



October 30, 2018

Dear Santa Clara Community,

This month marks the completion of my first year as Santa Clara's City Manager and I am excited to share our accomplishments in advancing the City Council's goals and priorities. Last October, I sent the community a [letter](#) introducing myself and expressing my excitement to serve Santa Clara. During this first year, I have spent a great deal of time focused on getting to know the community, City Council, workforce and stakeholders. I continue to be impressed with the high level of community, and the workforce's commitment and engagement to maintaining a strong, vibrant community.

During my first year, the Mayor and Council directed two citywide surveys that allowed the City to assess how the Council and Administration are performing. Both of the statistically valid surveys are available on the City's website: (1) [January 2018 survey](#) and (2) [June 2018 survey](#). Here are some survey results from residents about how the City is building community and enhancing quality of life:

- approximately **90 percent** of those surveyed have a positive view of Santa Clara as a place to live
- more than half – **64 percent** – feel City government is doing an excellent-to-good job
- **63 percent** of those surveyed felt the City is heading in the right direction
- **60 percent** surveyed gave the City high marks for keeping residents informed

We now have a measurable, data-driven baseline on how the City is serving Santa Clara and where we can go from here. My goal is that we continue to improve through data-driven decision making, acknowledging that the majority of residents feel that the Council and Administration are on the right track.

I have also had the opportunity to assess the state of the Administration and service delivery systems. During the Jan. 2018 City Council Goal & Priority Setting Session, I shared publicly my assessment of operational needs and gaps in service. With Council's approval, this session set the work plan for my first year. Since then, the City has made tremendous progress in these key areas:

**Fiscal Outlook** - through diligent review of the City's past budgeting practices and assumptions, we:

- significantly corrected and reduced, for FY 2018/19, an \$8.5 million budget shortfall to \$1 million without cuts in services (saving 40-50 General Fund jobs) and successfully balanced the budget;
- transitioned to a two-year budget cycle to make longer-term budget decisions;
- moved from a 5-year to 10-year financial forecast to better project deficits and surpluses, and review budget decisions within a longer-term context;
- ensured that we are on track to contribute over \$70 million to our reserves in the first 12 months of my tenure and all operating reserves are at or above Council required levels; particularly, the General Fund Budget Stabilization Reserve was maintained well above \$50 million, with additional scheduled one-time contributions of approximately \$20 million during the first part of 2019; and,
- developed a revenue generating strategy for the City Council to consider over the upcoming years with viable options and projected revenue to be generated.

**Strategic Project Delivery** - focused on strategic initiatives that respond to our community's interests:

- hand-in-hand with our community, we made unprecedented progress to realize the future reconstruction of Santa Clara's downtown through funding the development of a Precise Plan and negotiating agreements for street rights to sections of Franklin and Washington Streets, and we are now positioned to work on the land use planning/visioning for the downtown through a community-oriented process;
- after years of litigation, worked with the Mayor and Council to reach settlement agreements for: (1) build out of the CityPlace project with a total transportation improvement package of about \$70 million and (2) protection for the City's interests from San Jose's Santana West development impacts resulting in nearly \$8.7 million of housing and traffic improvements benefiting Santa Clara. CityPlace currently has a planned groundbreaking in late 2019 and brings a large-scale, mixed-use development in a geographically strategic area, directly across from the Levi's Stadium;
- completion of a City facility and infrastructure assessment (e.g., parks, facilities/buildings, public works systems, etc.), which provides an inventory of the state of our infrastructure and road map for future needed investments and critical improvements required to sustain quality of services;

- launched implementation of a capital projects management system to streamline tracking, management, oversight, and implementation of the City’s 800 capital projects, transitioning from a manual process to a software system that provides real-time information of valued projects; and
- obtained and improved key financial data to transparently manage the Santa Clara Stadium Authority and have answered basic questions about the Authority’s financials, while completing nearly 70 percent of the Measure J Compliance Audit recommendations and issuing a transparent budget and marketing plan.

**Administrative Improvements and Modernization** - through review of our service delivery systems, we found the absence of, and established, the following new focused services:

- filled, for the first time, the City and Santa Clara Stadium Authority Auditor position with a Certified Public Accountant who has met the audit experience hours requirement, from the State, qualifying her to attest reports and audit engagements; she is now developing an auditing program to be presented in early 2019;
- established a Risk Manager position to improve risk management of basic City services (e.g., workplace risk, contractual risk, insurance requirements, etc.);
- improved procurement processes and contract oversight of the many public contracts that the City issues, supporting Council’s focus specifically on Levi’s® Stadium and the Convention Center;
- reduced manual processes by incorporating technology to improve efficiency and address administrative gaps, such as: risk management, public records management and Council agenda development software;
- developed a prevailing wage program to ensure compliance with state law including the implementation of a new tracking software and hiring of an outside contractor to help ensure compliance, provide training and perform audits of our public works projects, and;
- implementation is underway on the City’s new Computer Aided Dispatch and Records Management Systems for our public safety departments.

