincerely,

Nina M. Vasquez

SCSA

Santa Clara Stadium Authority

September 20, 2018

Mr. Jim Mercurio, Stadium Manager
San Francisco Forty Niners Management Company
4900 Marie P. De Bartolo Way
Santa Clara, California 95054

SUBJECT: Worker Retention Efforts Related to Transition of Concessionaire at Levi's Stadium

Dear Mr. Mercurio:

Thank you for transmitting the memo from the Levi's Stadium Concessionaire, Levy Premium Food Service Limited Partnership (Levy), regarding their worker retention efforts, received via email September 18, 2108 and attached for your reference. Please provide additional information regarding efforts to hire/retain local and minority business partners, and to partner with Wilcox High School. If you recall, these were specifically requested by the Stadium Authority Board (Board) during the February 27, 2018, Stadium Authority meeting when they authorized the Concessions Operations Agreement with Levy.

Additionally, please work with Levy to provide any relevant statistics that support their efforts to employ existing Levi's workers at other local venues, and the outcome of their described efforts to partner with Mission College. While the information provided by Levy is encouraging regarding their efforts to retain workers, without statistics, it is difficult to ascertain the success of these efforts.

As stated in my September 8, 2018 letter to you, the Board noted their expectation to receive a detailed and thorough report of efforts by Levy to protect and retain employees employed by the previous concessionaire at Levi's Stadium, as well as additional information regarding Levy's effort to partner with the local businesses and schools. While the information received September 18 is more comprehensive than the memo received in August, it does not completely address the Board's direction.

Please work with Levy to revise or supplement their memo to meet the reporting expectations of the Board, and provide to me by September 27, 2018, so that we may proceed with agenda packet production for the next SCSA meeting on October 2, 2018.

Sincerely,

Deanna J. Santana
Executive Director

Attachment

CC: Santa Clara Stadium Authority Board
Walter C. Rossmann, Chief Operating Officer
Brian Doyle, Stadium Authority Counsel

Levy

September 18, 2019

Jim,

We are in receipt of the memo from the Santa Clara Stadium Authority Board and are happy to provide additional detail on the items requested.

As stated previously, Levy strongly believes that the worker retention ordinance is essential for protecting workers and creating stability during transitional periods. Thus, Levy was pleased to be in receipt of a list that contained a little over 600 names and contact information for employees from Unite Here Local 19. Levy sent all employees on the list welcome letters and information for on boarding with Levy. Levy held approximately, ten on boarding orientations during the first couple transition months in order to meet the various schedules of employees. A total of 475 employees from this list was were on boarded with Levy.

Roughly, six employees have been released due to job abandonment and another forty employees have since resigned with the majority being offered a full time position that conflicted with the schedule at Levi's Stadium. We currently have about 40 employees, who since being on boarded with Levy, have been non-responsive to schedule requests and have not responded to the teams multiple efforts to make contact.

Levy continues to partner with other Compass accounts, whether it be at Oracle Arena in Oakland or at Chartwell's new partner at San Jose State University and employees have taken advantage of the opportunity to work at multiple accounts. We will continue to make sure employees are aware that these opportunities are available to them.

Levy has devoted and continues to devote much time and recruiting efforts to recruiting locally in the surrounding area of Levi's Stadium, introducing over 150 new team members from the surrounding area. In addition to having regular job postings up on Mission College's job board we have also attended job fairs at the College and their sister college, West Valley College. Levy has also set up an employer table in a high traffic area at the Mission College campus in an effort to recruit students and we plan to do this again this fall. We also plan to partner very closely with the culinary instructors at Mission College, and are looking to discuss other ways to partner this particular group.

Sincerely,

Nina M. Vasquez

September 27, 2018

Jim,

We are in receipt of the memo from the Santa Clara Stadium Authority Board and are happy to provide additional detail on the items requested.

As stated previously, Levy strongly believes that the worker retention ordinance is essential for protecting workers and creating stability during transitional periods. Thus, Levy was pleased to be in receipt of a list that contained a little over 600 names and contact information for employees from Unite Here Local 19. Welcome letters and information for on boarding were mailed to everyone on the list. Levy held approximately, 10 onboarding orientations during the first couple transition months in order to meet the various schedules of employees. 80% of the 600 employees from this list were successfully on boarded with Levy.

Roughly, 46 employees have since been separated or resigned with the majority being offered a full time position that conflicted with the schedule at Levi's Stadium. We currently have about 40 employees, who since being on boarded with Levy have been non-responsive to schedule requests and have not responded to the team's multiple efforts to make contact.

Levy has prioritized working with local minority business partners. Levy works with over six business partners, all from the local region, showcasing various cuisine. Levy has developed a great partnership with the Minority Business Consortium, which works exclusively with minority businesses, from the Santa Clara area. Levy has added partnership with the following Minority Business Consortium and is currently in place at the stadium; Con Sabor, Copita, Barbacco, Curry Roots and 3 Food Trucks for each game.

Levy continues to partner with all Compass accounts, whether it be at Oracle Arena in Oakland or at Chartwell's, the new partner at San Jose State University and employees have taken advantage of the opportunity to work at multiple accounts. This opportunity has allowed Levy staff to work over 100 hours collectively at other Compass venues. We will continue to make sure employees are aware that these opportunities are available to them.

Levy has devoted and continues to devote much time and recruiting efforts to recruiting locally in the surrounding area of Levi's Stadium, introducing over 150 new team members from the surrounding area. In addition to having regular job postings up on Mission College's job board we have also attended job fairs at the College and their sister college, West Valley College. Levy has also set up an employer table in a high traffic area at the Mission College campus in an effort to recruit students and we plan to do this again this fall. We also plan to partner very closely with the culinary instructors at Mission College, and will be looking for various ways to particular with this group at Mission College. Levy has also reached out to the Athletic Director, PTA and parent booster clubs at Wilcox High School for potential partnership for non-profit opportunities.

In addition to the above efforts, Levy is happy to report that we now have on boarded 24 non-profit groups. With a total of 375 volunteers, an increase of 1025% from the 60 volunteers at the first event. Groups ranging from local parent boosters clubs to Future Farmers of America and Marines looking to raise money for their groups.

Regards,

Nina M. Vasquez
Nina M. Vasquez

Non-profit Groups	Location	Average
*Athletic Edge	Hayward	10
*Bay Area Spirit Enthusiasts (BASE)	San Jose	15
*Branham Sports Boosters	San Jose	10
*Campbell Future Farmers of America	San Jose	10
*Delta Chi-CSUEB	Hayward	10
*Dreamscape	Hayward	10
*Empire Baseball	Fremont	10
*Fancy Dancers	Milpitas	10
*Gilroy High PTA	Gilroy	10
*James Logan Band Boosters	Union City	10
*Kantuta	San Leandro	10
*Lambda Theta Phi CSUEB	Hayward	10
*Samoan Community Church	San Jose	10
*Willow Glen Athletic Boosters	San Jose	10
Amador Valley Band Boosters	Pleasanton	10
Dreams Affordable for Futbolers	Livermore	10
Dynasty	Sacramento	10
Essence	Modesto	10
Lambda Theta Phi CAS4 UC Davis	Davis	10
Miyagi Gymnastics	Elk Grove	10
Modesto Schools Inc.	Modesto	10
NAS Lemoore CPOA	Lemoore	50
Nor Cal Student Athletes	Elk Grove	10
NRDSF_FCPOA	San Francisco	15
Nights Watch	Beale AFB	25
Remembrance Tabernacle	Fresno	50
Step 2 This	Oakley	15

Note per Stadium Mgr 10/03/2018:
Average = Average # of Employees per Non-Profit Group per Event

Minority Business Partner	Location	Average
Con Sabor	Bay Area	15
Copita	Bay Area	5
Barbacco	Bay Area	5
Curry Roots	Bay Area	5
Minority Business Consortium	Bay Area	3 Food trucks
Chairman	Bay Area	5
Sandi's Cobbler Cups	Bay Area	5

Note per Stadium Mgr 10/03/2018:
Average = Average # of Employees per Minority Business Partner per Event

Attachment 5: Key Performance Indicators for Levi's Stadium 2018 Non-NFL Events Marketing & Business Plan

1. October 4, 2018 SCSA Letter to Stadium Manager
2. October 25, 2018 Revised KPIs from ManCo

SCSA

Santa Clara Stadium Authority

October 4, 2018

Mr. Jim Mercurio, Stadium Manager
San Francisco Forty Niners Management Company
4900 Marie P. De Bartolo Way
Santa Clara, California 95054

SUBJECT: Key Performance Indicators for Levi's Stadium
2018 Non-NFL Events Marketing & Business Plan

Dear Mr. Mercurio,

Per the terms of the Stadium Management Agreement[1]:

> *the Stadium Operation and Maintenance Plan shall include a marketing plan setting forth in reasonable detail the Stadium Manager's plans to develop, implement and monitor marketing, booking, advertising and promotion of Non-NFL Events for the Stadium, which marketing plan shall be mutually agreed upon by the Stadium Manager and the Stadium Authority (the "Marketing Plan").*

On March 13, 2018 the Santa Clara Stadium Authority (SCSA) Board held a Study Session to discuss and provide input on the Levi's Stadium's 2018 Non-NFL Events Marketing & Business Plan (Marketing Plan). ManCo and SCSA staff reported that the strategic initiatives proposed in the Marketing Plan would provide a solid foundation to improve the use of data analytics/metrics for desired performance outcomes. Further, we stated that we would work collaboratively to develop key performance indicators (KPIs) that will be used to both evaluate the effectiveness of the Marketing Plan, as well as inform the decision making process for the next annual Marketing Plan.

