Santa Clara City Council Strategic Session

January 31 & February 1, 2019

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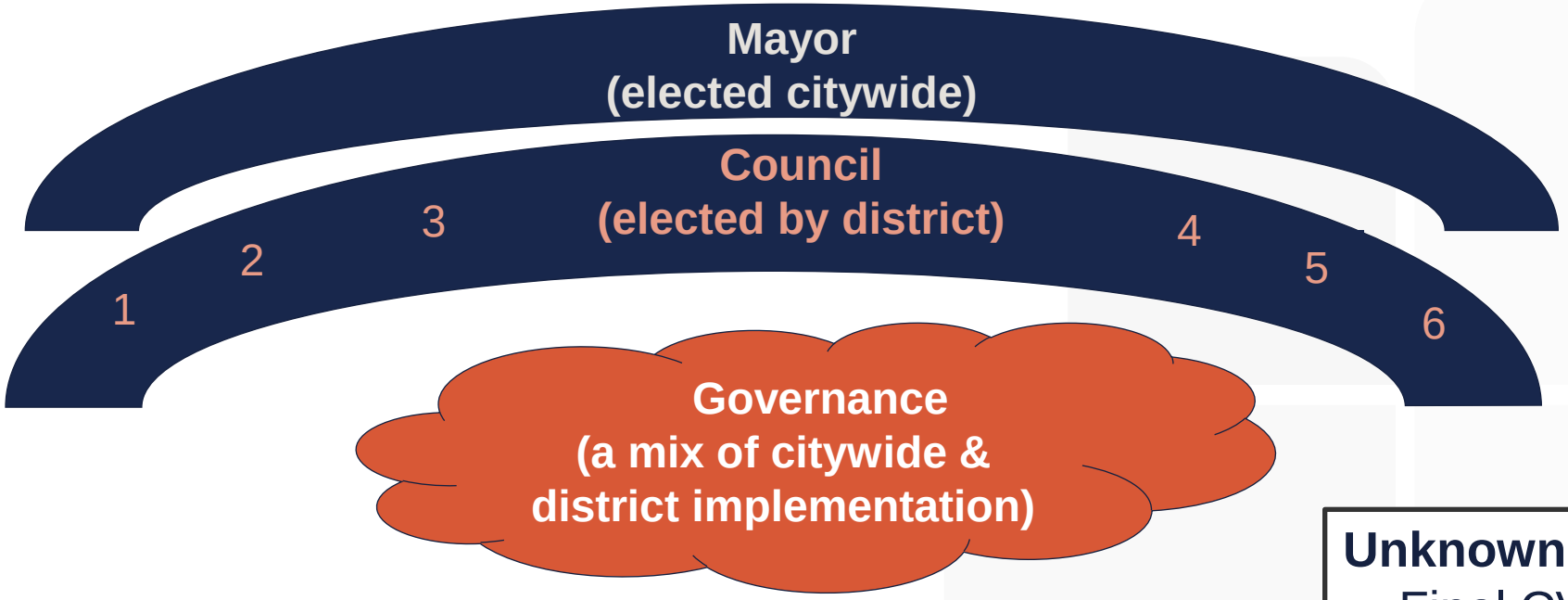
Strategic Session Overview

DAY 1: OPERATIONAL	DAY 2: PRIORITY SETTING
1. Context Setting 2. Update on the State of the Organization (City Manager) 3. Council Appointees (City Attorney, City Auditor) 4. Updates on Key Administrative Gap Areas 5. Fiscal Outlook and Budget Update 6. Update on Current Council Priorities	1. Department Review of Operational Priorities 2. Council Discussion on Priorities, Alignment, and Resources 3. Aligning Council Priorities and Council Action 4. Wrap-up/Next Steps

Agenda – Day 1

DAY ONE SCHEDULE (estimated times)			
9:00 – 9:25 am	Welcome & Framework for Retreat	3:00 – 3:15 pm	Break
9:25 – 9:40 am	Public Presentations	3:15 – 3:45 pm	Update on Current Council Priorities
9:40 – 11:30 pm	State of the Organization		
11:30 – 12:00 pm	Council Questions/ Discussion		
12:45 – 3:00 pm	-Council Appointees -Update re: Administrative Gaps -Fiscal Outlook	3:45 – 4:00 pm	Public Presentations
		4:00 - 5:00 pm	Summary of Day 1 Council Q&A

Transitioning to New Governance System



City Organization
(citywide with possible Council District interests)

Citywide Governance Structure:
- City Charter/Ordinances/Policies
- Organizational Systems
- Governance needs to be intentional

Unknowns
- Final CVRA Outcome
- Community input re Advisory Vote
- Resource and fiscal capacity to react and implement new governance system

"Effective governance is the foundation of our ability to manage change."
- *Deanna Santana*

Balanced Policy Approach ACHIEVED!

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Council Appointees

City Attorney

- Represent and advise the City Council and all City officers in all legal City matters
- Provide legal advice or opinion when requested by the City Council

City Manager

- Chief Executive Officer and Head of Administrative Branch of the City, including Silicon Valley Power
- Executive Director of Stadium Authority

City Auditor

- First professional City Auditor
- Manage annual financial audit contracts for the City and Stadium Authority
- Perform financial, operational and performance audits for the City

Process, People, and Performance

Process

- Manual processes
- Time-intensive Lack of core service processes
- Outdated and inefficient

PEOPLE

- Current focus
- Need to attract, retain and support high-quality workforce
- Invest in our greatest resource – our employees!

Performance

- Future focus and output

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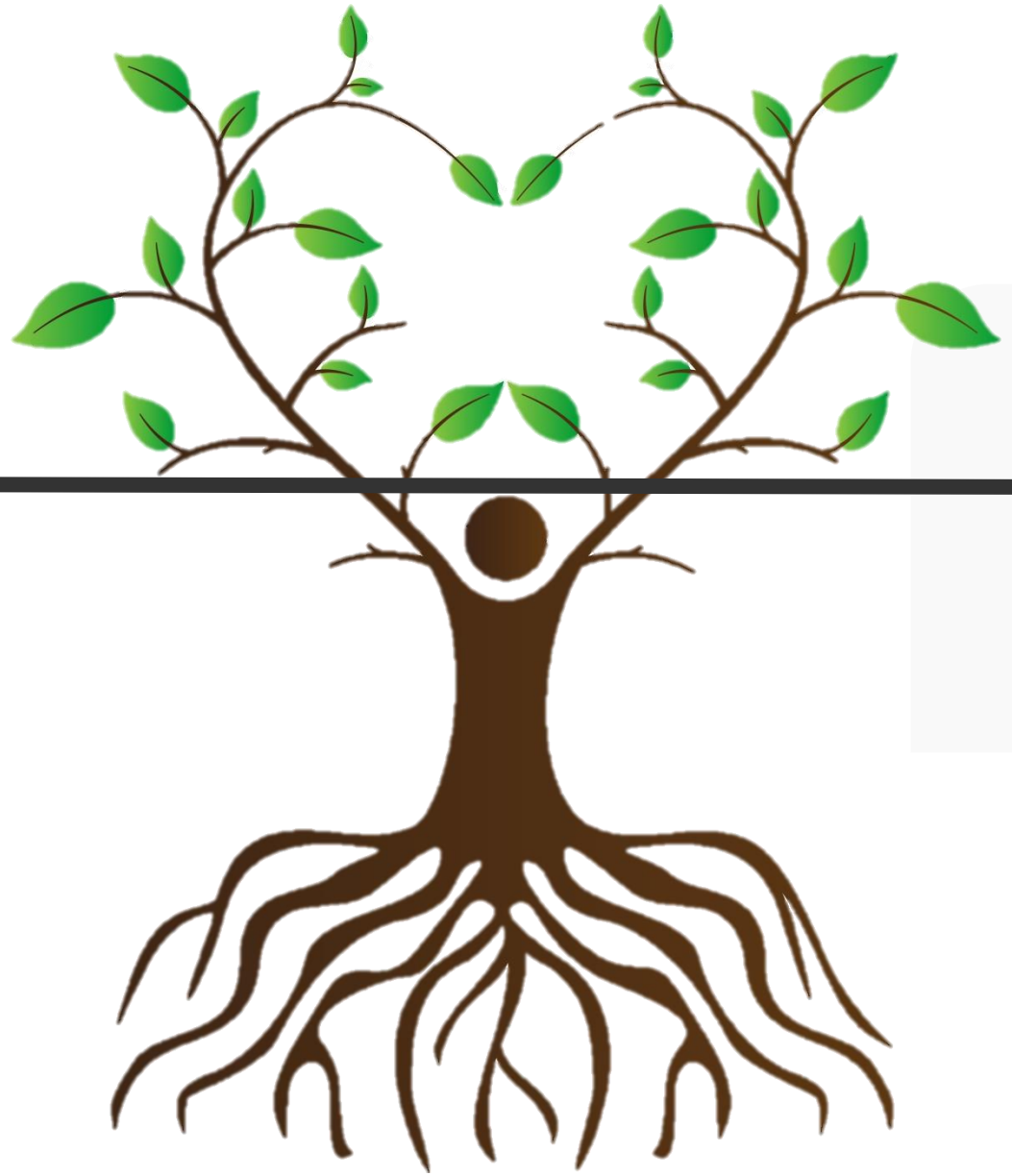
Organizational Workload



10-20% Council Policy

80-90% Day-to-Day Operations and Service Delivery

"The key is in not spending time, but in investing it."
-*Stephen R. Covey*

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City Manager's Message

"You can't do today's job with yesterday's methods and be in business tomorrow." -Unknown

Full Time Equivalents Per Capita (as of October 2018)

Cities nearly half our size have more staff per capita.
Comparable city is are far less complex with almost 100 more staff.

CITY	POPULATION	TOTAL FTE	UTILITY	UTILITY % OF TOTAL FTE	SWORN	SWORN % OF TOTAL FTE	TOTAL FTE *(w/o Sworn Safety, Electric Utilties)*	OTHER % OF TOTAL FTE	OTHER FTE PER CAPITA
Palo Alto	66,649	1,041	111	10.66%	188	18.05%	742	71.29%	0.01114
Mountain View	81,527	613			162	26.42%	451	73.58%	0.00553
Santa Clara	**129,604**	**1,116**	**192**	**17.20%**	**308**	**27.60%**	**616**	**55.20%**	**0.00475**
Sunnyvale	153,389	908			201	22.14%	707	77.86%	0.00461
Milpitas	74,865	389			149	38.30%	240	61.70%	0.00321
San Jose[1]	1,051,316	6,205			1808	29.14%	4,397	70.86%	0.00418
Cupertino[2]	64,127	202					202	100.00%	0.00315

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**San Jose and Cupertino are outliers*

Three Lines of Service

City of Santa Clara

Silicon Valley Power

Stadium Authority

Santa Clara – Not Like Other Cities

Vibrant and Complex Organization with Unconventional Lines of Service

City of Santa Clara

Convention Center

Regional Wastewater Facility

Major Data Center for Silicon Valley

Amusement Park

Educational Institutions

Major Regional Shopping Centers

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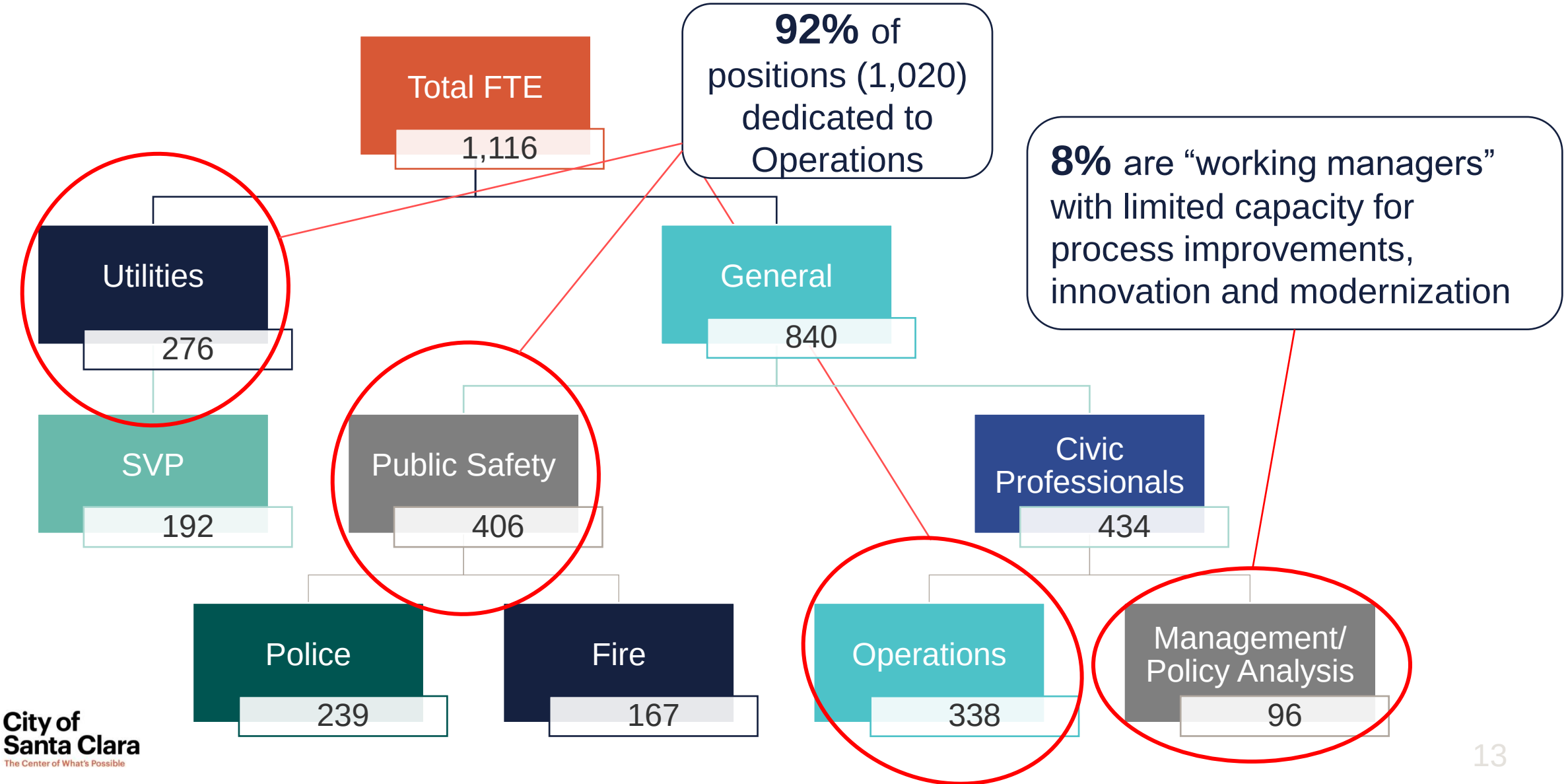
Fiscal Year 2018-19 Overview of City Full-Time Equivalents

WE ARE BUILT FOR OPERATIONS



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Innovation and Transformation require dedicated capacity

8% Management/Policy Analysis

Only about **3.7% (41)** of FTEs are dedicated to **management, unanticipated workload, transformation, innovation, and initiatives**:

City Manager & City Attorney	22
Human Resources	15
Other	4

>5% of total hours (approx 3800 hrs.) dedicated to innovation. This mean that an average manager has about 8 hours/month do focus on process improvement, innovation, etc.

