

RESPONSE TO COUNCIL QUESTIONS RE: 7/5/22 AGENDA

Agenda Item 4.B: Action on Bills and Claims Report (CC, SCSA) for the period May 7, 2022 - June 3, 2022

Council Question:

1. I know it's a very small amount but why are ANY Stadium Operations Costs coming from the General Fund? Perhaps these can be coded better in light of Measure J.

Payment No: 023221

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
05/27/2022	UNISYS CORP	00515378	M2204021	STADIUM OPERATIONS COSTS	General Fund	1,158.78

Payment Date	Vendor Name	Voucher No.	Invoice No.	Description	Fund Code	Amount Paid
05/13/2022	UNISYS CORP	00514387	M2203026	STADIUM OPERATIONS COSTS	General Fund	1,858.00

Staff Response:

The Unisys Corp expenses are for public safety costs for operations at the Stadium which do not flow directly through the SCSA. Public Safety costs are expensed in the General Fund and directly invoiced to the Stadium Manager for reimbursement. NFL event-related public safety activities are invoiced for reimbursement between the City's General Fund and StadCo and do not flow through the SCSA. Any Non-NFL event-related costs are treated the same, however, are then allocated back from the Stadium Manager to the SCSA as direct event expenses at the end of the year. We can look and changing the description of these in the future.

2. I really like that the items are now being sorted in order of expense. There are so many items related to the electric utility that they seem to clutter the report. Could we have the report separated into lines of business? At the very least, it would be nice to have SVP separated out.

Staff Response:

Thanks for your feedback on the Bills and Claims Report. We can work with the IT Department to look into how the report can be organized in a more informative manner.

Agenda Item 4.D: Action on an Agreement with Data Ticket, Inc. for Citation Management with an Option to Expand Services to Include Permit Processing

Council Question:

1. I see in the report the following statement: The program is a source of City revenue that has netted \$1,439,220 over the past six fiscal years, as shown below. This implies that the City actually makes money on this program but later I see that Revenue is \$1.615M but EXPENSES are \$3.589M which means the City is actually losing \$1.974M on this program. If we are losing money, should the fines be higher for cost recovery?

Staff Response:

The net revenue to the City, minus taxes and Data Ticket's fees, over the past 5+ years totals \$1,439,220.

For transparency with our accounting, the City will now record the gross revenue from Data Ticket and the associated expenditures in the Police Department's operating budget, instead of only summarizing the net revenue. Due to this accounting change for FY 2022/23, a budget amendment is recommended below to recognize revenue from parking citations to cover the Data Ticket costs.

For clarity, the Budget Amendment addresses the Revenue and Expenditures for the account titled Fines & Penalties. This account includes several items and is not specific to Data Ticket revenue and expenditures.

The Superior Court of California County of Santa Clara sets the Bail Schedule for many of the fines, whereas the City of Santa Clara Municipal Code is utilized to set other fees. For instance, double parking is a violation of the Vehicle Code and the fee is established by the Superior Court. Whereas no parking on event day is also a parking violation but the fee is set by the City.

The request is to increase the anticipated revenue from Data Ticket by \$150,000 (or, the overall Fines & Penalties account from \$1,465,000 to \$1,615,000). Along those same lines, the expenditure amount of \$3,589,421 is not exclusive to Data Ticket, but rather the entire Police Department. The only portion of this amount that is exclusive to Data Ticket is the \$24,000 that is being requested as a Budget Amendment for the initial hardware and accessory expenses.

An agreement with Data Ticket creates operational efficiencies within the Police and Finance Departments as well as a continual revenue flow.

2. Cities like Palo Alto use license plate readers to enforce parking time limits. Does Data Ticket have this capability in case we want to enforce parking time limits?

Staff Response:

The City of Santa Clara has areas with 1, 2 and 4 hour parking restrictions as well as areas Council has designated as Resident Parking Permit Program managed by Traffic Engineering and enforced by the Police Department. Currently, enforcement is handled manually by Community Service Officers (CSO).

Data Ticket's technology includes Automated License Plate Readers (ALPR).

In the future as staffing improves, CSO's will have the ability to drive down a street with a time restriction to "mark" the vehicles parked. As calls for service allow, CSO's can return to the same street and conduct enforcement on vehicles who have been parked in a particular parking space and have exceeded the time limit.

The Police Department anticipates this operational efficiency will be of great assistance to CSO's in patrol as demand (e.g. parking enforcement, calls for service, etc.) continue to increase in our city.

3. Cambridge, MA has parking meters all over the city and anyone can pay or add time via a cellphone app. Does Data Ticket support such a future need?

Staff Response:

Currently, if you were to receive a ticket it includes instructions as well as QR code which takes you directly to Data Ticket's online solution for payment.

At this time, the City of Santa Clara does not have any parking meters. As a result, we did not negotiate this service as part of the Data Ticket Agreement or include information in this report about this feature.

If the City were to install parking meters, an Agreement would need to be established with a parking meter company – preferably one that already integrates with Data Ticket. In turn, the parking meter company and Data Ticket would integrate accordingly.