During the last six months, ManCo and SCSA staff efforts to develop meaningful, useful, and sustainable KPIs have not significantly advanced. Despite multiple meetings and discussions regarding a KPI framework and potential measures, including a sample framework provided by SCSA staff (Attachment 1), the most recent draft of KPIs provided by ManCo (Attachment 2) is only partially responsive to our numerous discussions (Attachment 3). Although the submitted draft KPIs include important metrics, such as client satisfaction as measured through in-depth interviews and number of repeat clients year over year, the KPIs do not provide enough statistical information to evaluate the effectiveness of the Marketing Plan or inform the decision making process for the next annual Marketing Plan. Without knowing the data and methodology, it is very difficult to improve the outcome. For example, while knowing the number of repeat clients year over year is useful, without knowing the total number of clients the performance metric is incomplete. Further, as discussed with Walter C. Rossmann, Chief Operating Officer, during the July 17 meeting, for each KPI, you agreed to document the data source and methodology for data collection.

As we have discussed, the KPIs are of great interest to SCSA, both for policy decisions and oversight, and to inform our ability to attract events and continue to remain a modern facility offering event attractions that will continue to keep Levi's Stadium competitive and financially beneficial. Proposed KPIs are provided in Attachment 4 that measure both workload and performance indicators. These are not intended to be the full list of KPIs, rather a sample to help further our work efforts.

---

[1] 4.10 Marketing Plan

You repeatedly stated during the October 2, 2018, City Council and Authorities Concurrent Meeting the positive working relationship we have been developing over the last year. I trust you will reflect your sincere commitment to our partnership by providing a full set of proposed KPIs reflective of marketing and sales activities, client satisfaction, and any other activities which inform the development of the annual Marketing Plan to me by October 25. As you know, the Board is eager to receive an update on our progress, as directed when the Marking Plan was approved. I would like to report that we are working with a comprehensive set of KPIs that will inform the 2019/2020 draft Marketing Plan submitted by you early next year.

Sincerely,

Deanna J. Santana
Executive Director

Attachments
1. SCSA Staff Proposed Template for Reporting KPIs for 2018 Marketing Plan
2. ManCo Proposed KPIs for 2018 Marketing Plan
3. Timeline of KPIs Development
4. Sample Proposed KPIs

CC: Santa Clara Stadium Authority Board
Walter C. Rossmann, Chief Operating Officer
Brian Doyle, Stadium Authority Counsel

Attachment 1 - SCSA Staff Proposed Template for Reporting KPIs for 2018 Marketing Plan

Levi's Stadium's 2018 Non-NFL Events Marketing & Business Plan: Template for Reporting Key Performance Indicators

Purpose

Provide a template to Stadium Manager for Reporting Key Performance Indicators

Template

All text in italics is for reference only and does not need to be included in reporting/documenting of KPIs.

Performance Category: <<Insert Category Name>>

These need to be developed by ManCo; examples of potential categories based on Marketing/Business Plan as provided July 16, 2018:

- *Client Satisfaction*
- *Leveraging Partnerships*
  - *Includes efforts at NLF events outlined in plan*
  - *Includes efforts to make new partnerships*
- *Leveraging Past Event Statistics*
  - *Includes financials*
- *Engagement*
  - *Includes social media and branding efforts*

Indicator and Performance

Description	3 Prior FY Actual	2 Prior FY Actual	Prior FY Actual	Current FY Projected	Current FY YTD Actual	FY + 1 Projected
Describe the performance indicator	*Prior year information – will add as becomes available*	*Prior year information – will add as becomes available*	*Prior year information – will add as becomes available*	*Current target/ desired outcome*	*Current YTD*	*Future performance goal*

Methodology and Data Source(s):

- *Document process for calculating KPI.*
- *List data source(s)*

Attachment 2 -ManCo Proposed KPIs for 2018 Marketing Plan

Part 1 Received June 20, 2018 for Levi's Stadium Concessionaire

DRAFT

Dear Deanna,

This memo details the proposed evaluation criteria in determining whether or not Levy will be eligible for a financial bonus at the end of fiscal year 2018 based on service and quality standards for Non-NFL events at Levi's® Stadium. If attained, the performance bonus amount will be paid to Levy by the 49ers, with no impact to SCSA.

In considering the thresholds for performance, we considered past scores and balanced setting a high bar for quality standards with setting attainable goals. The bonus for Non-NFL events will be awarded if Levy scores above 70 points (out of a possible 100) in the following areas. More detail on each of the surveys and data collection methods follow the below summary chart.

Area of Evaluation	Total Possible Points
Special Events In-Depth Interviews	50
Post Event Survey	30
Secret Shopper Survey	10
Happy or Not Survey	10
Total	**100**

The criteria focuses heavily on guest feedback, which Levi's® Stadium has been collecting since opening in 2014. In the future, we will consider adding operational- and sales-related key performance indicators such as speed-of-service, increase in per-capita spend, number of transactions over a certain period, etc. We will use transitional Year One (2018-2019) to set fair baselines and determine accurate data collection methods before including these in the performance bonus criteria.

In an effort to keep increasing quality and service standards at Levi's® Stadium, the criteria and score thresholds will be subject to reevaluation after each fiscal year (with final metrics to be mutually agreed upon in collaboration with Levi's® Stadium, SCSA and Levy).

Special Events In-Depth Interviews

Clients that have hosted a Special Event at Levi's® Stadium (holiday parties, conferences, seminars, etc) are invited to complete a post-event feedback in-depth interview/survey on various elements of their event experience (staff planning and execution, food and beverage, etc). The responses are recorded on a scale from 0 to 5.

Levy will have the opportunity to earn 50 total points in this area. This area is weighted the heaviest, as special events take place in the stadium all-year round, and the food and beverage experience is a key component to sustaining event business in Levi's® Stadium and Santa Clara. Partial points will be awarded based on the following scores:

Score	Points
4.0+	50

3.5 ≤ Score < 4.0	35
3.0 ≤ Score < 3.5	20
<3.0	0

Post-Event Surveys

This is a survey designed by Levi's® Stadium that is sent out to ticketholders after each large-scale event. The survey covers all aspects of the guest experience (parking, security screening, game day entertainment, concessions, retail, egress, etc). Survey responders are asked to rate the Quality, Variety, Speed of Service, Staff, Value, Availability and their Overall concessions experience on a range from Excellent, Good, Average, Below Average, and Poor.

Scores are calculated on the percentage of "Excellent" and "Good" responses on a scale of 0%-100%.

Levy will have the opportunity to earn 30 total points in this area, with partial points awarded based on the following scores:

Score	Points
65+	30
55 ≤ Score < 65	20
45 ≤ Score < 55	10
<45	0

Secret Shopper

Our Guest Services program coordinates a secret shopper program that covers all aspects of the guest experience (parking, security screening, game day entertainment, concessions, retail, egress, etc). The Food and Beverage section asks about specifics such as whether or not the staff member said 'thank you', whether or the order was accurate, what was the overall food quality and value, etc. These areas are evaluated on a score from 0 to 5.

Levy will have the opportunity to earn 10 total points in this area, with partial points awarded based on the following scores:

Score	Points
4.0+	10
3.0 ≤ Score < 4.0	5
<3.0	0

Happy Or Not

Happy Or Not terminals are stationed around our stadium and collect feedback on guest satisfaction through four easy buttons—two happy faces and two frowning faces. These terminals are located in restrooms, guest services desks, concessions, suites, etc.

A “Happiness Index” is calculated based on the number of happy-face or frowning-face votes within a certain time period, and will be calculated for all concession areas. This index is calculated on a range from 0 to 100.

Levy will have the opportunity to earn 10 total points in this area, with partial points awarded based on the following scores:

Score	Points
60+	10
50 ≤ Score < 60	5
<50	0

SCSA
SANTA CLARA STADIUM AUTHORITY

Levi's Stadium's 2018 Non-NFL Events Marketing & Business Plan: Template for Reporting Key Performance Indicators

Performance Category: **Client Satisfaction**

Indicator and Performance

Description	3 Prior FY Actual	2 Prior FY Actual	Prior FY Actual	Current FY Projected	Current FY YTD Actual	FY + 1 Projected
Post Event Client Survey (In-Depth-Interview, IDI)	N/A	97% Client Satisfaction	97% Client Satisfaction	98% Client Satisfaction	100% client satisfaction	99% Client Satisfaction

Methodology and Data Source(s):

From the sales process to event execution and settlement, we are interested in feedback throughout the entire process. We track our client satisfaction through a post event survey generated by TurnKey (data source). The survey is sent to the client via e-mail within 48 hours after the event.

Performance Category: **Client Relationships**

Indicator and Performance

Description	3 Prior FY Actual	2 Prior FY Actual	Prior FY Actual	Current FY Projected	Current FY YTD Actual	FY + 1 Projected
Number of repeat clients year over year	N/A	36% repeat clients	42% repeat clients	45% repeat clients	42% repeat clients	50% repeat clients

Methodology and Data Source(s):

Much of our business depends on the relationships with keep with our clients and the guest experience. A repeat client indicates that we are doing our job to retain business and build strong, lasting relationships with our clients. Since opening the stadium in 2014, 50% of total booked events have been hosted by a repeat client. The data source used for this KPI is Ungerboeck.

Performance Category: **Partnerships**

Indicator and Performance

Description	3 Prior FY Actual	2 Prior FY Actual	Prior FY Actual	Current FY Projected	Current FY YTD Actual	FY + 1 Projected
Number of NFL partnership events held each year	N/A	17% of booked events	16% of booked events	16% of booked events	13% of booked events	N/A

Methodology and Data Source(s):

In addition to outbound sales efforts and continuing our relationships with repeat clients, we also work closely with the NFL partners to bring their events to Levi's Stadium. Many of the NFL partners are prominent brands that typically source creative venues for their live events and Levi's Stadium has become one of those venues. The data source used for this KPI is Excel.