Santa Clara managers are also part of operations and have dedicated duties.

Note: Not to scale.

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Context of Adding Value

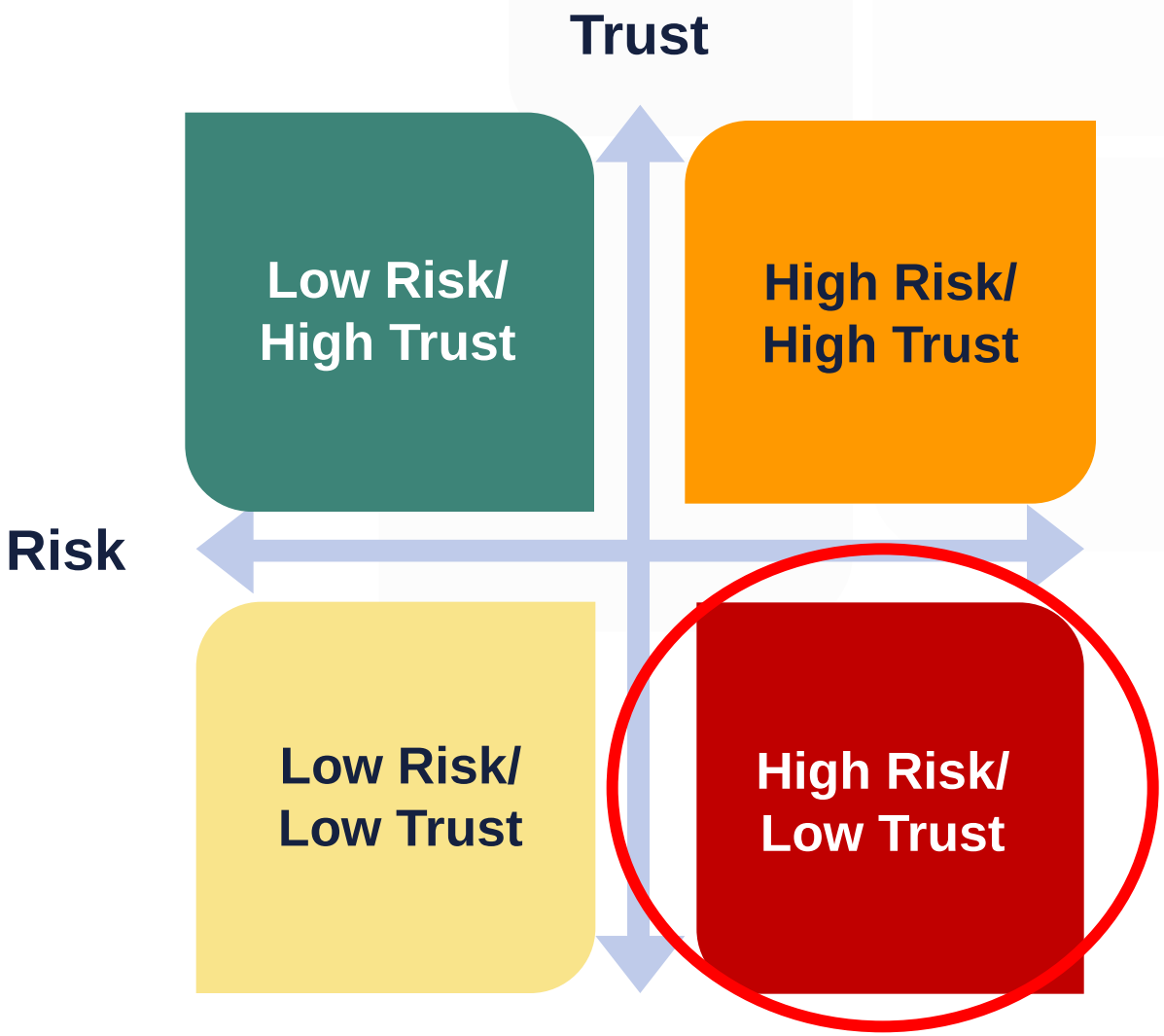
Effective Governance is our Foundation to Drive Change. An effective leader adds value, no matter the environment.

When I started…

- Entered with deferred/delayed Council Priorities
- Council desire to reform organizational weaknesses/gaps
- Mutual desire to serve Santa Clara well

Abilities of a good City Manager:

- Manages complexity
- Financial astuteness
- Strategic value
- Instills trust



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City Manager's Core Services

Support City Council with Strategic Policy Development

Legislative Strategy, Fiscal Management, and 10-Year Forecast. Integrate the use of data to inform policy making.

Operations

Ensure optimum operations and service delivery, monitor staffing resources needs, address vulnerable business operations, and focus on workforce and bargaining unit agreements.

Advancing the Organization

Supporting service improvements that achieve efficiencies, stabilize systems for service delivery, manage risk, and promote customer service.

Managing Capacity and Workload

Balancing workload and capacity to ensure that the workforce supports the City Council.

Capacity < Workload

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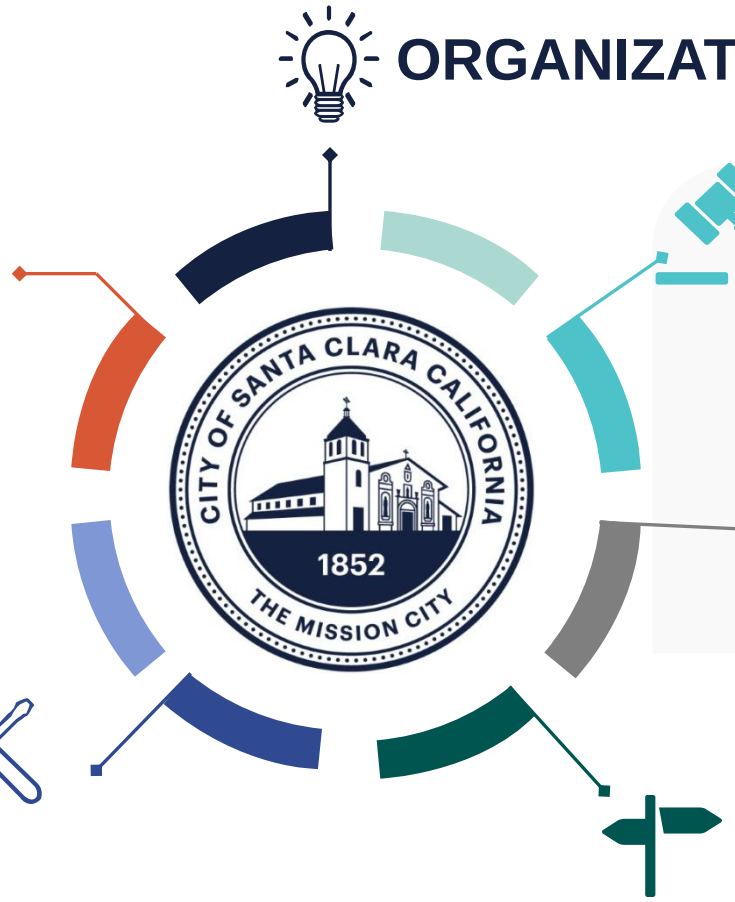
Summary of Identified Gaps - January 2018

2018 WAS MARKED WITH SIGNIFICANT PROGRESS!

- Lack of citywide risk management function
- Lack of citywide performance audit/management reviews
- Decentralized citywide procurement and contract management process
- Administrative processes are manual
- Lack of use of data for decision-making
- Lack of intergovernmental relations function
- Lack of stable leadership and change management
- Absence of workforce development program
- Lack of “management grip” and ability to speak to it
- Deferral/delay of critical projects
- Lack of pacing, both for workforce and City Council
- Lack of dedicated communications function and plan

State of the Organization

2018 Progress by Category



ORGANIZATIONAL TRANSFORMATION

COUNCIL SUPPORT & RELATIONS

FISCAL SUSTAINABILITY

LONG-TERM STRATEGIC PLANNING

ADMINISTRATIVE IMPROVEMENTS & MODERNIZATION

REMAINING ORGANIZATIONAL GAPS

Always being mindful of Prioritizing Workload (Capacity < Workload)

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Organizational Transformation

State of the Organization: 2018 Progress

Transforming an Organization Needs Council Support, Strategic Focus and Deliberate Pacing

City Manager's Value System
- Reinforced core values, ethics, and expectations. Regular communications.
- Friday in the Field Initiative - 2019

Stabilized Leadership
- Unprecedented vacancy rate in CMO-filled key "Acting" positions
- Gaining Management Grip
- Functional Oversight within CMO

Workload Alignment to Council Priorities/Directives & Workplans for Initiatives

Organizational Development Efforts
- Executive Team Engagement
- Quarterly Management Meetings & Trainings
- Changed fiscal approach and practices

Using Data to Make Informed Decisions
- More analysis in Council reports
- Implemented various audits
- Began efforts to track data where useful

Meeting Management
- Improved meeting management process and pacing of organization
- Weekly Executive Leadership business meetings
- New tools and technology

City Council Support and Relations

State of the Organization: 2018 Progress

Rebuilding trust between Council and the organization by intentional governance, effective processes, and keeping Council and the community informed

Keeping the Council Informed

- 1:1s, study sessions, informational memos, CM blog, email updates, City Manager/Executive Director reports, etc.
- Increased study sessions or informational briefings with Council
- Policy Development and Presentation

Community Outreach Plans

- Articulating community outreach plans through Council reports and communication

Addressing Deferral/Delay of Initiatives

- Paced policy items for Council consideration that had been deferred or delayed, as well as working to pace each Council Agenda
- Many former Council initiatives have been addressed or are in progress of being implemented

Greater Transparency of Council Agendas and Directives

- Provide routine reporting to Council through information reports, Tentative Meeting Agenda Calendar, and new Council Referral Matrix

City Council Support and Relations

State of the Organization: 2018 Progress

Rebuilding trust between Council and the organization by intentional governance, effective processes, and keeping Council and the community informed

Legislative Priorities and Positions

- Developed Legislative Advocacy Positions for Council review to better align staff resources with Council priorities
- Enables timely response and advocacy to respond to Council Legislative Priorities

Addressed Administrative Failures

- Reduced confusion and adverse impacts caused to Councilmembers, e.g., travel, contract management, PRAs, audit function, minutes, policy implementation, etc.

Fiscal Sustainability

State of the Organization: 2018 Progress

Financial Sustainability is our #1 Priority. From there, All Priorities are Possible!

Refined Fiscal Outlook

- Developed 10-year financial plan
- Corrected $8.5 million budget shortfall to $1 million without cuts to service or jobs
- Two unknown assumptions in outlook: CalPERS reforms and economic slow down

Proposed Two-Year Budget Cycle

- For both the City's Operational and Capital Improvement Plan (CIP)

Aligned Investments to Council Priorities

Building Financial Reserves

- Ended FY 2017/18 under budget by $17.7 million, allowing City Council to allocate additional funds to various reserves
- Budget Stabilization Reserve to be at $78.3 million

Developed Revenue Strategy

- Developed revenue generating strategy through implementing a Commercial Cannabis Tax
- Studied other potential opportunities for future consideration
- Positioned for future initiatives

Long-Term Strategic Planning

State of the Organization: 2018 Progress

Common Vision and Strategies Prepare Us for the Future

- **Overall Strategic Vision and Innovation for the Organization**
- **Strategic Plans Underway or Developed**
  - Land-use plans for key economic areas
  - SVP Strategic Plan
  - Infrastructure Inventory
- **Stadium Authority Business Management**
  - Established Stadium Authority's role in governance
  - Referral tracking system and/or requests from Property Manager and Board
- **Santa Clara Downtown Visioning**
  - Worked directly with community to develop new vision
- **City Place Settlement Agreements**
  - Worked to protect the City of Santa Clara and its assets during large development projects
- **Workforce Training and Development**
  - Beginning to invest in organizational training programs

Administrative Improvements and Modernization

State of the Organization: 2018 Progress

"You can't do today's job with yesterday's methods and be in business tomorrow." -Unknown

Improved Procurement Processes

- Hired seasoned Procurement Manager and Contracts Manager
- Launched Online Bidding and Surplus Property Sales

Established Audit Function

- Filled position with certified public accountant will conduct auditing programs for City & Stadium Authority
- Audit Workplan = Performance Improvement

Improved Coordination of 34 IT System Upgrades

Public Records Act Information Request

- Hired Records Manager to centralize and streamline process, support proper records management, etc.
- Higher quality due diligence on records
- Modernize our administrative practices

Risk Management

- Hired Risk Manager
- Risk management program/workplan to be developed

Administrative Improvements and Modernization

State of the Organization: 2018 Progress

"You can't do today's job with yesterday's methods and be in business tomorrow." -Unknown

- **Digitize Administrative Processes**
  - Purchased document management system and beginning to digitize records
  - DocuSign for Stadium Authority
  - Customer Relationship Management system (MySantaClara) relaunch
- **Tracking and Transparency for Capital Projects**
  - Began process to launch management system for City's 800 capital projects to provide real-time status and information
- **Better Agenda and Report Management**
  - Granicus and Legistar implementation
- **Modernize/"De-Risk" Business Processes**
  - Beginning to develop programs with new key staff hires
- **Developed Prevailing Wage Program**
  - Addressed non-compliance issues and developed citywide training program

Remaining Gaps

State of the Organization: 2018 Progress

Under Resourced Programs or Need for Modernization

- Sustainability Program and Resources
- Improve City's Real Estate Asset Management
- Citywide Risk Program
- Process Integrity of Business & Administrative Programs
- Citywide Public Records Program
- Continuous Improvement Methods
- Increased Marketing and Usage of Citywide CRM
- Internal Performance Auditing
- Developing an Economic Development Program/Small Business Focus
- Organizational Development Program Citywide

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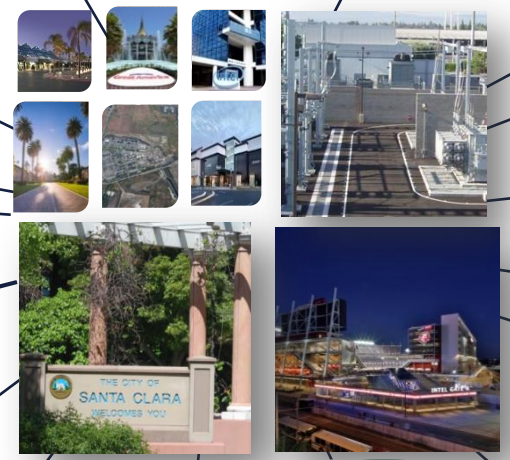
Operational & Workload Metrics

Data as an Asset – Our Data Tells A Story

Major Drivers of Workload



- Personnel Management & Employee Relations
- Risk/Claims/ Litigation
- Day to Day Operations
- PRAs & Information Requests
- Council Priorities & Initiatives
- Strategic Leadership/ Organizational Transformation
- Operational Improvement & Modernization
- Boards, Commissions & Committees
- Operational Initiatives & Service Priorities
- Decentralized Procurement
- Communications & Social Media
- State & Federal Laws & Compliance
- Budget Development & Fiscal Management
- Policy and Legislative Support to Council
- Community Engagement
- Large Scale & High Volume of Development Projects
- Manual CRM & Admin Process

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Public Records Act (PRA) & Information Requests

Major Drivers of Workload – PRA/Information Requests Consume Capacity

Systems

- Lack of e-discovery software
- Decentralized and manual process
- Tech tools exist, but no capacity to implement

- **1,321** Public Records Requests received in 2018*
- **Average of 110/month PRAs**
- **Impact of 2019 laws** (increases workload)
  - SB 1421 – requires disclosure of peace officer records for certain types of incidents
  - AB 748 – regarding access to body-worn camera video & audio

Staffing

- Lack of training in processing PRAs
- Limited staffing resources do not respond to implementing tech tools
- Better quality control of PRA

Note: No Data for 2017. We have begun tracking this workload/capacity impact.