**Capacity-building/Streamlining to Continue to Transform the Organization** – we have also invested in employees through training and staff development to keep skills sharp and modern, while assessing City’s portfolio for staffing needs. The City had many vacancies (for instance, the City Manager’s Office had a 60 percent vacancy rate of key personnel) and relied on several “acting” positions to deliver service, which is not a sustainable or stable long-term strategy. We have made progress, in likely the nation’s toughest market to recruit talent, with filling our many vacancies. We have also completed five labor agreements, within the City’s ability to pay, and are working with our five other bargaining units to reach successful labor agreements.

I am also very pleased to report that we are achieving significant results with Council priorities and goals. In my many years as a City Manager, I know first-hand that these accomplishments are only possible by strong resident involvement and input about how to make our community better for current and future generations. With your continued involvement, and at the direction of the Mayor and Council, attached is an impressive summary of just some accomplishments during my first year that are reflected by the Council’s [policy priority areas](#).

In closing, my role as City Manager is to implement the direction of the Council, ensure optimum operations and service delivery, and support City staff to maintain our high-performing organization. Santa Clara operates under a Council-Manager form of government that combines the strong political leadership of the Mayor and Council, with the strong managerial experience of an appointed professional administrator. Equally as important, these performance results are rooted in professional, ethical, legal and best management practices. During my first year as City Manager, you’ve likely noticed many changes underway in the City organization – changes that were necessary to foster increased transparency and performance, improve efficiencies and enhance service delivery. I want to thank the Mayor and City Council, Santa Clara community, and City staff for the support and amazing commitment to change and in support of our high performance for Santa Clarans. Santa Clara community/residents, these past 12 months have been tremendous for our City, and I thank you for your role in supporting the City organization live up to the Center of What’s Possible.