Performance Category: **Community Engagement**

Indicator and Performance

Description	3 Prior FY Actual	2 Prior FY Actual	Prior FY Actual	Current FY YTD Actual	FY + 1 Projected
Success of social media posts & website traffic	N/A	**(13) Social media posts**: average of 12,553 impressions, 520 engagements, 3.9% click rate, 487 likes per post, - **Website Traffic**: 26,790 page views, average time on page 1:17, form lead submissions N/A	**(30) Social media posts:** average of 9,292 impressions, 330 engagements, 3.11% click rate, 273 likes per post - **Website Traffic:** 61,200 page views, average time on page 2:13, form lead submissions 222	**(5) social media posts**: average 12,235 impressions, 193 engagements, 1.96% click rate, 126 likes per post - **Website Traffic:** 124,304 page views, average time on page 2:00, form lead submissions 478	**(48) Social Media Posts (weekly)**

Methodology and Data Source(s):

We understand the importance of not only reaching the digital audience, but engaging with them so they understand Levi's Stadium is not just a football stadium. We have leveraged the Levi's® Stadium social media accounts to push out content to over 100K followers, ranging from wedding receptions to corporate events. We link our website, e-mail address and phone number to these posts so clients are able to access an event inquiry form or reach out directly to our Sales team. The data source used to track this KPI is Spreadfast for social media and Google Analytics for website data.

Performance Category: **Understanding key audiences using previous event statistics**

Indicator and Performance

Description	3 Prior FY Actual	2 Prior FY Actual	Prior FY Actual	Current FY YTD Actual	FY + 1 Projected
Success of targeted social media and e-mail campaigns based on "lookalike" data	N/A	**(3) E-mail Campaign**s: 26,910 e-mails delivered, average of 35% open rate, 5.4% click to open rate	**Holiday Events E-mail Campaign**: 3,562 e-mails delivered, 667 e-mails opened, average 37% open rate, 3.2% click to open rate	**(3) Campaigns - New Year Social Media Campaign,** Google Paid Search drove 108,774 impressions, and 949 clicks; Paid display delivered 14,152,511 impressions and 61,326 clicks; Facebook Lead Generation created 121,459 impressions & 43 leads filled out; **Summer Block Party Campaign**: 2,515 e-mails delivered, 826 e-mails opened, 56% open rate, 30% click to open rate; **NRG Solar Terrace Campaign**: 4,194 e-mails delivered, 551 e-mails opened, 34% open rate, 12% click to open rate	**(4) Campaigns, sent out quarterly**

Methodology and Data Source(s):

We have developed a client profile focusing on location (proximity to the stadium), company type, company size, budget, and title of the decision maker or event planner. This profile is based on past buyers and those who book with us most often. Although we are constantly working to bring in new clients and businesses, we use this information to guide our targeted campaigns and outreach efforts. The data source for this KPI is Spreadfast for social media and Marketo and Campaign Monitor for e-mail.

Attachment 3 – Timeline of KPIs Development

At our following monthly coordination meetings in April and June we discussed the next steps to develop meaningful KPIs as being ManCo preparing draft metrics that provide the data important to the SCSA Board to receive and make policy decisions, and to perform their oversight duties. We also discussed specific information of interest to the Boards, such as providing customer satisfaction by event. For your reference, here is our record of the timeline of events:

- April 26 Monthly Meeting: ManCo establishes draft KPIs to SCSA staff by May 11; ManCo/SCSA staff dates in May/June to review
- June 20 Email: Draft KPIs for Levi's Stadium Concessionaire transmitted from Stadium Manager
- June 21 Monthly Meeting: Discussed KPIs scope; ManCo to establish draft KPIs to SCSA staff by July 1.
- June 26 Email: SCSA staff requested meeting to review draft KPIs in July
- June 27 Email: SCSA staff responding to draft KPIs sent June 20; reminder to provide additional KPIs (not related to Concessionaire)
- July 17 Email: ManCo transmitted draft KPIs to SCSA staff
- July 19 Meeting: ManCo and SCSA staff review draft KPIs; SCSA staff provided feedback and agreed to provide template for displaying KPIs. Agreement for ManCo to provide revise KPIs and provide to SCSA by August 16, with plans to review at our August 23 monthly meeting.
- July 29 Email: SCSA staff provided draft template for recording KPIs with potential performance categories based on the Marketing Plan
- August 17 Email: ManCo transmitted draft KPIs to SCSA staff

At the July 17 meeting, SCSA staff reiterated the need for the KPIs to provide meaningful data to evaluate the effectiveness of the Marketing Plan as well as inform the decision making process for the next annual Marketing Plan, as well as the importance of the KPIs to the SCSA Board in making policy decisions and performing their oversight duties. Specifically, Chief Operating Officer Walter Rossmann provided input on:

Framework for recording KPIs	• Description • Outcome • Methodology – document process for calculating metric, and list data sources • Prior Year Actuals (3 FYs, eventually) • Current Year Projection • Current Year Actuals • Future Year Projection (Goal)
Determining what to measure	• Marketing – quantify success in converting from different contract stages (Prospect, Under Contract, Final) • Repeat Business • Special Events – quantify success of sales team (e.g. Event Planners also encouraged to sell) • Operationally Useful – solely determined by ManCo • Data from in depth interviews • Review existing system to see ability to produce data such as % contracts that went from prospect to contract; prospect to final; contract to final • Check to see if there are stats on who does not select Levi's Stadium for events • May vary based on event type o Catered events very conducive to this process - large events are not o How do we measure impact between large scale and catered o Review existing system to see ability to produce data such as % contracts that went from prospect to contract; prospect to final; contract to final • Check to see if there are stats on who does not select Levi's

Attachment 4 – Proposed KPIs

Performance Category: Event Attraction and Contract

Indicator and Performance: Number of Sales Leads and Percent Converted to Executed Contract

Description	3 Prior FY Actual	2 Prior FY Actual	Prior FY Actual	Current FY Projected	Current FY YTD Actual	FY + 1 Projected
Number of sales leads for Non-NFL Events				#		
Number for ticketed Non-NFL Events				#		
Number for ticketed Non-NFL Events with projected attendance of 25,000 or greater				#		
Number for non-ticketed Non-NFL Events				#		
Number for non-ticketed Non-NFL Events with projected attendance of 25,000 or greater				#		
Number of contracts under negotiation.				#		
Number for ticketed Non-NFL Events				#		
Number for ticketed Non-NFL Events with projected attendance of 25,000 or greater				#		
Number for non-ticketed Non-NFL Events				#		
Number for non-ticketed Non-NFL Events with projected attendance of 25,000 or greater				#		
Number of contracts executed.				#		
Number for ticketed Non-NFL Events				#		
Number for ticketed Non-NFL Events with projected attendance of 25,000 or greater				#		
Number for non-ticketed Non-NFL Events				#		
Number for non-ticketed Non-NFL Events with projected attendance of 25,000 or greater				#		
Percent of sales leads resulting in contract being negotiated.				%		
Percent for ticketed Non-NFL Events				%		
Percent for ticketed Non-NFL Events with projected attendance of 25,000 or greater				%		
Percent for non-ticketed Non-NFL Events				%		
Percent for non-ticketed Non-NFL Events with projected attendance of 25,000 or greater				%		
Percent of sales leads resulting in contract execution.				%		
Percent for ticketed Non-NFL Events				%		
Percent for ticketed Non-NFL Events with projected attendance of 25,000 or greater				%		
Percent for non-ticketed Non-NFL Events				%		
Percent for non-ticketed Non-NFL Events with projected attendance of 25,000 or greater				%		

Methodology and Data Source(s):

- Percent of sales leads result in contract being pursue resulting in contract being negotiated = total number of contracts in some form of negotiation / total number of sales leads.
- Percent executed to completion = total number of contracted events / total number of sales leads.
- Data Source: Sales Team tracking software or tool (update as appropriate)

Performance Category: Event Attraction and Contract

Indicator and Performance: Number of Days Facility Available and Percent of Days Facility in Use

Description	3 Prior FY Actual	2 Prior FY Actual	Prior FY Actual	Current FY Projected	Current FY YTD Actual	FY + 1 Projected
Number of days available to host ticketed events				#		
Percent of days available where ticketed event held				%		
Number of days available to host non-ticketed events				#		
Percent of days available where non-ticketed event held				%		

Methodology and Data Source(s):

ManCo to complete/update

Continues on next page

Performance Category: Financial Performance

Indicator and Performance: Net Revenue by Event Type

Description	3 Prior FY Actual	2 Prior FY Actual	Prior FY Actual	Current FY Projected	Current FY YTD Actual	FY + 1 Projected
Number of concerts				#		
Number of football games (Non-NFL)				#		
Number of soccer games				#		
Number of all other ticketed events				#		
Number of all non-ticketed events				#		
Net Revenue				$		
Percent of net revenue from concerts				%		
Percent of net revenue from football games (Non-NFL)				%		
Percent of net revenue from soccer games				%		
Percent of net revenue from all other ticketed events				%		
Percent of net revenue from non-ticketed events				%		
Percent of events where net revenue earned from Non-NFL Events where net revenue exceeds $				%		
Percent of concerts where net revenue exceeds $0				%		
Percent of football games (Non-NFL) where net revenue exceeds $0				%		
Percent of soccer games where net revenue exceeds $0				%		
Percent of all other ticketed Non-NFL where net revenue exceeds $0				%		
Percent of all non-ticketed Non-NFL Events where net revenue exceeds $0				%		

Methodology and Data Source(s):

- Percent of net revenue from [EVENT TYPE] = EVENT TYPE Net revenue / Total Net Revenue
- Percent of events where net revenue exceeds $0
  = Count of events where net revenue > $0 / Total # of Events
- Percent of [EVENT TYPE] where net revenue exceeds $0
  = Count of [EVENT TYPE]where net revenue > $0 / Total # of [EVENT TYPE]
- Data Source: per Manco

Other Potential KPIs

- *Event Attendance*
  - *Total attendees*
  - *Number of loacal*
- *Gross Revenue*
- *Operating Costs*
- *Estimated Economic Impact*
- *Return on Investment*

Received October 25: ManCo Proposed KPIs for 2018 Marketing Plan

Levi's Stadium's 2018 Non-NFL Events Marketing & Business Plan: Template for Reporting Key Performance Indicators