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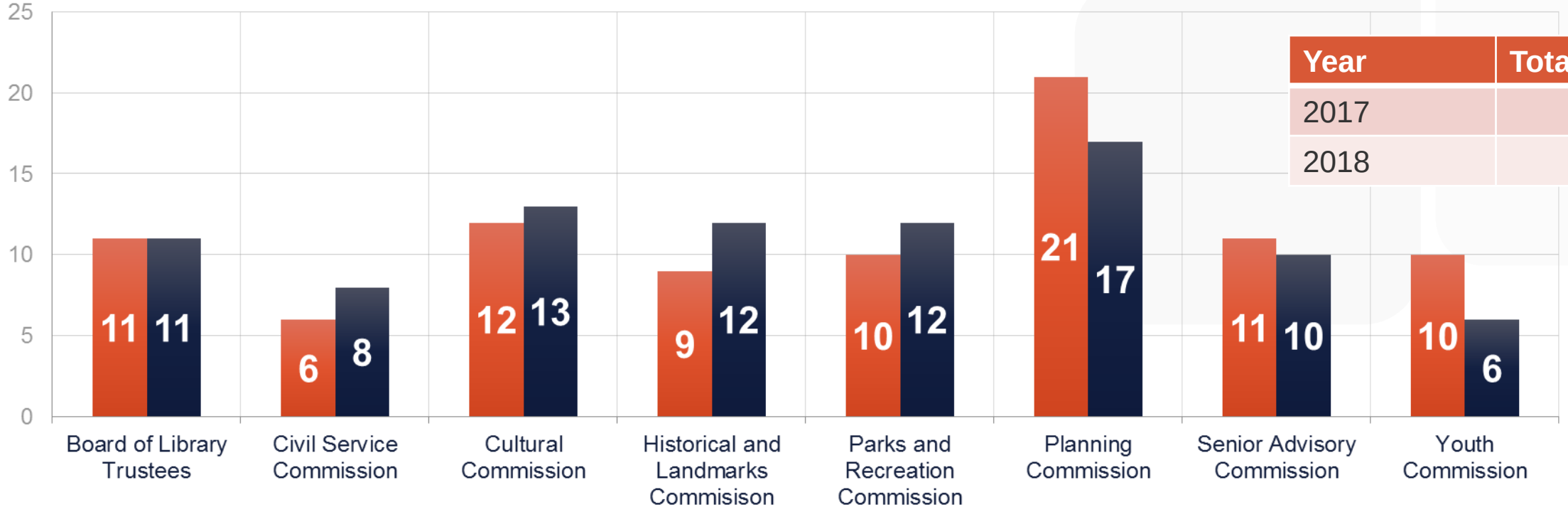
**Number is approximate based on available tracking systems.*

Boards and Commissions

Major Driver of Workload – Boards and Commission Meetings

- Boards and Commission meetings **remain high. Average of 8 meetings/month.**
- Requires significant resources to support meetings (preparation, publication and noticing)



Year	Total
2017	**90**
2018	**89**

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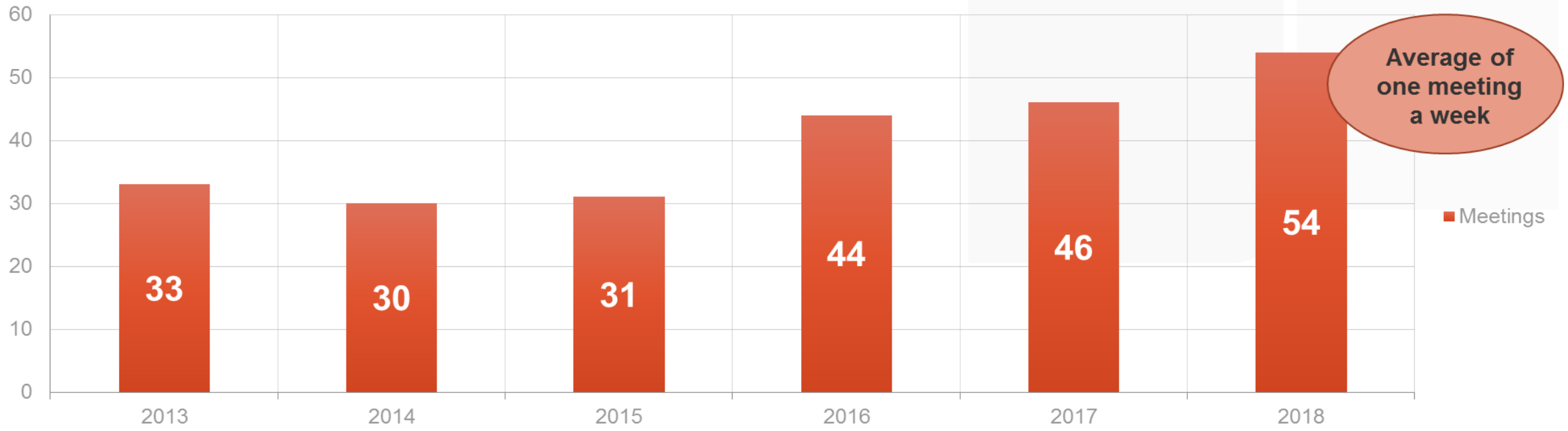
Policy and Legislative Support to Council

Major Drivers of Workload – City Council Meetings have increased

64%⬆

- City Council/Stadium Authority meetings have increased 64% since 2013
- Year-to-Year increase of **17%** since 2017



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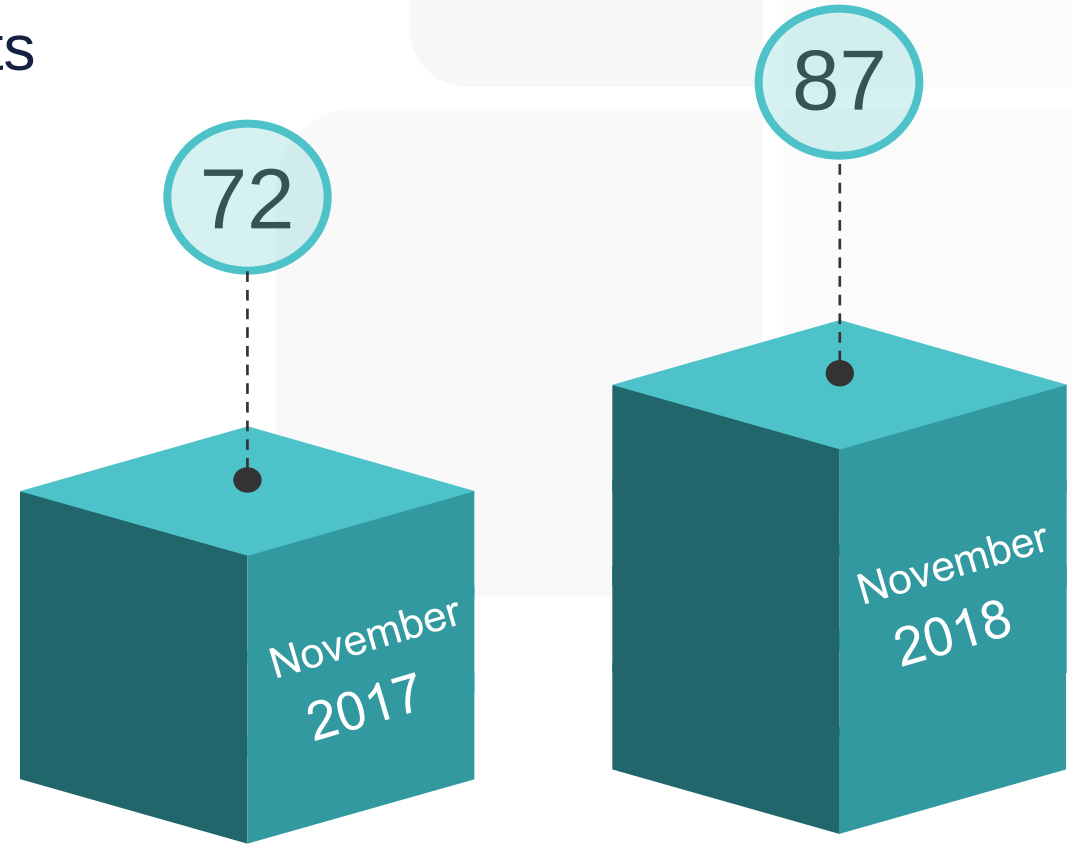
Policy and Legislative Support to Council

Major Drivers of Workload – More Reports to Council on Average for Each Meeting

21% YTY increase of staff reports

- Increased thoroughness of reports
- More robust analysis and comprehensive information for Council decision-making
- Additional informative sections included in agenda: Tentative Meeting Agenda Calendar (TMAC), Council Referral Matrix, and City Manager Information Reports
- Additional attachments provide more transparency



Average 44 reports per Council Meeting Agenda

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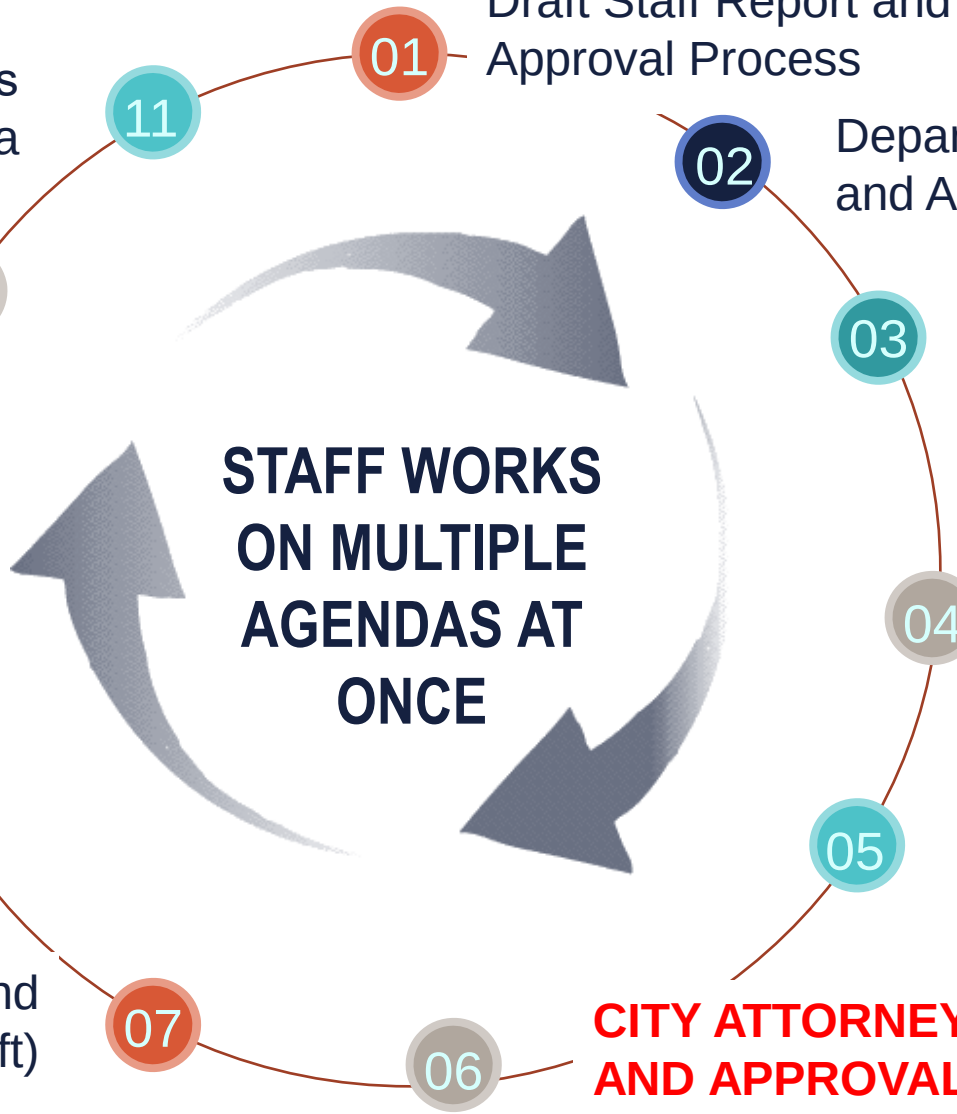
Policy and Legislative Support to Council

Major Drivers of Workload – Reports to Council Require Robust Review ***(Does not include PPT Development)***



01 Draft Staff Report and Initiate Approval Process

02 Department Head Review and Approval

03 Assistant Director of Finance Review and Approval

04 Director of Finance Review and Approval

05 Assistant City Attorney Review and Approval

06 **CITY ATTORNEY REVIEW AND APPROVAL**

07 Department Head Review and Approval (Redraft)

08 Assistant City Manager Review and Approval

09 Chief Operating Officer Review and Approval

10 **CITY MANAGER REVIEW AND APPROVAL**

11 Assistant City Clerk's Office Posts Agenda

Time for redraft if needed

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Policy and Legislative Support to Council

Major Driver of Workload – City Council Referrals

122 Total number of Council Referrals since October 2017*

93 Referrals Closed to Date

51 Required a Report at a Public Meeting (Council, Board or Commission)

25 Required a Written Follow-up in City Manager Biweekly or Information Memo

13 Implemented Based on Council Direction

3 Will be Addressed through the Next Budget Process

- **Avg. 8 new referrals/month**
- **Avg. 7 closed/month**
- **2019 = 29 Open Referrals**

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**Numbers do not include referrals made after 1/15/2019*

Policy and Legislative Support to Council

Major Drivers of Workload – Summary of Data Trends

- City Council meetings have increased
- Boards and commissions meetings remain high
- More Reports to Council are produced -- more thorough and informative. Software remains “area of growth” for staff. Tech transformation takes time.
- Now tracking Council referrals, to track full workload of Council Agenda cycle.
- Significant City resources dedicated to transparent government and improved engagement

Council Priorities & Initiatives

Major Driver of Workload

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1. **Fiscal Sustainability/Revenue strategy**
2. **Downtown Revitalization Efforts**
3. **Council Redistricting Process (Measure N) & Council Governance discussions**
4. **Cannabis Business Tax Program Implementation (Measure M)**
5. **Affordable Housing Policy**
6. Sale of Former Redevelopment Agency assets by Successor Agency
7. Full implementation of Prevailing Wage Program
8. Santa Clara Square, NVIDIA and other large developments
9. **Employee Survey**
10. **Human Resource Reforms**
11. **City Place-O&M and Parking Agreements, Title, and Risk Management**
12. **Related Risk Program and Engineering Solutions**
13. New Water and Sewer Development Fees
14. **Solid Waste and Recycling Procurement**
15. New Capital Projects Database
16. Salary Setting Commission
17. Emergency Preparedness Training and Awareness
18. **Labor Negotiations – 5 Open Tables**
19. **Agrihood DDA**
20. BART Partnership Agreements
21. Civic Center Master Plan
22. Multiple Land Use Specific Plans
23. Council Policy Manual Updates & Restructuring
24. Administrative Policy Manual Updates and Restructuring
25. **Mobile Transportation Policy**
26. **New State Laws – Implementation**
27. **CityPlace – Pre Construction work and Risk Management Program**
28. **Census 2020 Outreach & Coordination to Ensure Funding**