In community spirit,



Deanna J. Santana  
City Manager



# CITY COUNCIL GOALS & PRIORITIES – CITY MANAGER’S REPORT OF SUMMARY OF ACCOMPLISHMENTS FY 2017/18

DELIVER AND ENHANCE HIGH-QUALITY EFFICIENT SERVICES AND INFRASTRUCTURE	MAINTAIN ADEQUATE STAFFING LEVELS	PROMOTE AND ENHANCE ECONOMIC AND HOUSING DEVELOPMENT														
<ul style="list-style-type: none"><li>o Relaunched MySantaClara app with increased response to service requests and ability to provide more services to residents 24 hours a day/7 days a week. We now capture basic service data to understand trends and patterns of service complaints and response to them.</li><li>o Initiated streamlining of Citywide purchasing policies and contract management training.</li><li>o Initiated surplus property procedures and contracting.</li><li>o Initiated BidSync to issue requests for proposals, fostering more competitive bid environment and maximizing vendor awareness.</li><li>o Implemented coal- and carbon-free electricity by Silicon Valley Power.</li><li>o Launched implementation of City's 800 capital projects system, transitioning from paper management to a software system that provides real-time status of these critical projects.</li><li>o Launched implementation of CAD/RMS system upgrade to maintain high-performing public safety services.</li><li>o Initiated refinance of Silicon Valley Power's Goldman Sachs SWAP to a stable refunding model, transaction valued at approximately \$65 million.</li><li>o Continued Successor Agency's efforts to sell assets of the former Redevelopment Agency, as required under California's dissolution laws. During the past year, the Successor Agency sold the North South Parking Lot and is currently in the process of selling the Great America Theme Park property.</li><li>o Established new format for the annual City Council Goal &amp; Priority Setting Session, focused on a business and operational structure with data-driven findings.</li><li>o Developed a project prevailing wage program to ensure compliance with state law including new tracking software and outside contract for support, training, and auditing.</li></ul>	<ul style="list-style-type: none"><li>o Established clear reporting and organizational framework for the City's three lines of business: (1) Silicon Valley Power (a DBA), (2) Santa Clara Stadium Authority (separate public agency), and (3) City services (a municipal agency) which, combined, have a \$1.2 billion financial operating portfolio (not including assets), and require staff and structural soundness to deliver high-quality management and service.</li><li>o Remedied a 60% vacancy rate in the City Manager's Office and filled several "acting" positions for long-term service delivery sustainability. Filled key staff vacancies in one of the toughest hiring markets in the country.</li><li>o Filled 40 key management positions with internal promotions (representing 45%) and external appointments (53%), while creating one new position:</li></ul> <table><tr><th colspan="2">Total FTE's = 1111.25</th></tr><tr><td>Total of 40 personnel actions</td><td>(hires or promotions represent 3.6% of total FTEs)</td></tr><tr><td>New hires into vacant reclassified positions</td><td>6 (0.5% of total FTEs)</td></tr><tr><td>Promotions into vacant reclassified positions</td><td>5 (0.45% of total FTEs)</td></tr><tr><td>New hires into existing vacant positions</td><td>15 (1.35% of total FTEs)</td></tr><tr><td>Promotions into existing vacant positions</td><td>13 (1.2% of total FTEs)</td></tr><tr><td>New hires into a newly created position</td><td>1 (0.09% of total FTEs)</td></tr></table> <ul style="list-style-type: none"><li>o Established Civic Scholars program which offers flexible, no-cost opportunity for working adults to complete BA degree and supports maintaining a skilled workforce.</li><li>o Negotiated five labor agreements and initiated the negotiation of five other labor agreements.</li><li>o Conducted department assessments of key services, e.g., Human Resources, City Clerk's Office, organizational review of Silicon Valley Power, and City Manager's Office.</li><li>o Began quarterly management meetings focused on leadership and management training.</li></ul>	Total FTE's = 1111.25		Total of 40 personnel actions	(hires or promotions represent 3.6% of total FTEs)	New hires into vacant reclassified positions	6 (0.5% of total FTEs)	Promotions into vacant reclassified positions	5 (0.45% of total FTEs)	New hires into existing vacant positions	15 (1.35% of total FTEs)	Promotions into existing vacant positions	13 (1.2% of total FTEs)	New hires into a newly created position	1 (0.09% of total FTEs)	<ul style="list-style-type: none"><li>o Reached settlement agreement with San Jose on the CityPlace project (at 5151 Stars &amp; Stripes Dr., the 9.1 million square foot development program includes 1.5 million square feet of retail/entertainment use, 5.5 million square feet of office, 1,680 residential units and 700 hotel rooms), and about \$70 million of transportation improvements.</li><li>o Reached settlement agreement with San Jose on Santana West (at the corner of Winchester Blvd. and Olsen Dr.). The settlement agreement will provide nearly \$8.7 million for housing and transportation projects benefitting Santa Clara.</li><li>o Began next phase of Santa Clara Square and NVIDIA developments.</li><li>o Conducted audit of Convention Center and effort to improve City oversight with a Request for Proposals underway for selecting a new operator; implemented corrections and compliance with the Tourism Improvement District; implemented reforms for the City's improved management of these oversight duties.</li><li>o Developed an Affordable Housing Policy requiring the inclusion of 15% affordability of units for both for-sale and rental developments, leaving the discretion with the City Council for determining whether to require the actual housing units or a cash-in-lieu payment for the development of other affordable housing.</li><li>o Engaged the community on an affordable housing site at the southwest corner of San Tomas/Monroe and solicited proposals from developers using community feedback.</li><li>o Advanced completion of five strategically located Specific Plans which will guide land use and development, which are: Tasman East Specific Plan, El Camino Real Specific Plan, Patrick Henry Specific Plan, Freedom Circle Specific Plan and Downtown Precise Plan.</li><li>o Negotiated rights for sections of Franklin Street and Washington Street in the Downtown.</li><li>o Released RFP's and selected developers for affordable housing projects on two City-owned sites.</li><li>o Updated the Citywide Traffic Impact Fee to comprehensively include all land uses and transportation modes.</li><li>o Negotiated with VTA to reach agreement on the Multimodal Improvement Plan (MIP) required as part of the CityPlace development, impacting North Santa Clara.</li></ul>
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# CITY COUNCIL GOALS & PRIORITIES – CITY MANAGER’S REPORT OF SUMMARY OF ACCOMPLISHMENTS FY 2017/18