Performance Category: **Client Satisfaction**

Indicator and Performance: Percentage of satisfied clients, number of surveys completed and average post-event client survey scores based on a scale of 1-5 (1 being very unsatisfied and 5 being very satisfied)

Description	3 Prior FY Actual	2 Prior FY Actual	Prior FY Actual	Current FY Projected	Current FY YTD Actual	FY + 1 Projected
Percent of client satisfaction	N/A	97% Client Satisfaction	97% Client Satisfaction	98% Client Satisfaction	100% client satisfaction	99% Client Satisfaction
Number of IDIs completed	N/A	68	68	78 (10% increase)	33	90 (10% increase)
Booking Score	N/A	4.76	4.72	4.75	4.75	4.80
AV Functionality Score	N/A	4.57	4.67	4.50	4.46	4.55
AV Service Score	N/A	4.59	4.50	4.75	4.75	4.80
Planning Score	N/A	4.45	4.21	4.55	4.55	4.60
Execution Score	N/A	4.76	4.39	4.88	4.88	4.90
F&B Quality Score	N/A	4.41	4.37	4.50	4.28	4.60
F&B Service Score	N/A	4.73	4.71	4.75	4.72	4.80
Overall Score	N/A	4.55	4.24	4.70	4.69	4.80

Methodology and Data Source(s):

- Percent of client satisfaction = number of clients who scored a 4 or above/total number of clients who completed the survey
- Number of IDIs completed = number of clients who received an IDI survey and completed the survey
- Event category scores = average score per category on a scale of 1-5
- Data Source: We track our client satisfaction through a post event survey generated by TurnKey. The survey is sent to the client via e-mail within 48 hours post event.

Notes:

- This feedback is not only used to measure how successful our team is but also where we can improve processes and guest experience to elevate the business and compete with other venues.
- Our client survey scores have increased in most categories between FY2017 and FY2018, with the event execution score increasing by 11%
- Although the F&B quality score is .09 points lower than FY2017, the FY2018 YTD score includes low scores given by clients who worked with our previous concessionaire. We look forward to continued high F&B scores as we close out the year, which we feel will raise the average F&B score.

Performance Category: **Client Retention**

Indicator and Performance: Number of repeat events and percentage of events booked by repeat clients.

Description	3 Prior FY Actual	2 Prior FY Actual	Prior FY Actual	Current FY Projected	Current FY YTD Actual	FY + 1 Projected
Number of repeat events	37	41	44	45	34	50
Percentage of repeat events	20%	36%	42%	37%	40%	38%

Methodology and Data Source(s):

- Number of repeat events = number of events booked by a client who has hosted 1 or more event in the past
- Percentage of repeat events = number of repeat events/total number of booked events
- Data Source: Ungerboeck

Notes:

- A repeat client indicates that we are doing our job to retain business and build strong, lasting relationships with our clients.
- We rely on repeat business to build a consistent pipeline year over year and focus efforts on how to bring in new clients to add to the repeat business.
- Since opening the stadium in 2014, 50% of total booked events have been hosted by a repeat client.

Performance Category: **Leveraging Partnerships**

Indicator and Performance: Number of NFL Partnership events booked and percentage of NFL Partnership events booked.

Description	3 Prior FY Actual	2 Prior FY Actual	Prior FY Actual	Current FY Projected	Current FY YTD Actual	FY + 1 Projected
Number of NFL Partnership events	17	19	16	20	14	23
Percentage of NFL Partnership events	9%	17%	16%	16%	16%	17%

Methodology and Data Source(s):

- Number of NFL partnership events = total number of events booked by an NFL partner
- Percentage of NFL Partnership events = number of NFL partnership events/total number of booked events
- Data Source: Ungerboeck & Excel

Notes:

- Booking partner events provides exposure to large corporations and international brands, creating opportunities to host future events with these companies
- In addition to outbound sales efforts and continuing our relationships with repeat clients, we also work closely with the NFL partners to bring their events to Levi's Stadium.
- Many of the NFL partners are prominent brands that typically source creative venues for their live events, and Levi's Stadium has become one of those venues.

Performance Category: **Community engagement through social media and website**

Indicator and Performance: Number of impressions, engagements and click rate for social media posts, number of page views on website & number of lead submission forms through website.

Description	3 Prior FY Actual	2 Prior FY Actual	Prior FY Actual	Current FY YTD Actual	FY + 1 Projected
Number of impressions, engagements and click rate linked to social media posts	N/A	**(13) Social media posts**: average of 12,553 impressions, 520 engagements, 3.9% click rate, 487 likes per post	**(30) Social media posts:** average of 9,292 impressions, 330 engagements, 3.11% click rate, 273 likes per post	**(5) social media posts**: average 12,235 impressions, 193 engagements, 1.96% click rate, 126 likes per post	(48) Social Media Posts (weekly): average 15,000 impressions, 350 engagements, 3.0% click rate, 300 likes per post
Number of website page views	N/A	26,790 page views, average time on page 1:17	61,200 page views, average time on page 2:13	124,304 page views, average time on page 2:00	250,000 page views, average time on page 2:00
Number of lead form submissions	N/A	N/A	**222**	**478**	**800**

Methodology and Data Source(s):

- Impressions = the number of times content is displayed
- Engagements = the number of times the content is clicked, liked or commented on
- Click Rate = the percentage of people who clicked on a hyperlink within the content
- Likes per post = the number of likes per social media post
- Page views = the number of times a user visited our website
- Number of lead form submissions = the number of times we received a lead form completed from the website
- Data Source: Spreadfast for social media and Google Analytics for website data.

Notes:

- Community engagement equates to brand awareness and exposure to the local and national marketplace, driving interest in the stadium outside of gameday.
- We understand the importance of not only reaching the digital audience, but engaging with that audience so they understand Levi's® Stadium is not just a football stadium. We have leveraged the Levi's® Stadium social media accounts to push out content to over 100K followers, ranging from wedding receptions to corporate events.
- We link our website, e-mail address and phone number to these posts so clients are able to access an event inquiry form or reach out directly to our Sales team.

Performance Category: **Effectiveness of target marketing**

Indicator and Performance: Number of e-mails delivered and opened and the average click to open rate

Description	3 Prior FY Actual	2 Prior FY Actual	Prior FY Actual	Current FY YTD Actual	FY + 1 Projected
Number of campaigns	N/A	(3) e-mail campaigns	(1) e-mail campaign	(1) paid social campaign & (2) e-mail campaigns	(4) e-mail campaigns & (4) paid social media campaigns
Number of impressions & clicks	N/A	N/A	N/A	(1)Paid social campaign:14,382,744 impressions; 62,275 clicks	
Number of e-mails delivered	N/A	17,353; 1,986 & 7,571	3,562	(2) e-mail campaigns: 2,515 & 4,194	
Percent open rate	N/A	48%; 34% & 24%	37%	(2) e-mail campaigns: 56% & 34%	
Percent click to open rate	N/A	1.7%; 5.9% & 8.7%	3.2%	(2) e-mail campaigns: 30% & 12%	

Methodology and Data Source(s):

- Number of campaigns = total number of social media and e-mail campaigns launch
- Number of impressions & clicks = total number of times the content is displayed and how often the user clicked a hyperlink
- Number of e-mails delivered = total number of e-mails delivered to clients and prospects
- Percent open rate = the number of e-mails opened/the total number of e-mails delivered
- Percent click to open rate = the number of people who clicked a link in the e-mail/the total number of people who opened the e-mail
- Data Source: Spreadfast for social media and Marketo and Campaign Monitor for e-mail.

Notes:

- We have developed a client profile focusing on location (proximity to the stadium), company type, company size, budget, and title of the decision maker or event planner. This profile is based on past buyers and those who book with us most often.
- We can use this data to understand which posts and e-mails produce the most interest in our product
- Although we are constantly working to bring in new clients and businesses, we use this information to guide our targeted campaigns and outreach efforts.

Attachment 6: Stadium Lease and Agreements Compliance

1. October 1,2018 Letter to Stadium Manager
2. August 31,2018 Letter to Stadium Manager
3. October 18,2018 Letter to Executive Director
4. November 7,2018 Parking Agreement

   Letter to Forty Niners SC Stadium Company LLC

SCSA

Santa Clara Stadium Authority

October 1, 2018

Mr. Jim Mercurio, Stadium Manager
San Francisco Forty Niners Management Company
4900 Marie P. De Bartolo Way
Santa Clara, California 95054

SUBJECT: Management Agreement 3.3

Dear Mr. Mercurio:

Over our past monthly meetings, I have advised of the need for your compliance with Stadium Management Agreement Section 3.3.[1] In addition to the other compliance matters that we have discussed, I am reminding you that per the terms of the Stadium Management Agreement.

> *Stadium Manager shall furnish the Executive Director, within 45 days of each Non-NFL Event with attendance projected to exceed 25,000 and on a quarterly basis for all other events, such written revenue or other reports relating to Non-NFL Events as the Parties may agree from time to time.*

To date, I have not received any written reports as required by the foregoing provision. Our records show that the Stadium Authority Executive Director has never received such reports since Stadium Management Company (ManCo) began operations at the Stadium. ManCo will remain out of compliance with the Stadium Management Agreement, **unless it provides within 30 calendar days all of the past due required quarterly written reports** in accordance with the Stadium Management Agreement that contain the following information for all Non-NFL Events:

- Brief Event Narrative (overview report on event highlights)
- Event Contract
- Event Pro-Forma
- Profit & Loss Statement detailing all revenue and expense items, including all Non-NFL Event Revenue as defined in the Amended and Restated Stadium Lease[2]
- Statistical Event Data such as number of tickets sold, number of tickets scanned, total number of cars parked (main lot and offsite lots), etc.