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Large Scale Development Projects

Major Drivers of Workload – Large Scale & High Volume of Development Projects

Downtown Revitalization and Precise Plan

Westfield Valley Fair Mall Expansion

Nvidia (Phase 2)

Tasman East – Housing Developments

Specific Plans (Lawrence Station, Tasman East, El Camino, Patrick Henry, Freedom Circle)

City Place

Kylli Project

Next phase of Santa Clara Square

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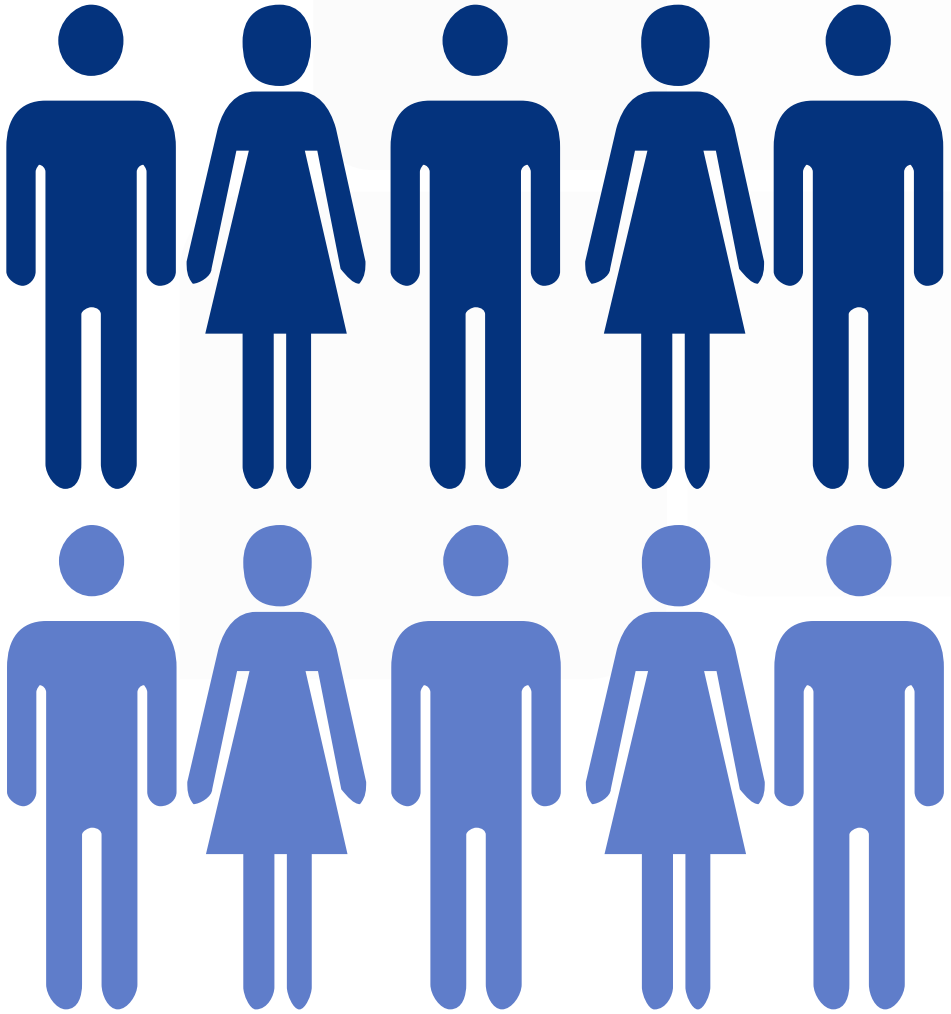
Employee Relations

Major Drivers of Workload – Personnel Management and Employee Relations

- Active negotiation with 5 of 10 bargaining units*:
  - Unit 2 Police Officer's Association (POA)
  - Unit 3, Electrical Workers (IBEW)
  - Unit 4, Engineers
  - Unit 9A, Police Management
  - Unit 10, Public Safety Non-Sworn Employee Assoc.



*All bargaining unit agreements listed expired on 12/22/2018.

Council Priorities & Initiatives -- Distinct Service Areas

Convention Center – CVB - TID

1. Continue to implement City audit findings/recommendations on the SCCC, CVB and TID
2. Transition Strategy/Onboard New Operator for Convention Center and Visitors Bureau
3. Support TID with goals and efforts
4. Fill City Vacancies re Convention Center (1.5 positions)
5. Work with local businesses
6. Continue reconciliation of past operator and remaining audit work
7. Redevelopment Dissolution Workplan
8. Long-term strategy for land use and facility investment

Stadium Authority

9. Compliance with all Agreements
10. Financial transparency and document possession
11. Continue to implement multi-departmental approach to mitigating community impact, including developing a parking plan
12. Ongoing Fire & Safety, Public Health, ADA & Accessibility Inspections
13. Review options for ongoing use of San Tomas Aquino/Saratoga Creek Trail during Stadium events
14. Community Room
15. Complete finance & performance audits
16. CFP Fiscal Reconciliation, Audit, and Financial report
17. Due diligence on 49ers fiscal forecasting – draft budget proposal

Silicon Valley Power

18. PG&E Potential Bankruptcy implications to SVP
19. Chief Electric Utility Officer Recruitment
20. Fill key vacancies based on reorganization
21. Silicon Valley Power Strategic Plan Implementation
22. Large Capital Improvement Projects Management
23. Assess service risk and develop Risk Management program
24. Sustainability efforts
25. Cybersecurity and other safety measures to secure systems

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Measure N Next Steps (tentative)

Council Districting

- **Current Unknowns**
  - Current CVRA status of appeal
  - Impact of 2020 Census on district boundaries
- **Council -- How to Proceed?**
  - Convene a Charter Review Committee (and appoint new members as needed to discuss Charter Amendment)
- **Conduct Public Engagement**
  - Hold Public Engagement Meetings citywide (4-6 meetings) to pose question of how many districts the community prefers
- **Determine Timing**
  - Map out with City Clerk timing of the Charter Amendment to voters
- **Engage Professional Demographer**
  - Engage professional demographer to support data analytics and mapping

Measure M Implementation

Cannabis Business Tax

Economics: Recent research is concluding that **sales tax forecast has not been achieved due to regulations and taxes.**

Community approved "Cannabis Business Tax" by vote in November 2018

Present proposed regulations to City Council for early input February/March 2019

Cannabis Business Tax will allow the City to collect tax if cannabis-related commercial businesses are established in Santa Clara

City Council consideration on health and safety regulations targeted in spring 2019

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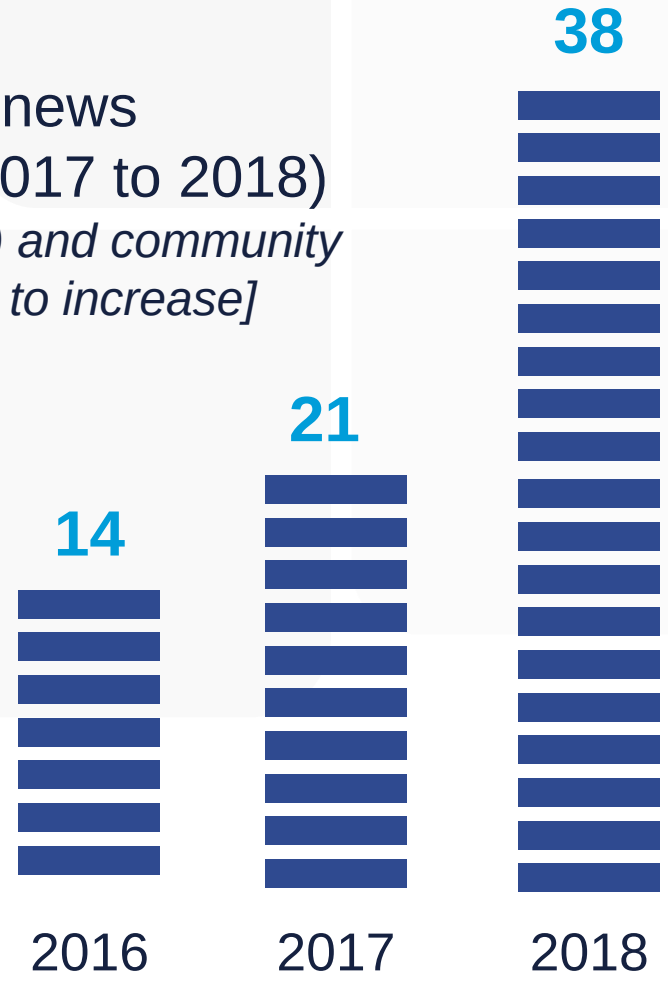
Communications

Major Drivers of Workload – News Releases

81%↑

Increase in City news releases YTY (2017 to 2018)

[Less staff (-1 FTE) and community has stated we need to increase]



Number of News Releases Published YTY

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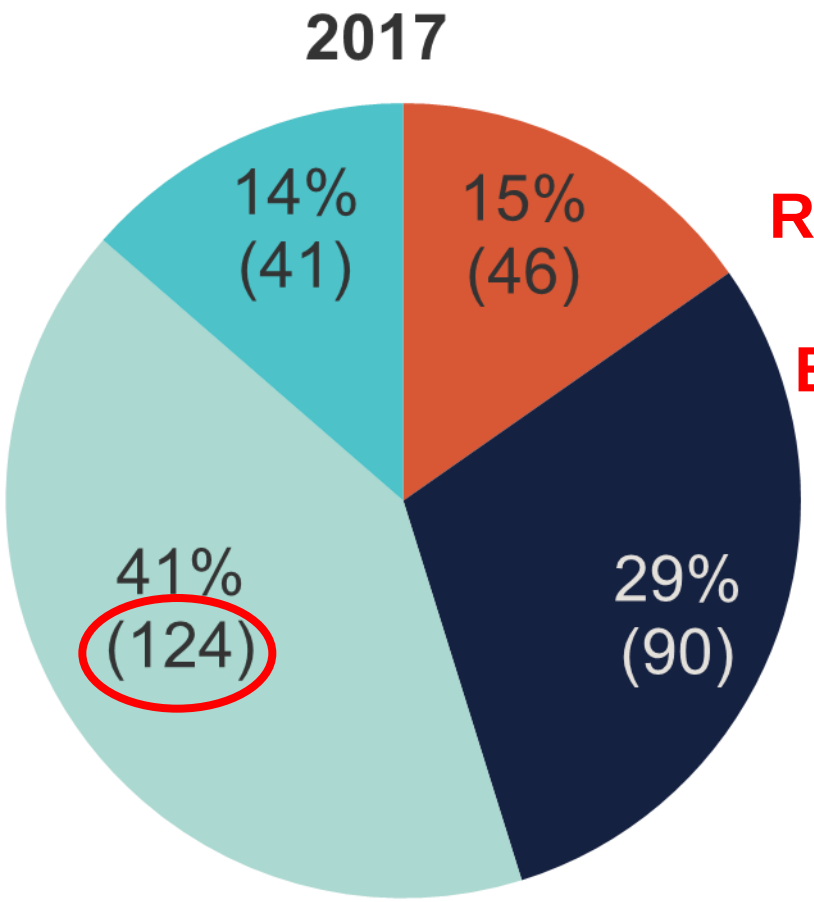
Community Engagement

Major Drivers of Workload – Online and Printed Publications

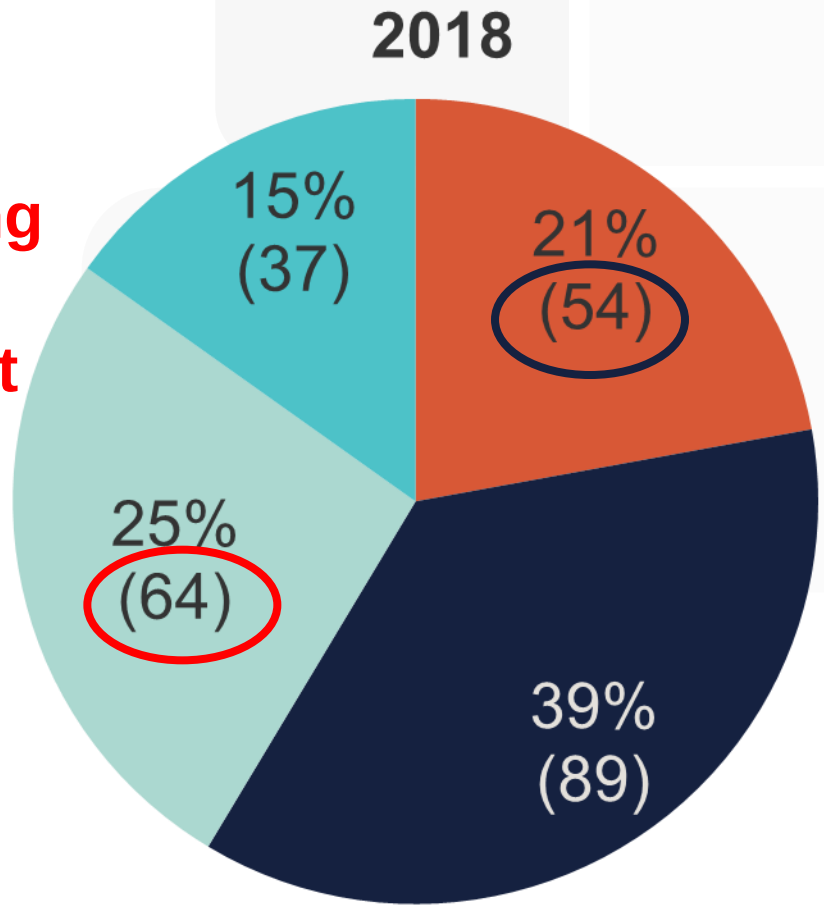
- **Social Media**
  - 6,380+ Facebook followers
  - 7,668 Twitter followers
  - ~25,000 residents/79 neighborhoods use Nextdoor
- **Printed Publications**
  - Modernized Annual City Calendar
  - Santa Clara Newspaper: 56,800+ distribution
  - Mission City Scenes Utility Bill insert distributed to 43,000 residents
- **Online Access**
  - 1.16 million unique visitors annually to SantaClaraCA.gov
  - 43% of website visitors are mobile users
  - 40,500+ active subscribers to eNotify (4,431 added in 2018)
  - 20 Open City Hall surveys conducted