<b>ENHANCE COMMUNITY SPORTS AND RECREATIONAL ASSETS</b>	<b>ENSURE COMPLIANCE WITH MEASURE J AND MANAGE LEVI’S STADIUM</b>	<b>ENHANCE COMMUNITY ENGAGEMENT AND TRANSPARENCY</b>
<ul style="list-style-type: none"> <li>o Celebrated grand openings for a number of parks and facilities including:               <ul style="list-style-type: none"> <li>-- San Tomas and Monroe Neighborhood Park and Community Garden;</li> <li>-- resolved fiscal strategy which led to successful groundbreaking for Reed and Grant Sporks Park; and</li> <li>-- ribbon cutting for Central Park Annex.</li> </ul> </li> <li>o Funded Mission Branch Library rehabilitation as first recommendation to City Council and, less than a year later, held ribbon cutting for grand reopening.</li> <li>o Launched Library’s Bookmobile to improve services where people are located including neighborhoods and senior facilities, corporate campuses, schools, city and community events, and live-shop-work developments.</li> <li>o Began several master plans/rehabilitation projects :               <ul style="list-style-type: none"> <li>-- Central Park</li> <li>-- Agnew Park</li> <li>-- Fuller Street Sports Court</li> <li>-- Bowers Park</li> <li>-- Machado Park.</li> </ul> </li> <li>o Completed infrastructure assessment of City facilities and parks, and reported in detail, with data, the state of infrastructure, which will assist with future decision making by the City Council.</li> <li>o Conducted community research on the rehabilitation or replacement/relocation of the International Swim Center and presented findings to the City Council.</li> <li>o Successfully worked with the County of Santa Clara to increase a potential grant allocation from \$1 million to \$1.8 million for an all-inclusive park at Central Library (a park that has playground amenities for people of all abilities).</li> <li>o Continued valued tradition of various special events, such as: Holiday Tree Lighting, 4<sup>th</sup> of July All City Picnic, and Art &amp; Wine Festival.</li> <li>o Amended City Council Policy on Community Grants for special events which resulted in a streamlined process to request public funds.</li> <li>o No Fee Permit established to streamline and assist community groups (meeting the criteria) for special events, parades, and other community gatherings.</li> <li>o Applied and awarded about \$155,000 of grants.</li> </ul>	<ul style="list-style-type: none"> <li>o Completed comprehensive audit of Levi’s® Stadium which led to increased transparency with the budget and marketing plan, while providing an updated approach to managing contracts and other processes (25 of 37 audit recommendations completed in one year—or nearly 70% completed).</li> <li>o Set aside \$630,000 for establishing a community room at the stadium.</li> <li>o Established a telephone number for residents to call about stadium-related concerns.</li> <li>o 24/7 noise monitoring program available online for residents to track noise levels at Stadium and surrounding neighborhood.</li> <li>o Transparency on the financial impact of the non-NFL events held over the past four years at the Stadium (see October 2018 Audit Update).</li> <li>o Successfully selected for assignment of project teams from New York University Tisch Center for Global Sport who will work on two Stadium projects: community engagement and financial analysis of large events.</li> <li>o Negotiated an agreement with the San Francisco 49ers for the College Football Championship game that does not depend on any City subsidies, the first of its kind in the nation, and in which other cities have subsidized these games by approximately \$12-14 million.</li> <li>o Obtained possession of the majority of financial documents sought by the Stadium Authority Board with financial analysis underway, increasing transparency on the financial impact of non-NFL games and providing data to drive future policy making.</li> <li>o Provided robust community engagement to understand Levi’s® Stadium impacts to the surrounding community and citywide to inform future decision-making on issues found to be of importance, such as noise, traffic, and trash and other public disturbances, and improved communication.</li> </ul>	<ul style="list-style-type: none"> <li>o Established City Manager Blog for biweekly updates on City happenings.</li> <li>o Expanded City’s online reach through Nextdoor, a social network site for neighborhoods and, recently began sending out daily updates of all of the great work accomplished by the City organization.</li> <li>o Collaborated with the Mayor and City Council to hold the State of the City address at multiple locations in the community.</li> <li>o Established issuance of Information Memos as part of the City Council meeting agenda, providing updates on key events that do not require Council action or a hearing but that should have transparency.</li> <li>o Launched Open City Hall surveys to enhance community engagement on City issues.</li> <li>o Advanced website redesign with estimated completion in FY 18/19.</li> <li>o Appointed a professional Communications Director who has served in key communications positions in Bellevue, WA and San Jose, as well as having worked in communications on television.</li> <li>o Increased communications through direct letters to residents and business community, news releases, and verbal report at City Council meetings.</li> <li>o Established enhanced community engagement on initiatives (e.g., downtown, Levi’s® Stadium, State of the City, etc.).</li> <li>o Increased communication about Levi’s® Stadium before events.</li> <li>o Relaunched the City’s Customer Relations Management software system, My Santa Clara (see Council’s High Quality, Efficient Services and Infrastructure Priority), that provides some data analytics to assess service delivery.</li> </ul>