For the Non-NFL Events with attendance not projected to exceed 25,000, **please provide quarterly reports as outlined above in accordance with the Stadium Authority fiscal year calendar: by March 31, June 30, August 31 and December 31**. Additionally, according to the Levi's Stadium events calendar, the last Non-NFL Event was the 2018 International Champions Cup on August 4, an event with attendance projected to exceed 25,000. I expect to receive the written report, as detailed

[1] Section 3.3 (Quarterly Status Meeting) of First Amendment to Stadium Management Agreement made and entered into as of November 13, 2012 by and between the Santa Clara Stadium Authority, Forty Niners Stadium Management Company LLC, and Forty Niners SC Stadium Company

[2] Section 12.8 Non-NFL Event Revenue

above, for this event within a week of this letter and for the upcoming concert within the time frame established by the Management Agreement.

These written reports do not replace the existing staff-level administrative processes of ManCo providing data for each Non-NFL Event to Santa Clara Stadium Authority (SCSA) as it becomes available. ManCo should continue providing ticket and parking data by email to SCSA Treasurer or her delegate and load data on the shared laptop in the SCSA Stadium office.

Thank you in advance for your compliance with the Stadium Management Agreement. If you have records indicating that Stadium Authority Executive Director received the required information according to the Stadium Management Agreement terms, please provide me with those records.

Sincerely,

Deanna Santana

Deanna J. Santana
Executive Director

cc: Stadium Authority Board
Walter C. Rossmann, Chief Operating Officer
Brian Doyle, Stadium Authority Counsel

SCSA

Santa Clara Stadium Authority

August 31, 2018

Mr. Jim Mercurio, Stadium Manager
San Francisco Forty Niners Management Company
4900 Marie P. DeBartoloWay
Santa Clara, California 95054

SUBJECT: Stadium Management Agreement 3.3

Dear Mr. Mercurio,

The purpose of this letter is to memorialize our many discussions over several months, most recently on June 21 and August 23, where we specifically reviewed Stadium Management Agreement (Management Agreement) Section 3.3[1], regarding the Stadium Management Company's (ManCo's) requirement to coordinate the scheduling of Non-NFL events and activities. Advanced communication of any potential Non-NFL Event at Levi's Stadium is contractually required and necessary for me to fulfill my obligation as Executive Director/City Manager in ensuring the City of Santa Clara is able to adequately staff and support public services throughout Santa Clara, including – but not limed to – events held at Levi's Stadium. As I stated at our last two meetings, the Management Agreement specifically states:

> *The Stadium Manager and the Executive Director shall, at the request of the Executive Director, at a mutually convenient time, meet and confer no less often than quarterly during the Term of the Management Agreement to report on the status of the Stadium Manager's activities pursuant to Paragraph 3.2 above and the then approved Marketing Plan, including, without limitation, the status of Stadium Manager's marketing and promotional efforts, the status of any ongoing negotiations with respect to Non-NFL Events, financial performance and other matters relating to past Non-NFL Events, development of the Marketing Plan for the succeeding fiscal year, and such other similar or other topics as the Stadium Authority may request.*

On August 23, I brought to your attention several Non-NFL events that ManCo scheduled without prior coordination with me (and in some cases without the Police Department) as required, and which either conflict with other community events or pose staffing challenges. I also brought to your attention a weekday NFL Event about which I have been hearing concerns about staffing coverage. Since that meeting only one week ago, another Non-NFL Event – complete with fireworks – has taken place with no advance communication to me. In fact, you provided an incomplete list of booked stadium events during our meeting and it did not include this event (Attachment 1).

ManCo's lack of communication related to these events demonstrates that there is a significant gap in ManCo's application of this Management Agreement requirement; detail of each instance is attached (Attachment 2).

At our June meeting, we discussed the Management Agreement coordination requirements and the need to schedule formal meetings to achieve compliance with this provision, and I have repeatedly stated I am always available to communicate about Non-NFL events by phone, text, email, etc. before they are publicly announced. It is clear that this has not happened and we have lost important opportunities to proactively

[1] First Amendment to Stadium Management Agreement made and entered into as of November 13, 2012 by and between the Santa Clara Stadium Authority, Forty Niners Stadium Management Company LLC, and Forty Niners SC Stadium Company.

communicate with our residents and your business neighbors. We have also been disadvantaged in working with our community on scheduling highly-valued, traditional community events outside of Non-NFL Events that might have competing needs for public safety and other City support. Additionally, through our routine agenda development process for our monthly meetings, we previously agreed that the August 23, 2018 meeting would serve as a Quarterly Status Meeting that is required under Section 3.3 of Management Agreement. At that meeting you were not prepared to discuss any ongoing planning for events during that meeting or disclose the purpose or impact of calendar holds that conflict with community events (e.g., March 23). As I already stated, the document that you provided to me is incomplete and does not comply with the disclosure requirements of Section 3.3.

My duties as the Executive Director for the SCSA and City Manager for the City of Santa Clara require advanced coordination of any potential events at Levi's Stadium so that the City can adequately provide our public services throughout the City, each and every day of the year. It is your obligation, per the above referenced agreement, to provide this information to me in full regardless of whether you have communicated partial information to City department staff.

The Management Agreement was entered into as public private partnership to provide the patrons of the Stadium and the Santa Clara community with above average services and protection. The Stadium Authority and the City cannot adequately provide their services without ManCo's complete cooperation and coordination of Stadium activities in accordance with the provisions of the Management Agreement. I look forward to a substantial improvement on ManCo's part to comply with its obligations.

Sincerely,

Deanna J. Santana
Executive Director

Attachments
1. ManCo's List of Booked Stadium Events
2. List of Stadium Events Not Communicated by ManCo

CC: Santa Clara Stadium Authority Board
Walter C. Rossmann, Chief Operating Officer
Brian Doyle, Stadium Authority Counsel

Attachment 2

Booked Stadium Events as of 8/22/2018 3/31/2019

Description	Status	Start Date	Attendance	Booked Spaces
49ers v LA Chargers	Booked (30)	08/30/18	68,500	Levi's Stadium
49ERS V LIONS	Booked (30)	09/16/18	68,500	Levi's Stadium
Jay Z and Beyonce Concert	Booked (30)	09/29/18	55,000	Levi's Stadium
49ERS V CARDINALS	Booked (30)	10/07/18	68,500	Levi's Stadium
SJSU Vs Army	Booked (30)	10/12/18	20,000	Levi's Stadium
49ERS V RAMS	Booked (30)	10/21/18	68,500	Levi's Stadium
49ERS V RAIDERS	Booked (30)	11/01/18	68,500	Levi's Stadium
49ERS V GIANTS	Booked (30)	11/12/18	68,500	Levi's Stadium
Golden Heart 4.9K	Booked (30)	11/18/18	1,000	Levi's Stadium
Pac-12 Championship Game	Booked (30)	11/30/18	40,000	Levi's Stadium
49ERS V BRONCOS	Booked (30)	12/09/18	68,500	Levi's Stadium
49ERS V SEAHAWKS	Booked (30)	12/16/18	68,500	Levi's Stadium
49ERS V BEARS	Booked (30)	12/23/18	68,500	Levi's Stadium
SF Bowl Game	Booked (30)	12/31/18	40,000	Levi's Stadium
College Football Playoff National Championship Game	Booked (30)	01/07/19	70,000	Levi's Stadium

Attachment 2 – Levi's Stadium Events Not Communicated by ManCo

- **The Heart & Soles Run (Silicon Valley Leadership Group); March 23, 2019 -** Ruth Shikada contacted ManCo in July to confirm there were no tentative events planned or being pursued on the proposed date, with the express intent of giving SVLG the go-ahead to start their sponsorship solicitation and advertising. You confirmed on July 24, 2018 there were no objections to the date; however, SVLG notified SCSA staff on August 16 of a stadium hold for a currently un- announced event during the weekend of the race. After learning about the potential conflict, I inquired about the purpose of the hold but you would not confirm the event nor disclose the purpose of the hold, even though the provision requires that you communicate with me without limitation any events under negotiations and, most certainly, already under contract. I literally read Section 3.3 out loud at the meeting and, yet, there was no compliance on ManCo's part to share required information. Given the conflict that surfaced in March 2018, where in order to accommodate both a Stadium event and the Heart & Soles Run, the City was forced to enter into an agreement with the City of San Jose to authorize their police department to provide law enforcement in Santa Clara. This is not a desirable outcome and is completely avoidable with your compliance with Section 3.3 of the Management Agreement. **Due to the lack of advance coordination by ManCo, the City will prioritize public safety services for the Heart & Soles Run over any Levi's Stadium event conflicts during this time.**

- **College football: SJSU vs. Army West Point; October 13, 2018 -** I learned of this event by email from Emily Lucas on August 13 advising me of the press release, and Santa Clara Police Department (SCPD) reported that they, too, had not been advised of this event. As such, public safety coverage for the event needs to be arranged without any consideration of our own community events, staff schedules, etc. At our August 23 meeting, you also mentioned that it was a surprise to you, as Stadium Manager. This means that neither of us were in a position to comply with our Agreement duties.

- **College football: Cal vs UNC; September 1, 2018 -** I learned of this event from SCPD, who relayed they learned of this potential event when ManCo informed them that the event was not ultimately booked and would not take place at Levi's Stadium. SCPD is not the source of your compliance with Section 3.3, nor should ManCo depend on communication with them as our acknowledgement of compliance, as the provision requires disclosure at the time of contract negotiation.

- **High School Football Series; September 21, 2018 -** I learned of this event by email from Emily Lucas on August 13 advising me of the press release, and SCPD reported they, too, had not been advised of this event. Like the October 13 Non-NFL Event, public safety coverage needs to be arranged without any consideration of our own community events, staff schedules, etc. Receipt of a press release does not comply with Section 3.3, as the provision requires disclosure at the time of contract negotiation.

- **NFL Game: 49ers vs. Oakland Raiders; November 1, 2018 –** I have been hearing from SCPD that there may be staffing issues for this event, particularly due to it falling on a weekday and requiring higher security than other games, but I have received no communication from ManCo regarding the scheduling or coordination of public safety services. I can confirm, though, for some time staff has been seeking SCPD sign-ups for overtime, as it is doing with all other events.