Community Engagement

Major Drivers of Workload – Types of Meetings Held



Capacity Gained by Redistributing Type of Engagement



- 2018 ≈ 37 community meetings
- 2017 ≈ 41 community meetings

Council
Boards & Commission
Committees
Community Meetings

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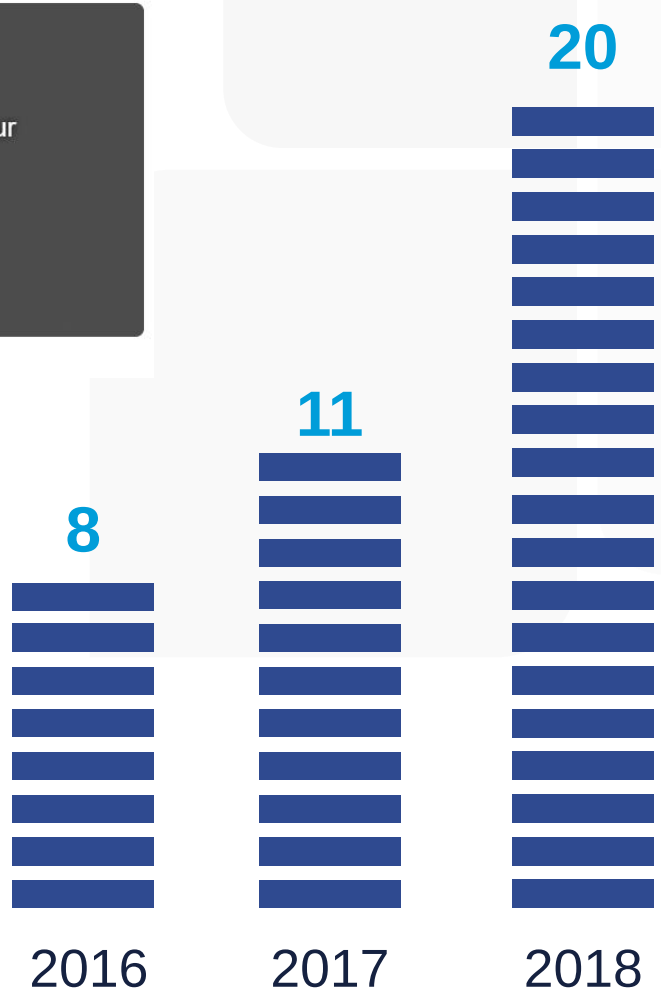
Open City Hall

Major Drivers of Workload – Community Engagement



Number of surveys posted to City's Open City Hall site YTY

150% Increase since 2016 of Open City Hall surveys posted per year

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Open City Hall Surveys 2018

20 Number of online surveys posted on Open City Hall in 2018

1. Seeking Community Input on Programs for Housing & Community Services
2. Santa Clara Convention Center Survey
3. Raymond G. Gamma Dog Park Improvement Project Survey
4. Land Use & Transportation Concepts for El Camino Real
5. Montague Park Rehabilitation Community Survey
6. Provide Input on Proposed Council Districts
7. COURT ORDERED Council Districting Process
8. Silicon Valley Power's Integrated Resource Plan (IRP)
9. 2018 Clean-up Campaign Resident Satisfaction Survey
10. Phase 2: Community Engagement for Issues Related to Levi's Stadium
11. Feedback on District 1 and District 2 Sequence
12. Which draft Council district map do you prefer?
13. Agnew Park Playground Improvements
14. Seeking Public Input on District Voting Lines
15. Community Engagement for Issues Related to Levi's Stadium
16. Seeking Public Input on Draft Ballot Measures
17. De La Cruz Community Feedback Survey
18. Homeridge Park Online Survey
19. The City of Santa Clara Smoking Ordinance Survey
20. El Camino Real Survey

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Open City Hall Surveys 2017

11 Number of online surveys posted on Open City Hall in 2017

1. Santa Clara Minimum Wage Ordinance Survey
2. 2017 Clean-up Campaign Resident Satisfaction Survey
3. Santa Clara's Central Park Survey
4. Improving Communication with Our Community
5. Multi-Unit Housing Smoking Survey
6. Smoking in Outdoor Dining Areas Survey
7. Machado Playground & Park Rehabilitation Survey
8. Bowers Playground & Park Rehabilitation Survey
9. Santa Clara Central Park Master Plan Survey
10. El Camino Real Survey
11. 2330 Monroe Street Community Survey

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Open City Hall Surveys 2016

8 Number of online surveys posted on Open City Hall in 2016

1. Is Google Fiber finally coming?
2. San Tomas and Monroe Park and Community Garden
3. Additional City-Wide Garage Sale in April
4. San Tomas and Monroe Community Park and Garden - Take Two
5. Help Us Redesign Steve Carli Playground
6. Santa Clara Votes Resident Engagement Survey
7. Clean-up Campaign Resident Satisfaction Survey
8. Santa Clara Votes - Post Election Survey

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Resident Response System: My Santa Clara

Major Drivers of Workload - Manual CRM & Admin Process

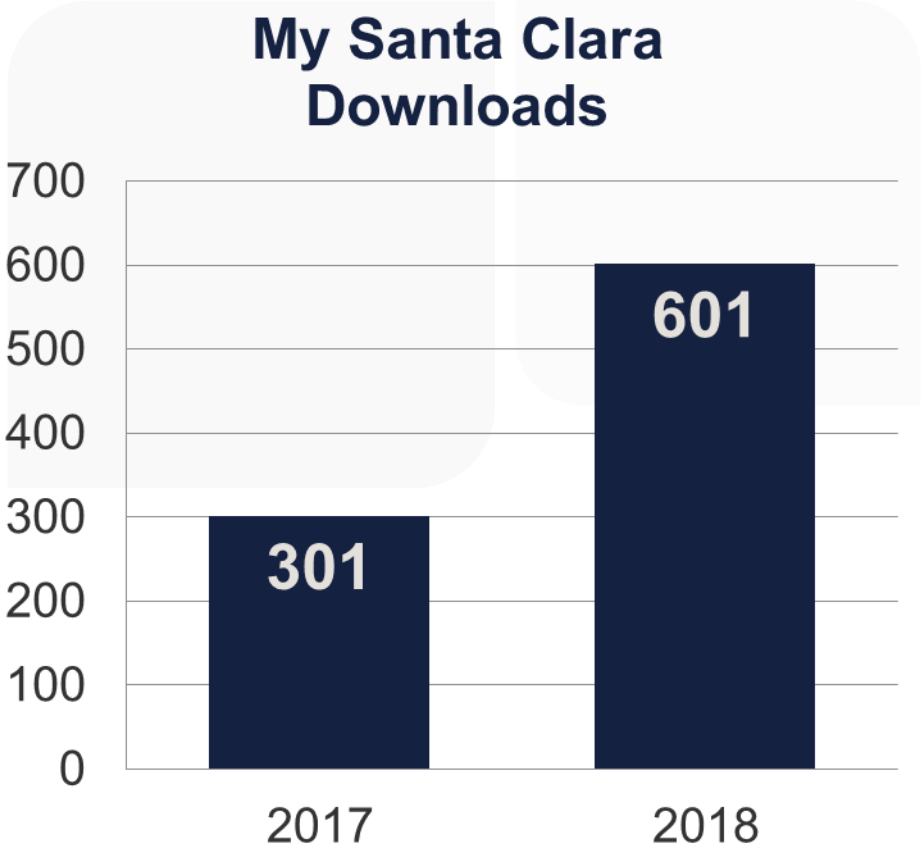
In July 2018, MySantaClara was relaunched to better connect our community with City services.

100%

Downloads increased almost 100% from 2017 to 2018

95%

Increase in average monthly usage after relaunch in July 2018



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My Santa Clara

Major Drivers of Workload - Manual CRM & Admin Process

1,871

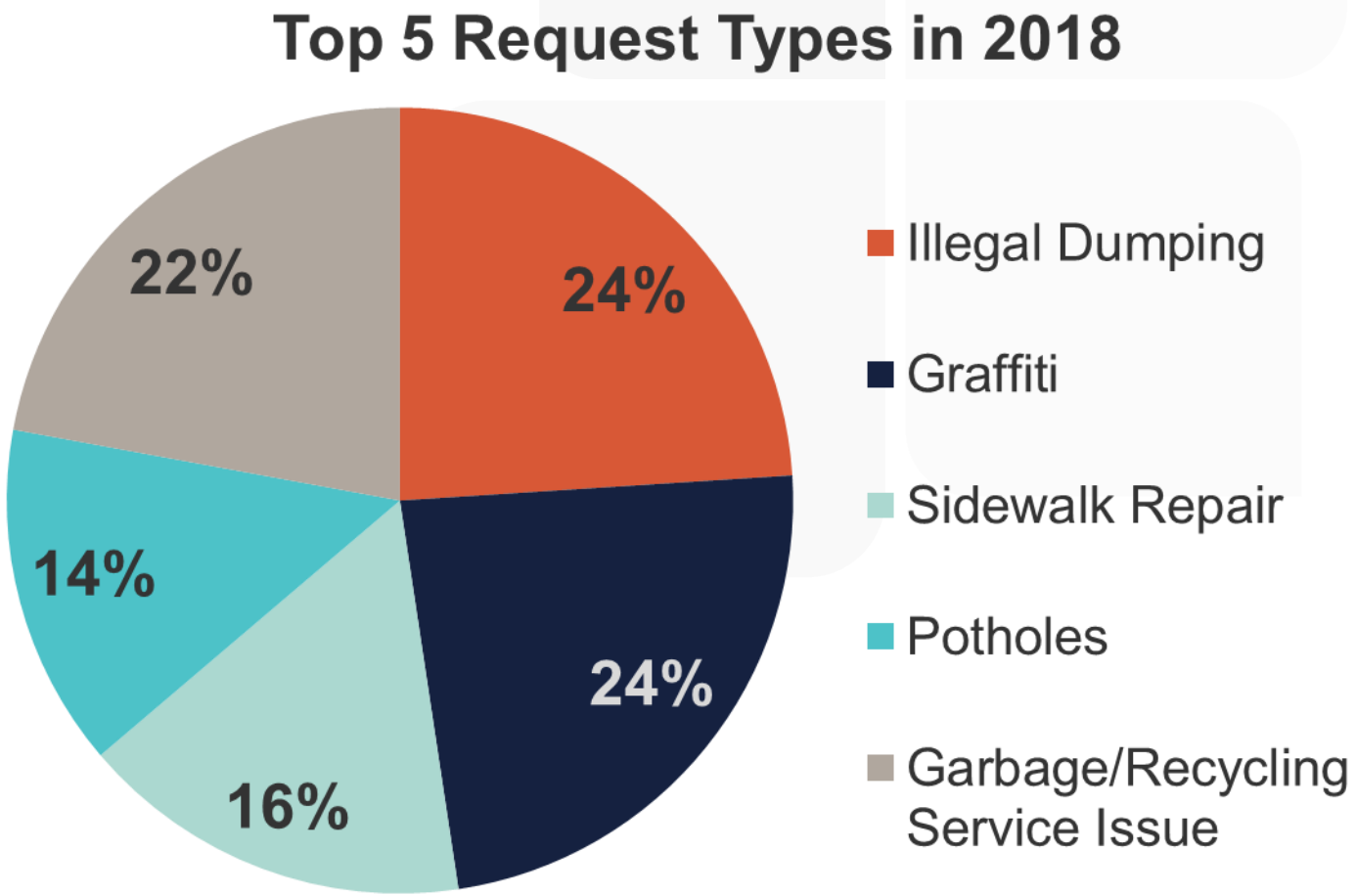
2018 Requests

Total number of requests submitted in 2018

52%

High Demand

Over **50%** of all requests received are for our **Public Works Department**



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“Without continual growth and progress, such words as **improvement**, **achievement**, and **success** have no meaning.”

-Benjamin Franklin

Human Resource Metrics

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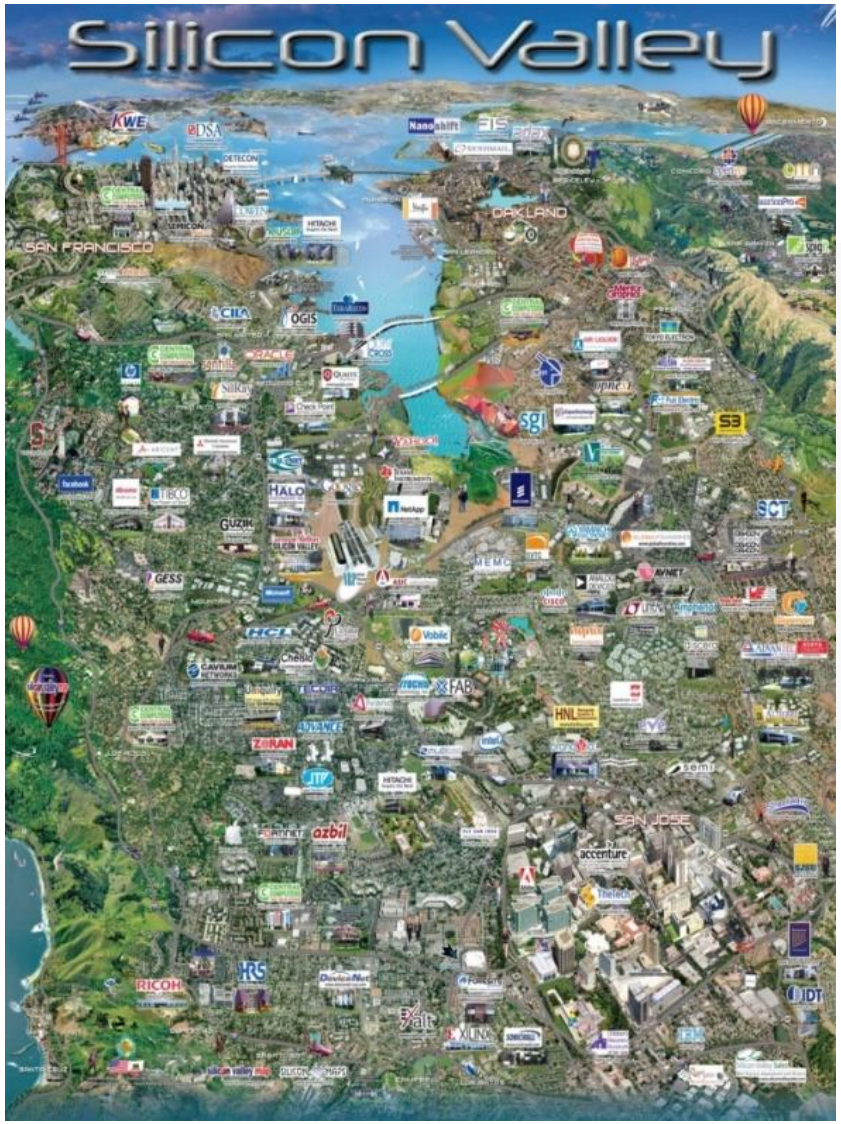
Regional Opportunities of Silicon Valley

- Highly complex region/ super competitive Market to recruit and retain
- Community is **engaged** and has **high expectations** for service
- **High cost of living** – people rarely move to the area without a reason, i.e. employment for them or a family member
- Unemployment rate of Silicon Valley **≈ 2.4%** (Dec. 2018)
- Businesses expect the City to move at **their pace**, which is unique to Silicon Valley



City is built for operations– Workforce is our biggest asset and investment

Our workforce must be **highly trained**, **responsive**, and **advanced in service delivery** to meet the needs of our community