Agenda Item 6: Adoption of Resolutions Calling for a Municipal General Election and Ordering Consolidation with the Gubernatorial General Election for the Purpose of Submitting to the Voters a Business License Tax (BLT) Modernization Measure and Utility Transfer Charter Amendment; Authorizing the City Clerk to Contract with the County of Santa Clara for Services to be Performed in Connection with the Gubernatorial General Election to be Held on November 8, 2022, as well as Directing the City Attorney to Prepare an Impartial Analysis; and Setting Priorities for Ballot Arguments

Council Comment:

1. Staff report on page # 6 has a typo: For category 1–19 the average per business should be \$480 not \$4,801

Impact Analysis on Current City of Santa Clara Business License Holders

Employee Range	# of Businesses	Est. Revenue	Avg. Per Business
0-4	3,838	\$366,315	\$95
5-9	842	\$173,820	\$206
10-19	559	\$268,620	\$4,801
20-49	445	\$607,635	\$1,365
50-99	151	\$591,135	\$3,915
100-249	87	\$977,715	\$11,238
250-499	34	\$1,053,945	\$30,998
500-999	32	\$2,211,720	\$69,116
1000+	15	\$3,218,490	\$214,566
	6,003	\$9,469,395	

Also, on city wide comparison sheet calculation for 1000 employee for Santa Clara is typo: it should be \$106,170 not \$170,070. Also, I think for 2500, the total should be \$308,670 and for 5000 employees it should \$646,170. Please double check to correct the report.

Staff Response:

Thanks for catching the typos. Here are revised charts. We will clarify at tonight's presentation regarding the corrections.

Business Tax: Potential Structure (Model with Cap)

Employee Range	# of Businesses	Estimated Revenue	Average per Business
1-4	3,838	\$ 366,315	\$ 95
5-9	842	173,820	206
10-19	559	268,620	481
20-49	445	607,635	1,365
50-99	151	591,135	3,915
100-249	87	977,715	11,238
250-499	34	1,053,945	30,998
500-999	32	2,211,720	69,116
1000+	15	3,218,490	214,566
	6,003	\$ 9,469,395	

Business Tax: Benchmarking (Potential Structure)

City	Single Employee	5 Employees	50 Employees	1,000 Employees	2,500 Employees	5,000 Employees
Mountain View	\$75	\$95	\$445	\$84,195	\$271,695	\$584,195
San Jose	\$207	\$307	\$1,966	\$59,544	\$159,219	\$166,365
Santa Clara – Model	\$90	\$165	\$2,610	\$106,170	\$308,670	\$646,170
Santa Clara – Model w/ Cap*	\$90	\$165	\$2,610	\$106,170	\$308,670	\$350,000
Sunnyvale**	\$41	\$69	\$694	\$13,188	\$13,188	\$13,188

* Cap at \$350,000 (approximately 2,800 employees)

** Last major update in 2005, on current workplan to update

Agenda Item 8: Authorize the City Manager to Negotiate and Execute Amendment No. 3 to the Agreement for Design Services with Bellecci & Associates, Inc. and Associated Budget Amendment for the Loyalton Property

Council Question:

I see that we are increasing the contract with Bellecci by \$170,000.

1. If CDFW were to be the buyer to allow for habitat and wildlife corridors, will they need fencing?

Staff Response:

We do not know if they would need fencing. We expect some access control would be needed for a buyer.

2. Why can't we just sell the property as is and avoid this expense?

Staff Response:

This will be a policy decision. As previously discussed with Council, staff is concerned about the post-wildfire condition of the site and would like to understand the scope and cost to mitigate it. In addition, as part of any property negotiations the actual cost to perform the work would be useful information.

3. There is a lot of information about SVP's Benicia property in the packet. What is the current status of Benicia work by Bellecci?

Staff Response:

The project is out to bid and the bid closes July 27. We expect all demolition work to be completed this calendar year.

4. What is the impact/implications if council rejects allocation of the \$170K until we know more about responses to our declaration as Surplus Land?

Staff Response:

It further delays understanding the cost and scope to mitigate the site after the wildfire and could further delay implementing any necessary work. As stated previously staff is concerned about the condition of the site and it is unknown how long a sale could take. It's important to note that the initial phase of design work (to determine the conceptual scope and cost for fencing and demolition/remediation) is approximately \$63,000 of the \$170,000 total cost. Staff would communicate with Council before proceeding to the bid and specification stage.

Agenda Item 9: Public Hearing: Action on a Resolution Confirming the 2022 Weed Abatement Program and Assessment

Council Question:

1. Does \$91 cover the full cost of service including staff time to notify people and to schedule someone to go out and remove weeds? Also the cost of putting something on a City Council agenda?

Staff Response:

Since 1976, the City has contracted weed abatement services from the County of Santa Clara, Department of Consumer and Environmental Protection, along with twelve other jurisdictions in the County. The referenced \$91 dollar fee is the County of Santa Clara's current initial inspection fee. The fee is set by the County.

The City does incur minimal costs associated with program oversight (e.g., complaints, inspections, and Council agenda items), which are not currently recoverable; however, given economies of scale, it is much more economical to continue contracting with the County for these services. The cost for the City to manage and administer a City Weed Abatement program would be much higher for our residents.

2. Are any of these folks repeat offenders? It seems that \$91 is not really a deterrent. Can we increase the amount for repeat offenders?

Staff Response:

The goal of the Weed Abatement program is to gain voluntary compliance, but once a property is in the program for failure to remove a hazard from their property, the parcel will remain in the program for three-year for monitoring. Each year the parcel is in the program, the owner(s) will be responsible for paying an inspection fee (currently \$91.00). If the property remains in compliance for three years, the parcel will be removed from the program.

For some commercial properties, staying in the County program for long periods is more economical since it is cheaper than having to hire their own contractors. The County sets the fees for the program, and the costs associated are far more than initial \$91 dollars for failure to comply. The County Weed Abatement program is entirely funded from fees charged.

2022 Fee Schedule:

1. Initial inspection = \$91,
2. First Administrative Fee (Failed Inspection / Work Order Processing) = \$505,
3. Second Administrative Fee (Contractor Invoice Processing) = \$858.
4. In addition to the County fees referenced above, the parcel owner is responsible for 100% of the County contractor(s) abatement costs.