- **Players for a Purpose (49ers Foundation Dinner); August 28, 2018 –** I learned of the fireworks for this event via NextDoor when residents' complaints regarding the unannounced noise were relayed to me. However, on August 23, you provided a list of booked events at Levi's Stadium for the period of August 22, 2018 through March 31, 2019 (Attachment 1) and this event was not listed, nor did ManCo provide any other notification to me. While the event was properly permitted and staffed, ManCo is required to disclose events per Section 3.3 and, particularly, this would have been an opportunity to proactively communicate with our residents of the fireworks in advance.

FORTY NINERS STADIUM MANAGEMENT COMPANY

October 18, 2018

VIA ELECTRONIC MAIL

Deanna Santana
Executive Director
Santa Clara Stadium Authority
1500 Warburton Avenue
Santa Clara, CA 95050

Ms. Santana,

Please find the attached spreadsheet containing a list of upcoming Non-NFL events scheduled at Levi's® Stadium for the next 12 months. This list will be updated monthly and also includes events that may affect community and public safety requirements or significantly impact the neighborhood surrounding Levi's® Stadium.

Sincerely,

Jim Mercurio
Forty Niners Stadium Managment Company LLC

October 18, 2018

FORTY NINERS STADIUM MANAGEMENT COMPANY

Levi's Stadium Event Notification

Affects Neighborhoods, Community and/or Public Safety

Date	Day	Event	Event Hours	Expected Attendance	Hold Pending Booked	Public Safety	Pyro	Street Closure	Amplified Sound
9/12/2018 - 9/13/2018	Wednesday - Thursday	Private Event	7:30 AM to 10:00 PM	250 each day	Booked	No	No	No	No
9/16/2018	Sunday	49ers vs Lions	10:00 AM to 6:00 PM	69,000	Booked	Yes	Yes	Yes	Yes
9/20/2018	Thursday	Private Event	5:00 PM to 8:00 PM	100	Booked	No	No	No	No
9/21/2018	Friday	High School Football	5:00 PM to 11:00 PM	4500	Booked	Yes	No	No	Yes
9/22/2018	Saturday	Private Event	5:30 PM to 9:30 PM	200	Booked	No	No	No	No
9/22/2018	Saturday	Private Event	6:30 PM to 11:00 PM	160	Booked	No	No	No	No
9/22/2018	Saturday	Private Event	6:00 PM to 10:00 PM	40	Booked	No	No	No	No
9/26/2018 - 9/28/2018	Wednesday - Friday	Private Event	8:00 AM to 9:30 PM	125 each day	Booked	No	No	No	No
9/24/2018 - 9/28/2018	Monday - Friday	OTR II Load in	6:00 AM to 10:00 PM	Load in days	Booked	No	No	No	No
9/29/2018	Saturday	OTR II Concert	5:30 PM to 11 PM	49,000	Booked	Yes	Yes	Yes	Yes
9/29/2018 - 10/2/2018	Saturday - Monday	OTR II Load out	24 hours	Load out	Booked	No	No	No	No
10/2/2018	Tuesday	Private Event	5:30 PM to 7:30 PM	150	Booked	No	No	No	No
10/3/2018	Wednesday	Private Event	9:00 AM to 3:00 PM	150	Booked	No	No	No	No
10/3/2018	Wednesday	Private Event	6:00 PM to 10:00 PM	50	Booked	No	No	No	No
10/4/2018	Thursday	Private Event	11:00 AM to 3:00 PM	500	Booked	No	No	No	No
10/4/2018	Thursday	Private Event	6:30 PM to 9:30 PM	30	Hold	No	No	No	No
10/5/2018	Friday	Private Event	6:00 PM to 10:00 PM	450	Booked	No	No	No	No
10/7/2018	Sunday	49ers vs Cardinals	10:00 AM to 6:00 PM	69,000	Booked	Yes	Yes	Yes	Yes
10/8/2018	Monday	Private Event	3:00 PM to 8:00 PM	75	Booked	No	No	No	No
10/10/2018	Wednesday	Private Event	9:00 AM to 2:00 PM	90	Booked	No	No	No	No
10/10/2018	Wednesday	Private Event	9:30 AM to 3:30 PM	125	Booked	No	No	No	No
10/11/2018	Thursday	Private Event	4:00 PM to 8:00 PM	500	Booked	No	No	No	No
10/13/2018	Saturday	College Football	9:00 AM to 5:00 PM	20,000	Booked	Yes	No	No	Yes
10/14/2018	Sunday	Private Event	8:00 AM to 1:00 PM	1,500	Booked	No	No	No	Yes
10/16/2018	Tuesday	Private Event	5:00 PM to 9:00 PM	100	Booked	No	No	No	No
10/17/2018	Wednesday	Private Event	10:00 AM to 5:00 PM	50	Booked	No	No	No	No

October 18, 2018

FORTY NINERS STADIUM MANAGEMENT COMPANY

Levi's Stadium Event Notification

Affects Neighborhoods, Community and/or Public Safety

Date	Day	Event	Event Hours	Expected Attendance	Hold Pending Booked	Public Safety	Pyro	Traffic Street Closure	Amplified Sound
10/18/2018	Thursday	Private Event	8:00 AM to 6:00 PM	150	Booked	No	No	No	No
10/18/2018	Thursday	Private Event	9:30 AM to 3:30 PM	300	Booked	No	No	No	No
10/20/2018	Saturday	Private Event	5:00 PM to 3:00 PM	150	Booked	No	No	No	No
10/21/2018	Sunday	49ers vs. Rams	10:00 AM to 6:00 PM	69,000	Booked	Yes	Yes	Yes	Yes
10/23/2018	Tuesday	Private Event	10:00 AM to 2:00 PM	250	Booked	No	No	No	No
10/23/2018	Tuesday	Private Event	5:00 PM to 9:00 PM	450	Booked	No	No	No	No
10/24/2018	Wednesday	Private Event	2: 00 PM to 4:30 PM	250	Booked	No	No	No	No
10/25/2018	Thursday	Private Event	6:00 PM to 10:00 PM	400	Booked	No	No	No	No
10/25/2018	Thursday	Private Event	12:00 PM to 4:00 PM	50	Booked	No	No	No	No
10/26/2018	Friday	Private Event	6:30 PM to 1:30 AM	30	Pending	No	No	No	No
10/27/2018	Saturday	Private Event	06:00 AM to 5:00PM	600	Hold	No	No	No	Yes
10/30/2018	Tuesday	Private Event	6:00 PM to 8:00 PM	250	Booked	No	No	No	No
11/1/2018	Thursday	49ers vs. Raiders	2:00 PM to 10:00 PM	69,000	Booked	Yes	Yes	Yes	Yes
11/3/2018	Saturday	Private Event	10:00 AM to 2:00 PM	400	Booked	Np	No	No	No
11/3/2018	Saturday	Private Event	7:00 PM to 11:00 PM	900	Booked	No	No	No	No
11/7/2018	Wednesday	Private Event	5:30 PM to 11:30 PM	250	Booked	No	No	No	No
11/7/2018	Wednesday	Private Event	6:00 PM to 10:00 PM	100	Booked	No	No	No	No
11/7/2018	Wednesday	Private Event	TBD	200	Hold	No	No	No	No
11/8/2018	Thursday	Private Event	6:00 PM to 8:30 PM	70	Booked	No	No	No	No
11/10/2018	Saturday	Private Event	6:00 PM to 10:00 PM	150	Booked	No	No	No	No
11/10/2018	Saturday	Private Event	7:00 PM to 10:00 PM	250	Booked	No	No	No	No
11/12/2018	Monday	49ers vs. Giants	2:00 PM to 10:00 PM	69,000	Booked	Yes	Yes	Yes	Yes
11/13/2018	Tuesday	Private Event	5:00 PM to 8:00 PM	100	Booked	No	No	No	No
11/14/2018	Wednesday	Private Event	10:00 AM to 3:00 PM	250	Booked	No	No	No	No
11/14/2018	Wednesday	Private Event	6:00 PM to 8:00 PM	100	Booked	No	No	No	No
11/14/2018	Wednesday	Private Event	7:00 PM to 9:30 PM	100	Booked	No	No	No	No

October 18, 2018

FORTY NINERS STADIUM MANAGEMENT COMPANY

Levi's Stadium Event Notification

Affects Neighborhoods, Community and/or Public Safety

Date	Day	Event	Event Hours	Expected Attendance	Hold Pending Booked	Public Safety	Pyro	Traffic Street Closure	Amplified Sound
11/15/2018	Thursday	Private Event	6:00 PM to 9:00 PM	200	Booked	No	No	No	No
11/18/2018	Sunday	Private Event	8:00 PM to 3:00 PM	1,000	Booked	No	No	No	Yes
11/28/2018	Wednesday	Private Event	3:30 PM to 7:30 PM	150	Booked	No	No	No	No
11/29/2018	Thursday	Private Event	7:00 PM to 10:00 PM	100	Booked	No	No	No	No
11/30/2018	Friday	Pac-12 Championship Game	3:00 PM to 10:00 PM	40,000	Booked	Yes	Yes	Yes	Yes
12/4/2018	Tuesday	Private Event	TBD	1,000	Hold	No	No	No	No
12/5/2018	Wednesday	Private Event	12:00 PM to 4:00 PM	150	Booked	No	No	No	No
12/5/2018	Wednesday	Private Event	6:00 PM to 9:00 PM	40	Booked	No	No	No	No
12/7/2018	Friday	Private Event	4:00 PM to 12:00 AM	2,000	Booked	No	No	No	No
12/7/2018	Friday	Private Event	6:30 PM to 10:30 PM	350	Booked	No	No	No	No
12/7/2018	Friday	Private Event	7:00 PM to 11:00 PM	900	Booked	No	No	No	No
12/8/2018	Saturday	Private Event	6:00 PM to 11:59 PM	150	Booked	No	No	No	No
12/8/2018	Saturday	Private Event	6:00 PM to 11:00 PM	400	Booked	No	No	No	No
12/8/2018	Saturday	Private Event	6:00 PM to 10:00 PM	70	Booked	No	No	No	No
12/8/2018	Saturday	Private Event	6:00 PM to 10:00 PM	200	Booked	No	No	No	No
12/9/2018	Sunday	49ers vs.Broncos	10:00 AM to 6:00 PM	69,000	Booked	Yes	Yes	Yes	Yes
12/12/2018	Wednesday	Private Event	6:00 PM to 9:00 PM	1,000	Pending	No	No	No	No
12/13/2018	Thursday	Private Event	4:00 PM to 8:00 PM	300	Booked	No	No	No	No
12/13/2018	Thursday	Private Event	2:00 PM to 7:30 PM	200	Pending	No	No	No	No
12/14/2018	Friday	Private Event	11:00 AM to 3:00 PM	500	Booked	No	No	No	No
12/14/2018	Friday	Private Event	6:00 PM to 11:00 PM	750	Booked	No	No	No	No
12/14/2018	Friday	Private Event	6:00 PM to 10:00 PM	350	Booked	No	No	No	No
12/14/2018	Friday	Private Event	6:00 PM to 10:00 PM	160	Booked	No	No	No	No