Current systems are not up to par for our workforce

Focus on **People,** Process, and Performance

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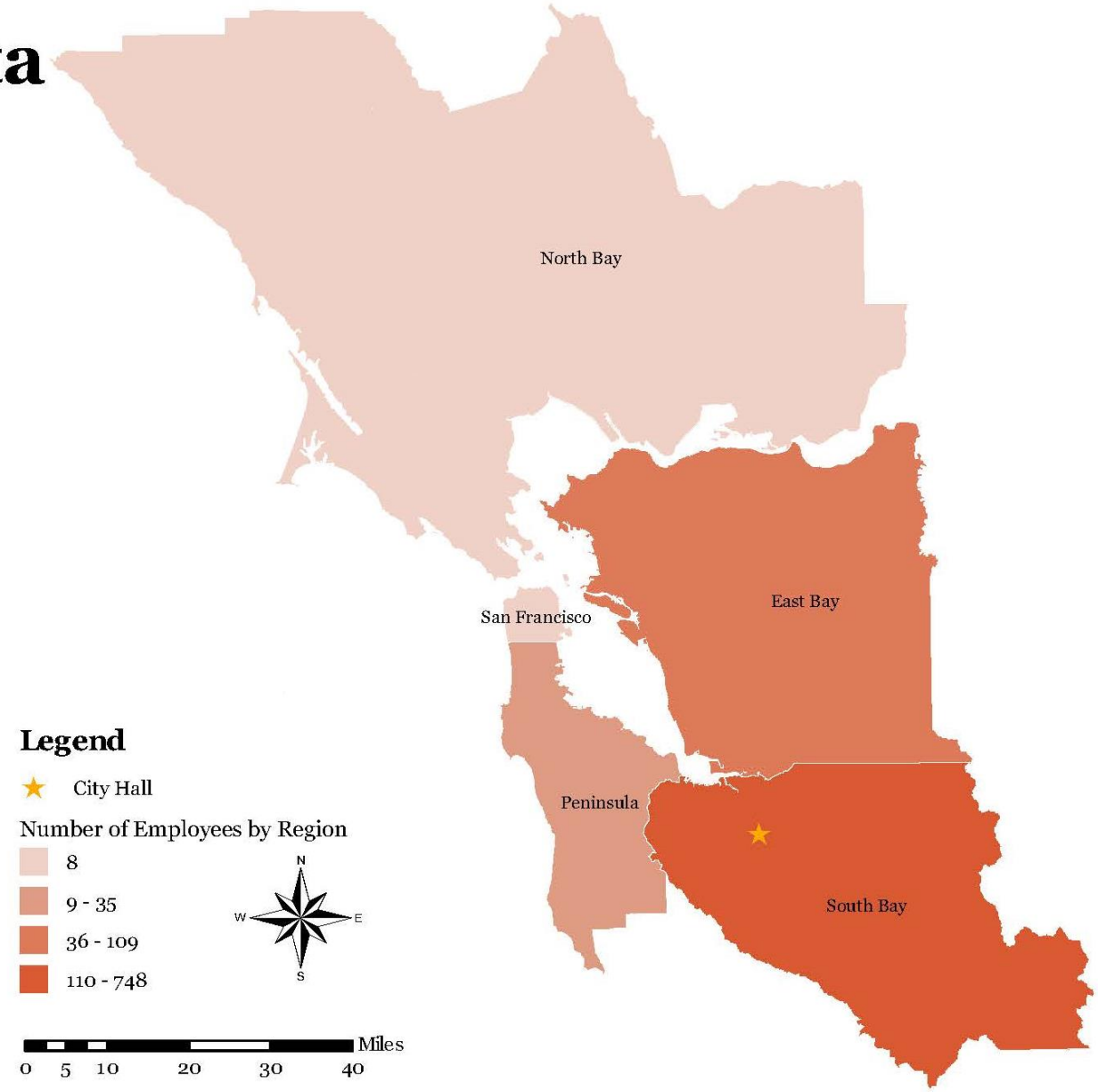
Where Do the City of Santa Clara Employees Live?

Region	Employees	Percentage	Proportion
North Bay	8	1	
East Bay	109	11	
Peninsula	35	3	
San Francisco	8	1	
South Bay	748	75	
Other	94	9	



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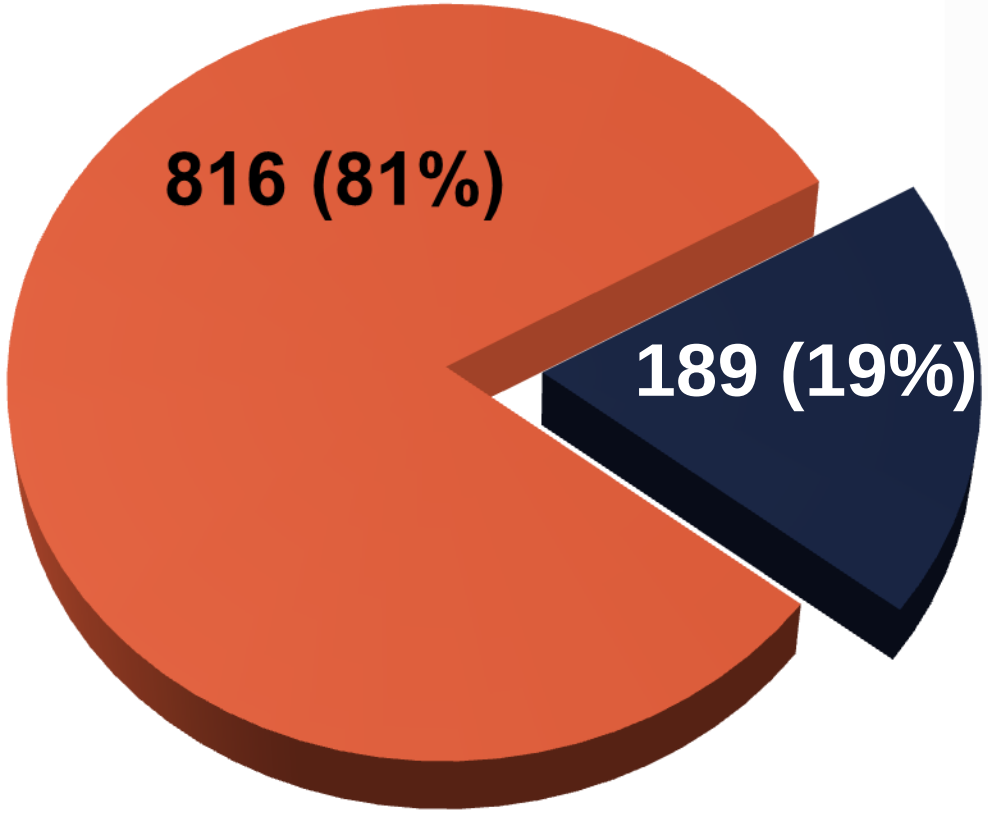
Retirement Eligibility – Citywide Staffing

81%

- Percentage of our organization for whom retirement is not a motivating factor for leaving (816 full-time employees)
- Our organization needs to dedicate itself to supporting these employees and pursue ways to retain them – in the nation's most competitive job market! They are ours to lose.

816 (81%) employees not eligible to retire based on age



189 (19%) employees eligible to retire based on age

Eligible to Retire
Not Eligible to Retire

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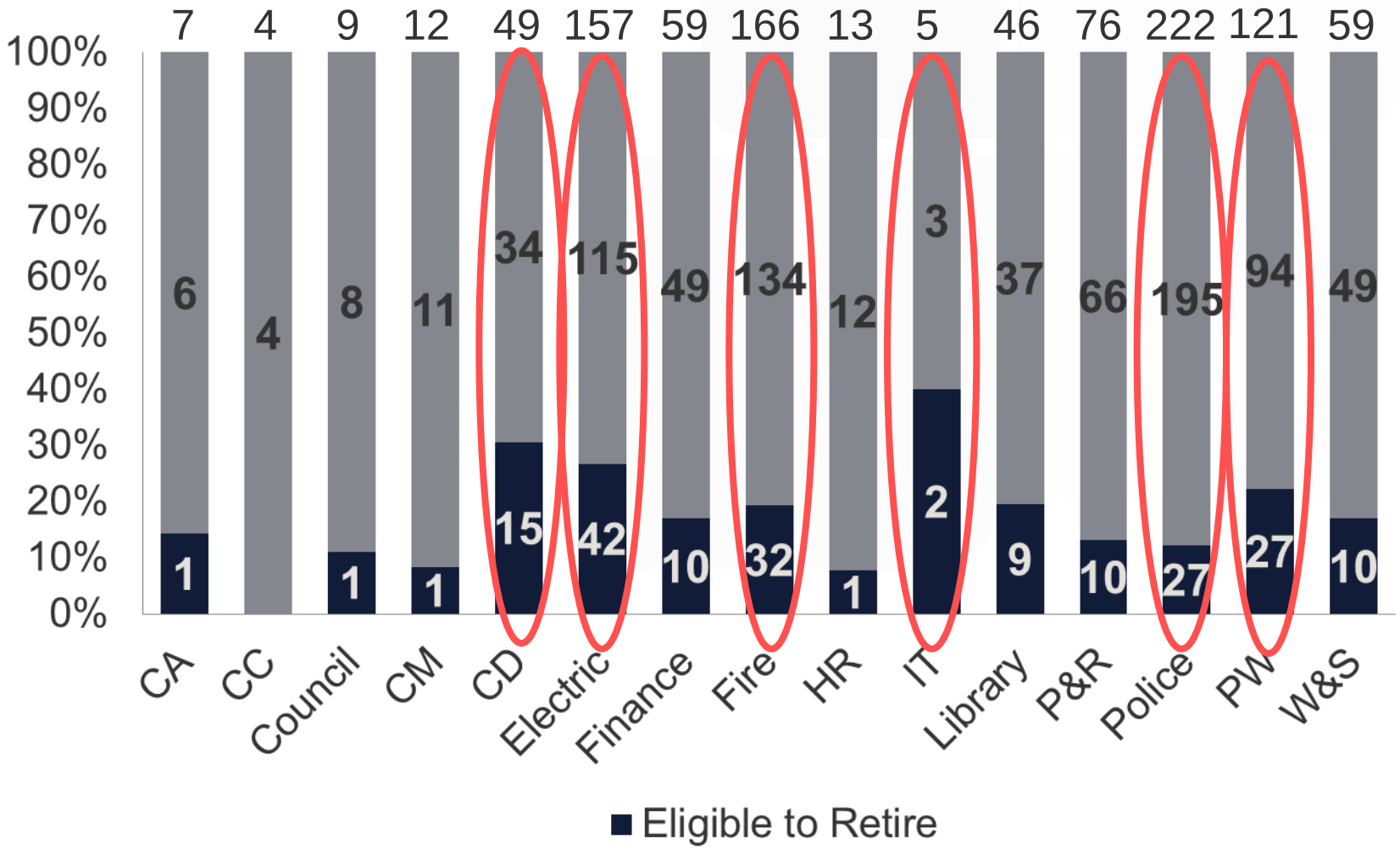
Retirement Eligibility by Department

Challenges:

- Lack of institutional knowledge
- Training needs
- Knowledge gap of Santa Clara

Opportunities:

- Energetic, committed workforce
- Desire training specific to the type of community we serve
- Great long-term career potential
- Can build Executive & Management teams with committed internal staff who have grown with the organization
- Can bring more modernization to Santa Clara



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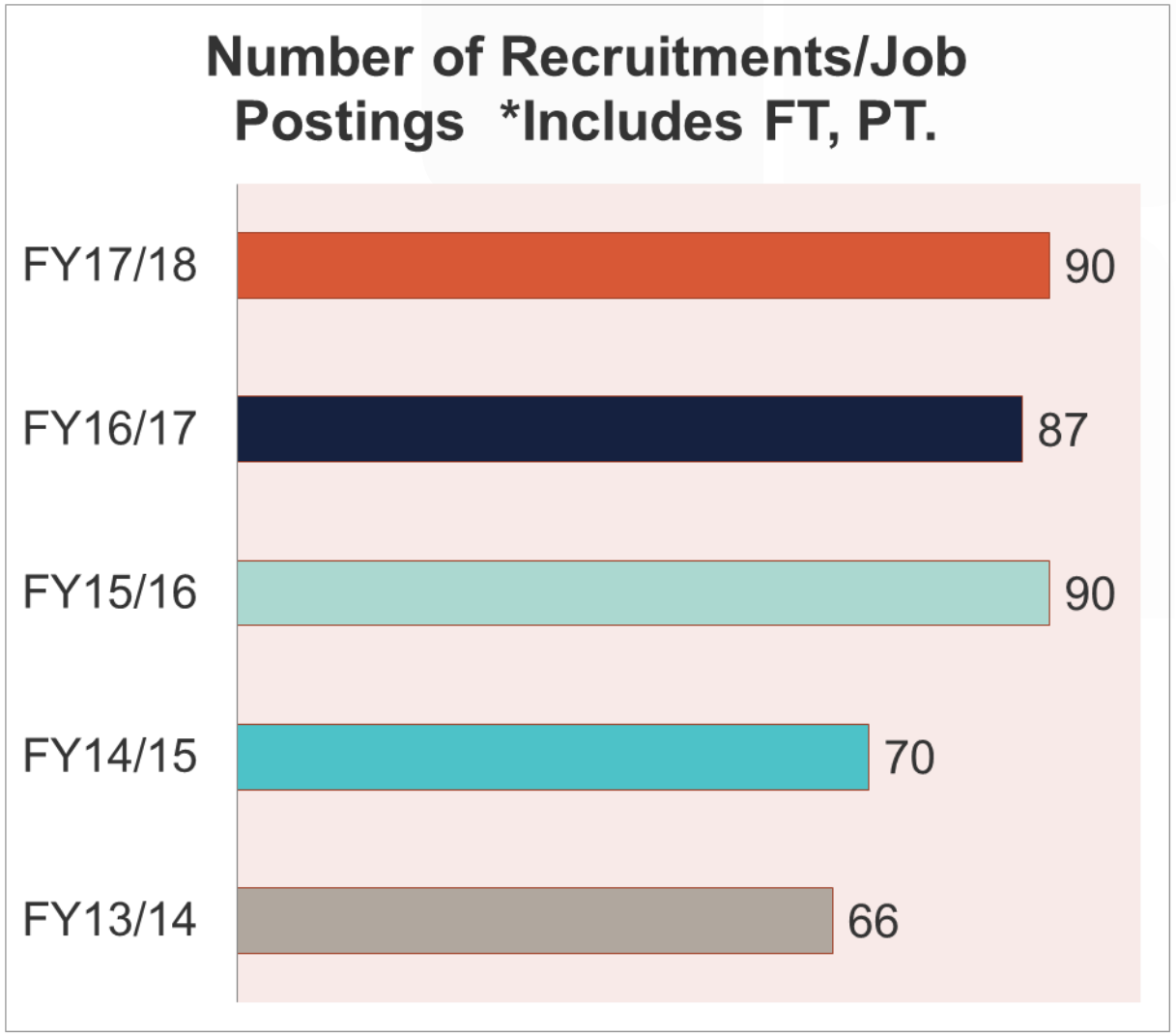
Recruitments Year to Year

36%

% Increase of Recruitments from FY13/14 --17/18

- Recruitment **increased significantly** in FY2015/16 and has stayed high
- Every recruitment requires staff time to **process** and **review** applications
- Ongoing need to recruit **high-skilled positions** without having increased HR capacity (HR Dept. has only increased by **0.5 FTE** in the last 5 years)