October 18, 2018

FORTY NINERS STADIUM MANAGEMENT COMPANY

Levi's Stadium Event Notification

Affects Neighborhoods, Community and/or Public Safety

Date	Day	Event	Event Hours	Expected Attendance	Hold Pending Booked	Public Safety	Pyro	Traffic Street Closure	Amplified Sound
12/15/2018	Saturday	Private Event	6:00 PM to 10:00 PM	2,800	Booked	No	No	No	No
12/15/2018	Saturday	Private Event	TBD	1,300	Booked	No	No	No	No
12/16/2018	Sunday	49ers vs. Seahawks	2:00 PM to 10:00 PM	69,000	Booked	Yes	Yes	Yes	Yes
12/18/2018	Tuesday	Private Event	TBD	1,000	Hold	No	No	No	No
12/21/2018	Friday	Private Event	7:00 PM to 11:00 PM	600	Booked	No	No	No	No
12/21/2018	Friday	Private Event	12:00 PM to 4:00 PM	120	Pending	No	No	No	No
12/23/2018	Sunday	49ers vs. Bears	10:00 AM to 6:00 PM	69,000	Booked	Yes	Yes	Yes	Yes
12/31/2018	Monday	RedBox Bowl	3:00 PM - 10:00 PM	40,000	Booked	Yes	Yes	No	Yes
1/7/2019	Monday	College Football Playoff National Championship Game	10:00 AM - 10:00 PM	70,000	Booked	Yes	Yes	Yes	Yes
1/13/2019	Sunday	Private Event	7:00 PM to 11:00 PM	250	Booked	No	No	No	No
1/14/2019	Monday	Private Event	9:00 AM to 6:00 PM	100	Booked	No	No	No	No
1/15/2019	Tuesday	Private Event	6:00 PM to 10:00 PM	100	Pending	No	No	No	No
1/16/2018	Tuesday	Private Event	6:00 to 9:00 PM	1,100	Pending	No	No	No	No
1/17/2019	Thursday	Private Event	8:00 AM to 11:00 PM	1,000	Booked	No	No	No	No
1/25/2019	Friday	Private Event	TBD	2,500	Hold	Yes	No	No	No
1/26/2019	Saturday	Private Event	TBD	200	Hold	No	No	No	No
1/31/2019	Thursday	Private Event	6:39 PM to 10:30 PM	700	Pending	No	No	No	No
2/1/2019	Friday	Private Event	7:00 PM to 11:00 PM	425	Booked	No	No	No	No
2/2/2019	Saturday	Private Event	6:30 PM to 10:30 PM	500	Booked	No	No	No	No
2/21/2019	Thursday	Private Event	6:30 PM to 10:30 PM	700	Pending	No	No	No	No
3/7/2019	Thursday	Private Event	TBD	400	Booked	No	No	No	No
3/7/2019	Thursday	Private Event	5:00 PM to 9:00 PM	400	Booked	No	No	No	No
3/22/2019	Friday	MNT Soccer	TBD	50,000	Hold	Yes	Yes	Yes	Yes
3/26/2019	Tuesday	MNT Soccer	TBD	50,000	Hold	Yes	Yes	Yes	Yes
3/28/2019	Thursday	Private Event	11:00 AM to 3:00 PM	500	Booked	No	No	No	No

October 18, 2018

FORTY NINERS STADIUM MANAGEMENT COMPANY

Levi's Stadium Event Notification

Affects Neighborhoods, Community and/or Public Safety

Date	Day	Event	Event Hours	Expected Attendance	Hold Pending Booked	Public Safety	Pyro	Traffic Street Closure	Amplified Sound
3/30/2019	Saturday	Bacon and Beer Classic	10:00 AM to 10:00 PM	3,000	Hold	Yes	No	No	Yes
4/5/2019	Friday	Private Event	7:00 PM to 11:00 PM	350	Booked	No	No	No	No
4/13/2019	Saturday	Monster Jam	2:00 PM to 10:00 PM	50,000	Booked	Yes	Yes	Yes	Yes
4/21/2019	Sunday	Private Event	12:00 PM to 4:00 PM	1,000	Booked	No	No	No	No
4/23/2019	Tuesday	Private Event	TBD	4,500	Pending	No	No	No	No
4/27/2019	Saturday	Private Event	5:00 PM to 11:00 PM	100	Booked	No	No	No	No
4/27/2019	Saturday	Private Event	7:30 PM to 11:30 PM	900	Booked	No	No	No	No
4/27/2019	Saturday	Private Event	7:00 PM to 11:00 PM	550	Hold	No	No	No	No
5/4/2019	Saturday	Private Event	7:00 PM to 11:00 PM	550	Booked	No	No	No	No
5/12/2019	Sunday	U.S. Women's Soccer	TBD	TBD	Pending	Yes	No	Yes	Yes
5/13/2019 - 5/21/2019	Monday - Tuesday	Concert Hold	TBD	TBD	Pending	Yes	Yes	Yes	Yes
5/18/2019	Saturday	Private Event	8:00 PM to 11:59 PM	500	Pending	No	No	No	No
5/19/2019	Sunday	Private Event	5:00 PM to 9:00 PM	200	Hold	No	No	No	No
5/23/2019 - 6/13/2019	Thursday - Thursday	Concert Hold	TBD	40,000	Hold	Yes	Yes	Yes	Yes
5/24/2019	Friday	Private Event	8:00 PM to 11:59 PM	450	Booked	No	No	No	No
6/1/2019	Saturday	Private Event	12:00 PM to 4:00 PM	2,000	Pending	No	No	No	No
6/7/2019	Friday	MNT Soccer	TBD	50,000	Hold	Yes	Yes	Yes	Yes
6/11/2019	Tuesday	MNT Soccer	TBD	50,000	Hold	Yes	Yes	Yes	Yes
6/14/2019 - 6/30/2019	Friday - Sunday	Concert Hold	TBD	TBD	Hold	Yes	Yes	Yes	Yes
6/28/2019	Friday	Private Event	6:00 PM to 10:00 PM	50	Pending	No	No	No	No
7/20/2019 - 8/11/2019	Saturday - Sunday	ICC - Soccer	TBD	TBD	Pending	Yes		Yes	Yes
8/9/2019 - 8/30/2019	Friday - Friday	Concert	TBD	TBD	Hold	Yes	Yes	Yes	Yes
9/1/2019	Sunday	College Football	TBD	50,000	Hold	Yes	Yes	Yes	Yes
9/8/2019	Sunday	MNT Soccer	TBD	50,000	Hold	Yes	Yes	Yes	Yes
10/26/2019	Saturday	Private Event	6:00 PM to 10:00 PM	150	Booked	No	No	No	No

SCSA

Santa Clara Stadium Authority

November 7, 2018

Mr. Al Guido, President
Forty Niners SC Stadium Company, LLC
4949 Centennial Boulevard
Santa Clara, CA 95054

SUBJECT: Stadium Use of the Main Lot

Dear Mr. Guido:

Following recent claims asserted against the Santa Clara Stadium Authority (SCSA) under the Americans with Disabilities Act (ADA), SCSA staff reviewed the Parking Agreement dated January 1, 2012 among SCSA, Forty Niners Stadium, LLC (StadCo) Cedar Fair Southwest, Inc. (GA Tenant), and the City of Santa Clara (City). In addition to the review, staff also visited the site on October 25, 2018. The site visit confirmed the unauthorized use by StadCo of the Stadium's Main Lot in a manner contrary to ADA requirements and the Parking Agreement.

The Parking Agreement clearly limits StadCo's use of the Stadium's Main Lot for concession stands and kiosks, signs advertising and other promotional uses to a reasonable time period after the events that have occurred[1]:

> *SCSA or Stadium Company, as applicable, will have the right to use the Main Lot as parking for patrons of the Stadium as set forth in this Section 2. SCSA or Stadium Company, as applicable, shall also have the right to use the Main Lot (exclusive of those portions of the Main Lot used as the GA Reserved Spaces during any Dual Use Event) for uses ancillary to the operation of the Stadium, including without limitation;(i) the right to sell advertising and space for promotional displays and activities in the Main Lot during, and for a reasonable period before and after, any NFL football game ("NFL Games") or any other Dual Use Event or any Stadium Only Event, including, without limitation, concession stands and kiosks, signs, advertising and other promotional uses;* ***provided that such promotional displays will be removed by SCSA or Stadium Company within a reasonable time following such event*** *and will not be located on GA Reserved Spaces during any Dual Use Event (as defined in and (ii) ingress to and egress from the Stadium over and across the Main Lot. It is acknowledged that GA Tenant has the right to operate the Theme Park, including, but not limited to, concession stands/carts, picnic pavilion and related amenities, rides and other attractions and promotional uses, all within the "Premises" (as defined in the Amended Lease) and, to the extent authorized in the Amended Lease, in the GA Reserved Spaces, during and for a reasonable period before and after NFL Games and, subject to the approval of the Stadium Parties, which approval may only be withheld if the GA Tenant's planned use would unreasonably interfere with a previously planned event, during and for a reasonable period before and after Stadium Only Events.*

In addition, the Parking Agreement does not permit long term storage of any equipment on the Main Lot. Further, per ADA regulation, parking spaces closest to the Stadium must be available for accessible parking spaces use when the Stadium is in use. This means that for small events when the magnetometers are not in use, the kiosks, storage units, and other supplies and equipment that are on top of the marked accessible parking spaces must be removed.

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[1] Section 2.1 Stadium Use of the Main Lot

It also appears that StadCo has placed a storage corral on the Main Lot that is not permitted under the Parking Agreement. The corral as well as all of the supplies and equipment stored there must be removed permanently.

The attached image visually identifies the areas referenced in this letter.

In order to come into compliance with your obligations regarding use of the Main Lot the following actions must be taken at StadCo's expense:

1. Within 3 days following any event in which the magnetometers are in use for admission to an event all kiosks and other equipment must be removed from any marked accessible spaces and stored elsewhere other than on the Main Lot.
2. Within 15 days of the date of this letter the storage corral and all items contained within it must be removed from the Main Lot.

Please let me know if you have any questions with regard to this letter.

Sincerely,

Deanna J. Santana
Executive Director

Attachment

CC: Santa Clara Stadium Authority Board (as part of November 27, 2018 Executive Director Report)
Walter C. Rossmann, Chief Operating Officer
Brian Doyle, Stadium Authority Counsel
Jim Mercurio, Stadium Manager, Forty Niners Stadium Management Company LLC
Duffield Milkie, Cedar Fair Entertainment Company Executive Vice President, General Counsel

Attachment: Levi's Stadium Main Lot Compliance Issues



18-1580 **Agenda Date: 11/27/2018**

REPORT TO COUNCIL

SUBJECT
Tentative Meeting Agenda Calendar

BACKGROUND AND DISCUSSION
The purpose of the TMAC is to provide the public advanced notifications of tentative dates of Council Study Sessions, Joint Council/Commission meetings, as well as Council Public Hearing and General Business agenda items. It is important to note that the TMAC is a Tentative Calendar planning tool and reports listed are subject to change due to Public Hearing publication requirements and agenda management.

The TMAC will be published weekly no later than Friday on the City's website.

City of Santa Clara

Tentative Meeting Agenda Calendar

Thursday, November 29, 2018 – Special Council Meeting

2:00 P.M. Closed Session

Tuesday, December 4, 2018 – Council and Authorities Concurrent Meeting

Joint Dinner

18-1074 5:00 P.M. Informational Joint Dinner Meeting with the Senior Advisory Commission

Study Session

18-1203 6:00 P.M. Presentation by Caltrain on the Status and Next Steps for the Caltrain Electrification Project

Special Order of Business

18-1502 Recognition of Outgoing Councilmember Patrick Kolstad

Public Hearing/General Business

18-1493 Downtown Precise Plan Downtown Community Task Force (DCTF) {TO BE HEARD BY CITY COUNCILMEMBERS DAVIS, WATANABE, KOLSTAD, AND O'NEILL ONLY}

18-1298 Action on FY 2017/18 Budget Year-End Report and Related Budget Amendments and Approval of the Monthly Investment Report for June 2018

18-1066 Public Hearing: Actions on Gateway Crossings Project located at 1205 Coleman Avenue including General Plan Amendment to Santa Clara Station Very High Density Residential (51-100 du/ac) with a minimum commercial FAR of 0.20, Creation of a new Very High Density Mixed-Use Zoning District and Rezoning to that District, Vesting Tentative Subdivision Map, Development Agreement, Environmental Impact Report, and Mitigation Monitoring and Reporting Program

18-1429 Update and Potential Action on Lawn Bowl Clubhouse Project

Actions Related to Adopt Silicon Valley Power

18-1422 a) Action to Adopt Silicon Valley Power's Strategic Plan

18-1559 b) Silicon Valley Power Organizational Action Adding Two Assistant Directors of Electric Utility and Revising Assistant Director of Electricity Job Description

18-1463 c) Action on Resolution for an Exception to the 180 Day Waiting Period To Appoint A Retired Annuitant To Serve as Temporary Extra Help (Government Code Sections 7522.56 and 21224)

Tuesday, December 11, 2018 – Council and Authorities Concurrent and Stadium Authority Meeting

Study Session

18-1349 5:30 P.M. Presentation and Discussion on City Retirement Costs by John Bartel

Special Order of Business

18-1285 Action to Accept and Appropriate Donation from Air Products to Support the City's Community Emergency Response Team (CERT) Program

Tentative – Recognition of Santa Clara Employee Lindsay Mibach in receiving an International Award for her work supporting the Law Enforcement Torch Run for Special Olympics

Public Hearing/General Business

18-517 Action on Resolution Establishing the Parkland in Lieu Fee Schedule for New Residential Development for FY2018-19

18-1229 Public Hearing: Action on a Rezone and Tentative Parcel Map for the Development of Three Single-family Dwellings Located at 1444 Madison Street

18-1509 Update on the Selection of a Developer for the 3575 De La Cruz Boulevard Affordable Housing Development (Housing Authority)

Stadium Authority Items:

18-1439 Action on the Santa Clara Stadium Authority Financial Status Report for Quarter Ending September 30, 2018 and Related Budget Amendments

18-1157 Informational Report on Planning for the College Football Playoff National Championship at Levi's Stadium on January 7, 2019

Thursday, December 13, 2018 – Council Session on Governance 8:00 A.M. – 4:00 P.M.

City Council Session on Governance Implications and Transitioning to City Council Districts

Tuesday, December 18, 2018 – Council and Authorities Concurrent Meeting

Public Hearing/General Business

18-577 Action on Certification of the Results of the Municipal; Election Held on November 6, 2018 and Oath of Office Ceremony

Thursday, December 20, 2018 – Special Council Meeting

1:00 P.M. Closed Session

Tuesday, January 15, 2019 – Council and Authorities Concurrent Meeting – TO BE ADDED

Special Order of Business

18-1529 Appointment of Vice Mayor and Chaplain for the 2019 Calendar Year

18-1566 Recommendations for the 2019 Council Committee List for the 2019 Calendar Year

Tuesday, January 22, 2019 – Council and Authorities Concurrent Meeting – TO BE CANCELED

18-1557 Parks & Recreation Commission Disbursement of Net Proceeds from the 38th Annual Santa Clara Art & Wine Festival

Tuesday, January 29, 2019 – Council and Authorities Concurrent Meeting

Joint Dinner

18-1072 5:00 P.M. Informational Joint Dinner Meeting with the Bicycle Pedestrian Advisory Committee

Study Session

18-1111 6:00 P.M. Joint City Council and Planning Commission Study Session: El Camino Real Specific Plan

Special Order of Business

18-1575 Presentation by Santa Clara Relay for Life

Public Hearing/General Business

Action on Project at 1834 Worthington Circle / 90 North Winchester (former BAREC Site):

18-1168 a) Public Hearing: Action on a Proposed Environmental Impact Report, Mitigation, Monitoring and Reporting Program, Statement of Overriding Considerations, Rezoning and Tentative Map to allow Development of up to 361 Multi-family Residences (Agrihood Project at 1834 Worthington Circle/90 Winchester - former BAREC Site)

18-898 b) Public Hearing: Action on the Disposition, Development and Loan Agreement (DDLA) for an Affordable Housing Project at 1834 Worthington Circle/90 North Winchester (former BAREC Site)

18-322 Action on an Ordinance Modifying Smoking and Tobacco Regulations

Thursday, January 31, 2019 – Council Priority Setting Session 8:00 A.M. – 5:00 P.M.

Two Day Council Meeting to review City's Fiscal Forecast and Budget Update, Status of Implementing City Council Policy Priorities and Outlook for Advancing Implementation of Policy Priorities Over the Next Year

Thursday, February 1, 2019 – Council Priority Setting Session 8:00 A.M. – 5:00 P.M.

Two Day Council Meeting to review City's Fiscal Forecast and Budget Update, Status of Implementing City Council Policy Priorities and Outlook for Advancing Implementation of Policy Priorities Over the Next Year

Tuesday, February 5, 2019 – Council and Authorities Concurrent Meeting

Joint Dinner

18-1344 5:00 P.M. Board of Library Trustees Joint Dinner Meeting

Special Order of Business

18-1539 Recognition of City of Santa Clara Students for their Participation in Santa Clara Valley Science and Engineering Fair Association's (SCVSEFA) Synopsis Championship

Public Hearing/General Business

18-496 Agenda Items Pending – To Be Scheduled

Tuesday, February 19, 2019 – Council and Authorities Concurrent Meeting

Joint Dinner

18-1073 5:00 P.M. Informational Joint Dinner Meeting with the Planning Commission

Study Session

18-682 6:15 P.M Presentation by the California High-Speed Rail Authority on the Status and Next Steps on the California High-Speed Rail Project

Public Hearing/General Business

18-496 Agenda Items Pending – To Be Scheduled

Tuesday, March 5, 2019 - Council and Authorities Concurrent Meeting

Joint Dinner

18-1345 5:00 P.M. Historical & Landmarks Commission Joint Dinner Meeting

Public Hearing/General Business

18-496 Agenda Items Pending – To Be Scheduled

Tuesday, March 19, 2019 – Stadium Authority Meeting

Public Hearing/General Business

18-496 Agenda Items Pending – To Be Scheduled

Tuesday, March 26, 2019 – Council and Authorities Concurrent Meeting

Public Hearing/General Business

18-496 Agenda Items Pending – To Be Scheduled

Tuesday, April 9, 2019 – Council and Authorities Concurrent Meeting

Study Session

18-1346 5:00 P.M. Civil Service Commission Joint Dinner Meeting