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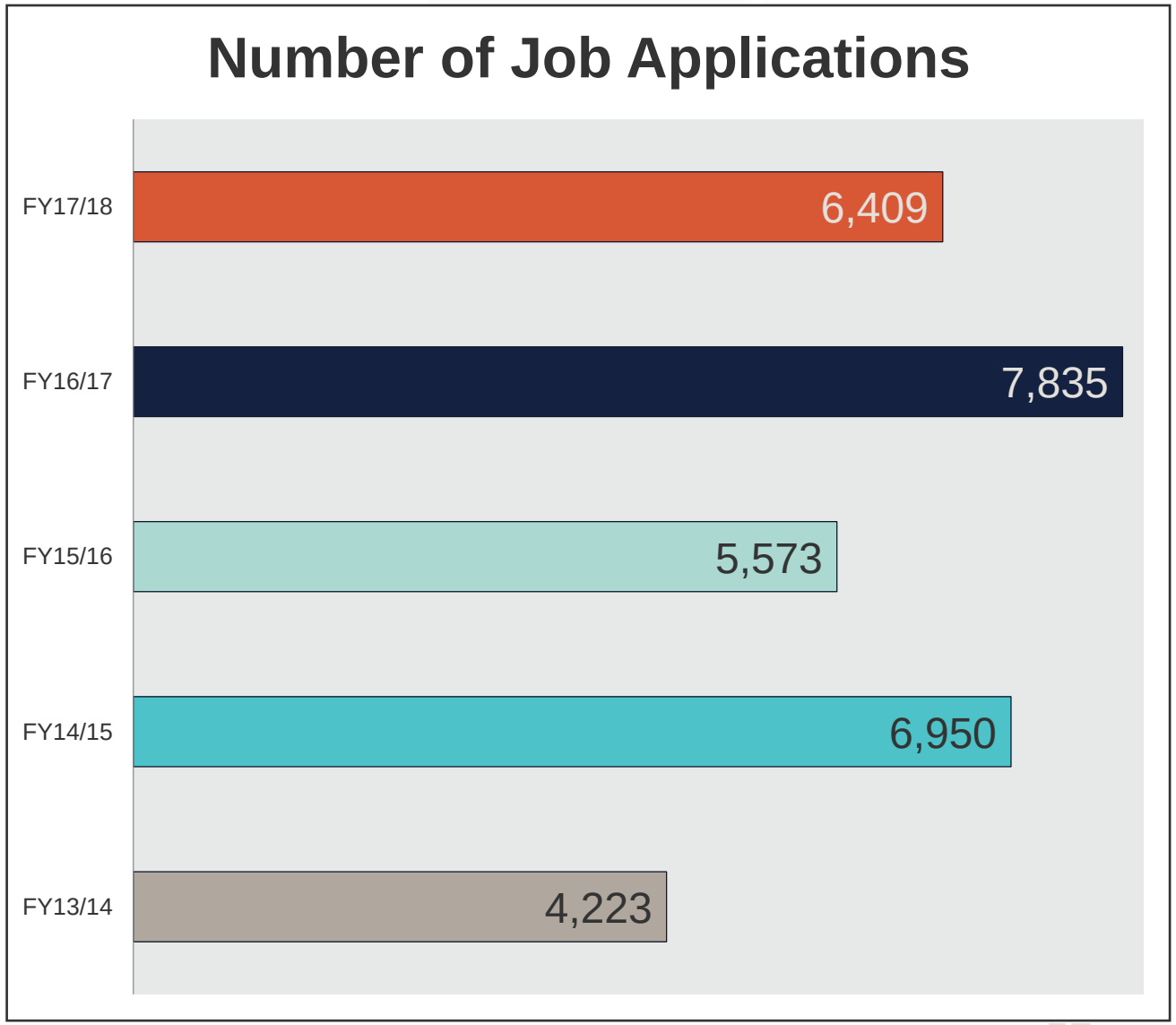
Applications Year to Year

52%

% Increase of Job Applications from FY13/14 --17/18

- Applications **remain high** for positions, however numbers have dropped in the last year
- Silicon Valley unemployment rate was 2.4% in December 2018, compared to a national average of about 4%
- HR processes **more applications** without additional resources. Major capacity issue for HR to support organization in the nation's toughest market



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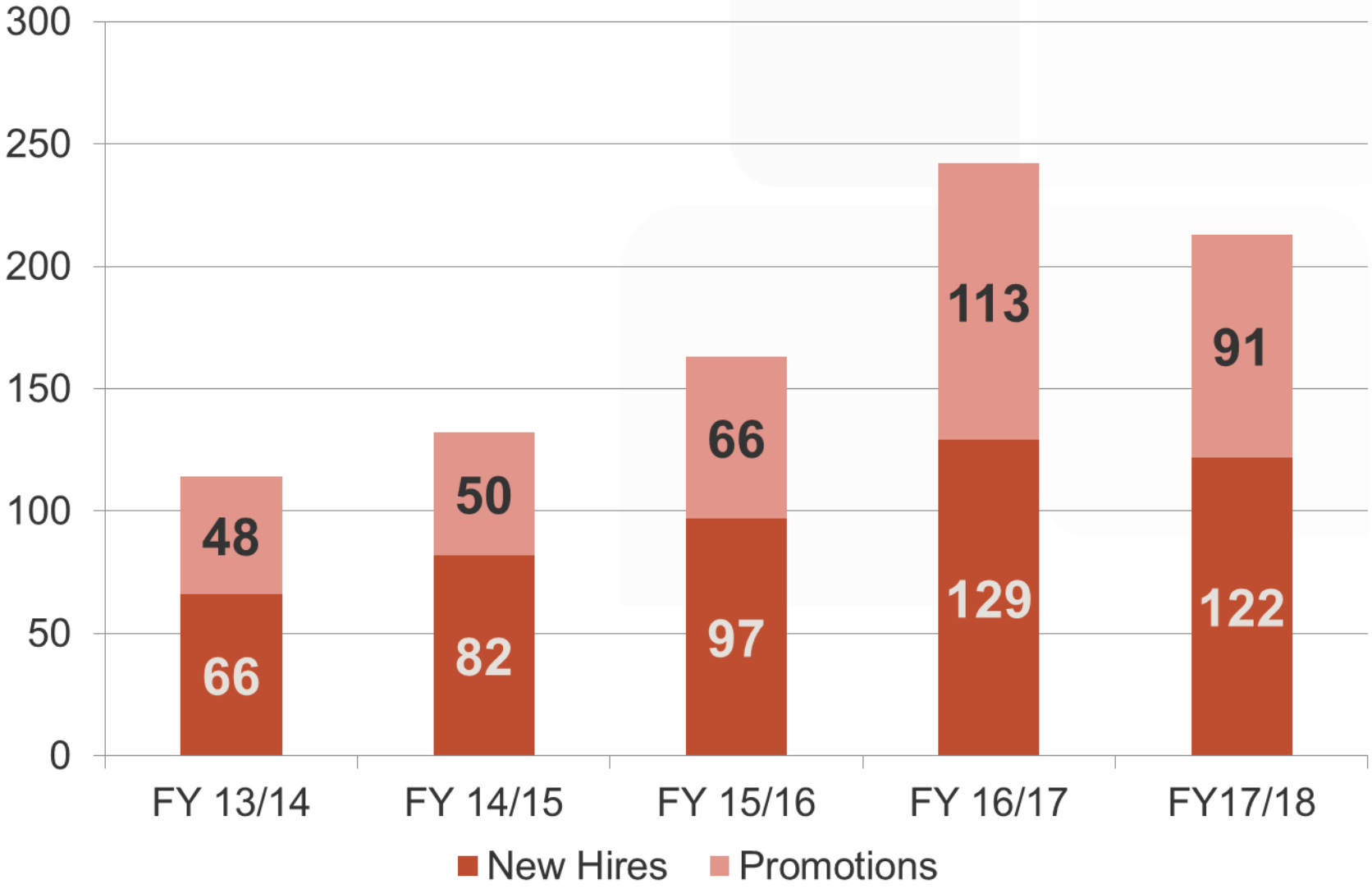
New Hires and Promotions

- Focus on **institutional knowledge and employee development** for workforce
- To maintain our filled staffing levels, we need to both **hire new employees** and **promote from within**
- We need a strategy to remain competitive with retention and recruitment
- **40 – 43% internal promotions data trend**



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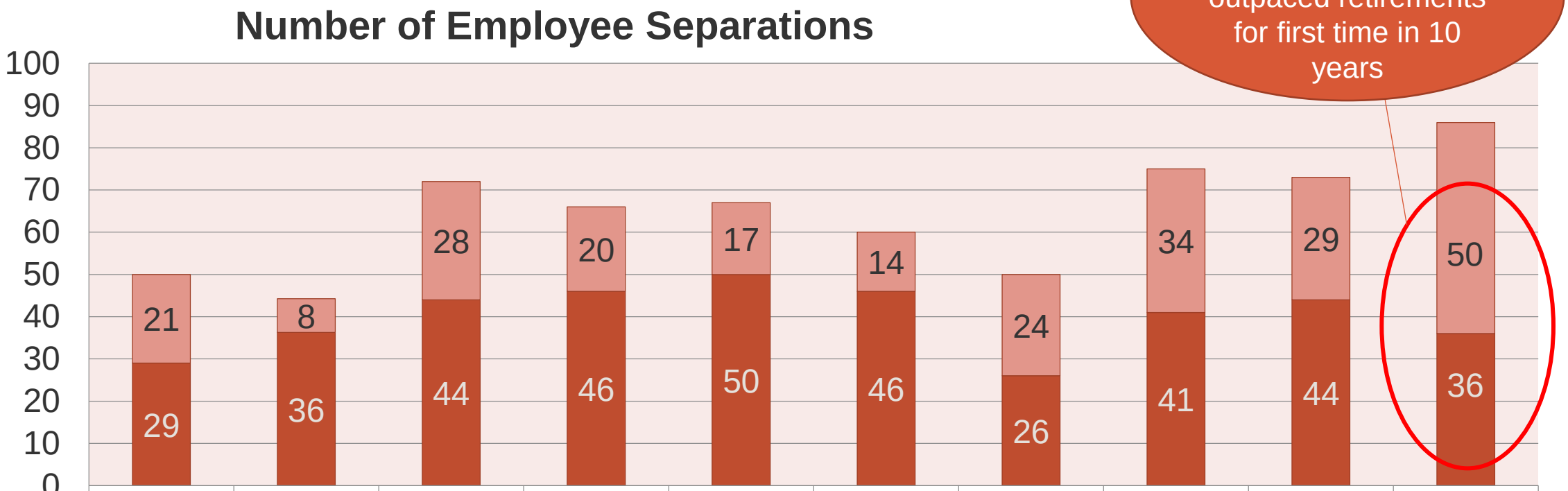
Employee Separations

- Highly competitive job market – Region recruits from each other and our talent attracts private sector applicants
- High cost of living in Silicon Valley
- Private sector recruitment offers different compensation structure
- The recent federal shutdown & changes in immigration policies (H1B Visa) add more stress to retaining and supporting our workforce

In FY 2017/18, the City's separations outpaced retirements for first time in 10 years

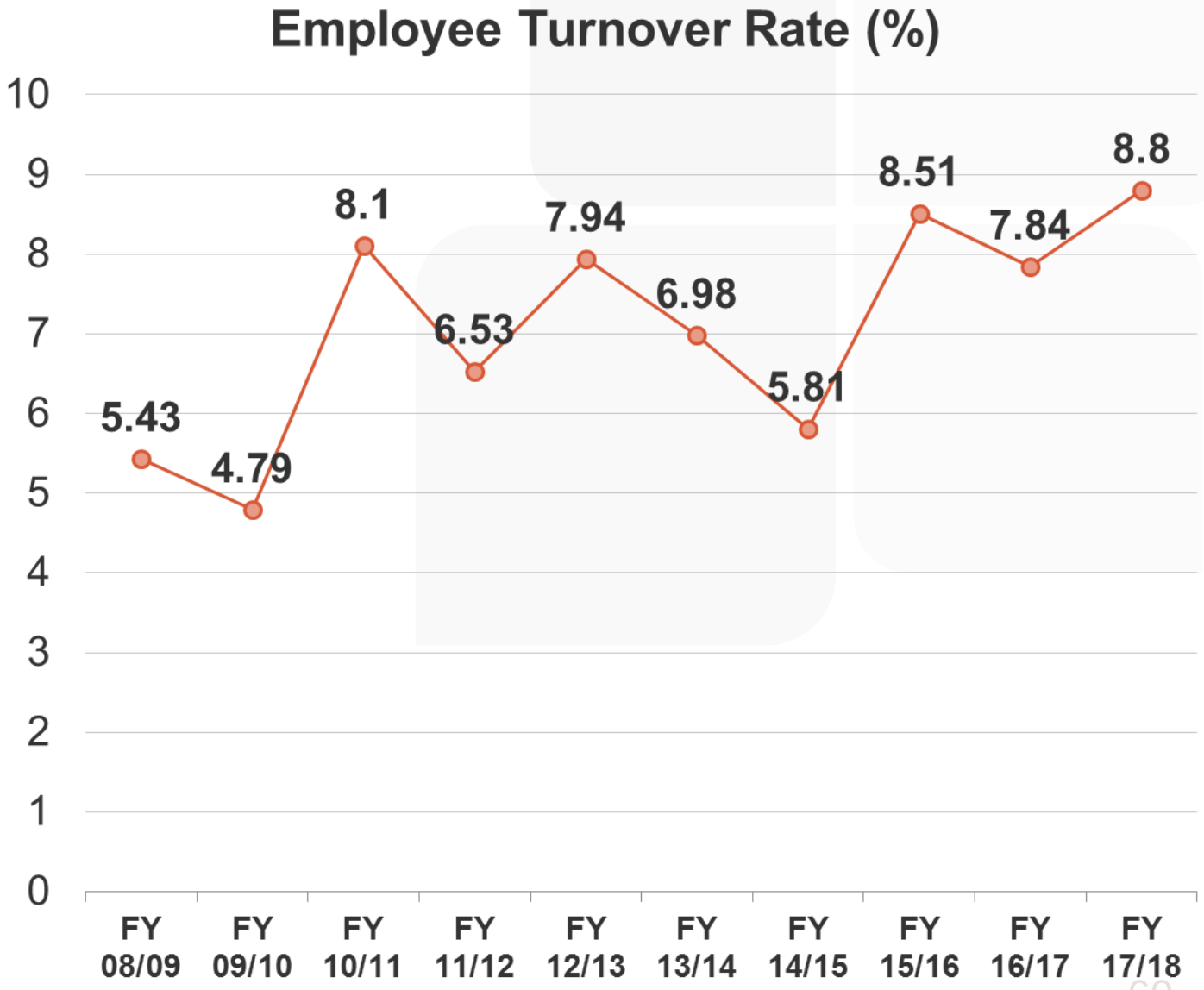


	FY08/09	FY09/10	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16	FY16/17	FY17/18
Separations	21	8	28	20	17	14	24	34	29	50
Retirements	29	36.25	44	46	50	46	26	41	44	36

Employee Turnover Rate by Percent

8.8% FY17/18 Turnover Rate

- **Top Reasons for Turnover:**
  - Retirement
  - Job opportunities elsewhere
  - **Relocation**
- **Steady increase over time**
- **Increased turnover leads to higher organizational costs:**
  - Increased recruitments
  - Constant onboarding new employees
  - Productivity loss
  - Less capacity due to learning/ onboarding



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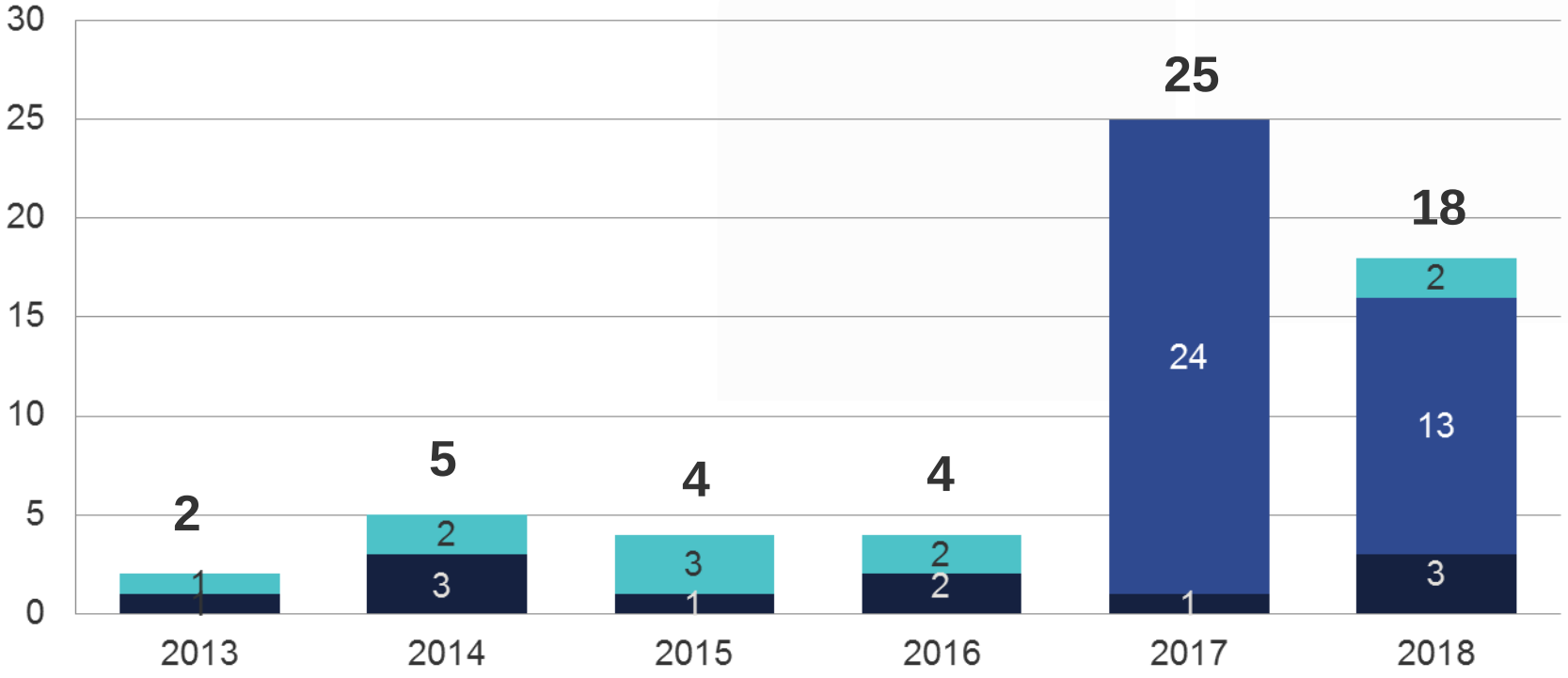
Workforce Discretionary Training Statistics

Current # of trainings are too low and do not offer high-level of skill-building

HR capacity has **only increased 0.5 FTE** in the last 5 years to support training needs

- **Employee Informational:** Retirement and Benefit information
- **Employee Development:** Citywide training for general work-related skill-building, i.e., supervisory skills, etc.
- **Brown Bags:** Wellness & Informational



Number of Santa Clara Employee Trainings by Type for Calendar years 2013 through 2018 YTD

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Our Data Tells A Story

Investment in employees is key to providing high-quality services

- Santa Clara is at the heart of the most competitive job market in the nation
  - cost of living is high
  - we compete with private sector for workforce
- Complexity of City of Santa Clara requires highly skilled workforce
- Majority of workforce (81%) is not near retirement age
- Recruitments and Applications on the rise YTY – takes staff time to process and review
- In FY 2017/18, separations outpaced retirements for the first time in 10 years
- Turnover rate steadily increasing, which leads to productivity loss and less overall capacity
- Current citywide training efforts lack high-level skill-building opportunities and are infrequent
- HR has only increased by 0.5 FTE to support increased workload and future programs

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Human Resources Conclusions

Investment in employees is key to providing high-quality services

Need staff who are:

- **Skilled** and up-to-date in their field
- Consistently **developing skills**
- **Connected** to organization and community
- Skill Building = Capacity Building

Need trainings focused on **improving workplace** and **individual development** in order to retain quality employees

Need additional trainings that are:

- **Motivational** and **inspirational**
- Focused on **team building** & **breaking silos**
- Focus on **specialized skills**
- Supportive of **intentional staff development**
- **Management** and **leadership** training

An investment in Human Resources is an investment in the whole organization and critical to support our workforce needs.

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Update from Council Appointees

City Attorney
City Auditor

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City Attorney

Providing Legal Advice & Support to the City

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City Attorney’s Office

Existing Internal Resources

FTEs – 7

1 - City Attorney,

2 - Assistant City Attorneys,

2 - Deputy City Attorneys,

2 - Admin Support

0.5 - As Needed Office Clerk

Budget: $1.7 million (does not include outside counsel budget)

Overview of Legal Services

- The City Attorney's Office oversees all claims and litigation.
- In 2018, we managed the following:
  - Active litigation matters: 47
  - Claims filed: 95
  - Municipal Code Prosecutions: 25 court appearances
  - Administrative Appeal Hearings: 38 scheduled
  - *Pitchess* Motions: 10 cases filed/served

Overview of Legal Services

- Provide wide range of legal advice to City Council, City Manager, City Departments and Stadium Authority
- Staff City Council, Planning Commission, Civil Service Commission, Council Committees and SVACA meetings
- Prosecute City Code violations
- Defend City in Pitchess discovery motions
- Review and advise on numerous significant Public Records Act responses
- Provide staff trainings on relevant areas of law, such as Brown Act and Public Records Act
- Provide updates on new legislation relevant to the City
- Provide legal support regarding employee discipline before the Board of Review

Key Accomplishments in 2018

- Obtained favorable award in Rent Re-set Arbitration with 49ers
- Obtained dismissal and/or judgment in favor of the City in 8 cases:
  - *Alamand Inc. v. A-Z Bus Sales, Inc., et al.*
  - *D.E. Restaurants, Inc. v. City of Santa Clara, et al. (Breach of Lease)*
  - *Davis v. City of Santa Clara, et al.*
  - *Patel v. City of Santa Clara, et al.*
  - *Salinas-Ibarra v. City of Santa Clara, et al.*
  - *Arafeh v. City of Santa Clara*
  - *Charles v. City of Santa Clara, et al.*
  - *Ismili, Kuo v. City of Santa Clara, et al.*

Key Accomplishments in 2018

- Obtained very favorable settlements in 8 cases:
  - *Campos v. City of Santa Clara, et al.*
  - *Hong v. City of Santa Clara, et al.*
  - *Johnson v. City of Santa Clara, et al.*
  - *Luciano v. City of Santa Clara, et al.*
  - *Nevarez v. City of Santa Clara, et al. (Golf Course)*
  - *Peters v. City of Santa Clara, et al.*
  - *Santa Clara Unified School District v. City of Santa Clara, et al.*
  - *Schmiedeberg v. City of Santa Clara, et al.*
- Obtained 2 appellate level victories
  - *Smith v. City of Santa Clara, et al.*
  - *Wheeler v. City of Santa Clara, et al.*

Key Accomplishments in 2018

- Ballot measures for June 2018 and Nov. 2018 elections:
  - ☑ Measure A: district elections – ranked choice voting
  - ☑ Measure M: cannabis tax
  - ☑ Measure N: advisory measure re: district elections
- Drafted City Ordinances:
  - City Auditor Ordinance
  - Traffic Impact Fee Ordinance
  - Chief of Police Salary Setting Commission Ordinance
  - Claim Settlement Authority Ordinance
  - Taxicab and Pedicab Ordinance
  - City Clerk Responsibilities Ordinance
  - Massage Moratorium Ordinance
  - Cannabis Moratorium Ordinance
  - Electric Scooter Moratorium Ordinance
  - Parking Ratio Data Centers Ordinance

Key Accomplishments in 2018

- Developed regulations related to commercial cannabis
- Completed negotiations, environmental review process and development entitlements:
  - Tasman East
  - 575 Benton Street (Prometheus)
  - Acquisition of Franklin Street Easement
- Environmental review:
  - Gateway Crossings
  - Agrihood projects
- Completed approximately 2,500 legal service requests, which included legal advice, review and negotiation of contracts, leases, licenses, policies and other documents related to the day-to-day operations of the City

Upcoming Policy Issues

- Regulatory:
  - Complete development and implementation of commercial cannabis regulations
  - Complete massage ordinance amendments
  - Complete development and implementation of ADA Transition Plan
- Land Use & Development:
  - Specific Plans for Focus Areas (ECR, Downtown, Patrick Henry & Freedom Circle)
  - Comprehensive Zoning Ordinance Update
- Stadium:
  - Stadium issues related to non-NFL events
  - Stadium audit recommendations and implementation

Upcoming Policy Issues

- Establishment of Community Facilities District for Lawrence Station Area
- Negotiating a development agreement and environmental review for proposed Kylli project (former Yahoo site)
- Convention Center management issues
- Advising newly established Salary Setting Commission
- In 2019, legal work resulting from changes in the law, will include:
  - Changes to taxicab regulations
  - Changes to public entity vehicle impoundment regulations
  - Parking ticket requirements for indigent persons
  - Changes to state guidelines re: document retention for police records
  - Changes to Public Records Act re: police critical incidents and personnel records
  - Unpermitted Camping
  - Sidewalk vendors
  - Mediation disclosures for litigation matters
  - FCC Regulations for Small Cell Facilities
  - Density bonuses for student housing
  - By-right supportive housing in multifamily zones
  - Building permit fee waivers for seniors
  - Zoning ordinance-general plan consistency requirements

Operational Constraints

- Antiquated workflow – too much paper, too much manual processing
  - Work request processing
  - Contract processing
  - Public Records Act
  - Matter management (filing system)
  - Insurance compliance (EBIX)
- Lack of Risk Management resources
- Insufficient work space

City Attorney's Office Summary

Provide timely legal services of the highest quality to the City Council, policy makers and staff with a commitment to professionalism.

- Continue to provide legal advice and support on matters initiated by the City Council, City Manager's Office and City Departments
- Assist with upgrades to the City's workflow processes, as well as the addition of a Risk Manager or other staffing modifications will improve services
- City Place, Kylli, Convention Center and other developments are significant workloads
- Stadium Authority efforts are significant
- Business Process improvements will take resources

City Auditor’s Workplan

Establishing Performance Audits in the Organization

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City Auditor’s Office

Background

On June 26, 2018, the Council voted to move the position of the City Auditor to the Finance Department and assigned the responsibilities to the Assistant Finance Director.

The Council also voted to expand the duties of the City Auditor to conduct in-depth financial and performance audits for the City.

These actions corrected the misalignment in governance structure of an elected City Clerk serving concurrently as a Council Appointee

Council empowered the City Auditor to conduct audit and make recommendation to strengthen accountability and improve efficiencies and effectiveness of City programs and business processes.

City Auditor also serves as Santa Clara Stadium Authority Auditor

City Auditor’s Office

Existing Resources	FTEs – 3 Contractual Service Budget: $200,000
	Manage the annual financial audit contracts for the City and Stadium Authority
	Perform financial, operational, and performance audits for the City (Ordinance 1982)
	Audit and approve all bills, invoices, payrolls, demands or charges against the City before payment (City Charter, section 909)

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90-Day Observations

City Auditor's Office

High-risk environment

Lack of policies and procedures

Heavy reliance on decentralized functions

Outdated workflow with heavy reliance on paper and manual processes

Lack of knowledge in performance management or program performance

Absence of an independent review and recommendations

City Auditor's Office Accomplishments

- Completed the Annual Audit Work Plan for FY18/19 and FY19/20
- Completed the Stadium Authority's audit services RFP
- Completed the Political Action Committee's campaign disclosure audit
- Completed the Annual Cash Disbursement review for FY17/18
  - Purchase card review was 10 months behind for FY17/18
- Implemented greater internal controls over the check stock issuance process to include chain of custody

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Audit Work Plan FY19 & FY20

1. Develop an Audit Framework
2. Develop a Fraud Policy
3. Establish a whistleblower hotline for fraud, waste, abuse, and other unethical incidents
4. Performance Audit of the Vendor Master File and 1099 Reporting
5. Reviews of Financial Procedures and Controls for the Stadium Authority
   - Non-NFL Events' revenues
   - Financial reporting policy
   - Review past transactions re: Construction Fund and Public Safety costs
6. Annual Cash Disbursement Audit
7. Citywide Fraud Risk Assessment (contracted service)
8. Manage the annual external financial audit contracts for the City and Stadium Authority (contracted service)

Audit Work Plan FY19 & FY20

Deliverables from the City Auditor's Office
1. Annual Audit Work Plan
2. Annual Audit Recommendation Status Report
3. Semi-Annual Audit Status Report
4. Completed Audit Reports
5. Report on the Whistleblower Hotline

City Auditor’s Office Summary

Continue to promote honest, efficient effective and fully accountable city government through accurate, independent and objective audits

- Continue to reintroduce an audit function and pre-audit work processes
- Establish a whistleblower hotline for fraud, waste, abuse, and other unethical issues
- Carry out the projects in the Audit Work Plan
- Recruit and train audit staff
- Promote greater accountability

Key Administrative Area Updates:

Human Resources Assessment
Contract Management &
Procurement Reforms

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Human Resources Department

Strengthening our Workforce, Improving Basic Functions, and Recruitment/Retention Practices

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The Center of What's Possible

First 90 Days

- Team is very committed to serving our customers
- Systems and procedures are manual, outdated and/or undocumented
- Transaction based, not strategic partner with operating departments
- Unable to easily obtain and analyze data due to complex and/or outdated HRIS/Payroll systems
- Concerns regarding payroll errors, lack of appropriate internal controls, risk of potential HIPPA violations
- Lack of investment in employee development
  - People are our greatest investment, people deliver the services our community relies upon

Human Resource Importance

Organizational Development	Depends in part on effective and efficient internal service providers
Role of Human Resources	As an internal service department, Human Resources is critical to the success of the operating departments and the City's ability to increase organizational capacity
Organizational Assessment	City engaged Management Partners to perform an organizational assessment of the Human Resources Department to identify strengths and areas of opportunity in our ability to support the organization

Organizational Assessment

- Study conducted in August 2018
- Commissioned to address various issues that had arisen:
  - Payroll errors
  - Pay increases without proper documentation
  - Risk of potential HIPPA violations
  - Confidentiality disclosures of personal information and identity
  - Various other documentation errors

Process

1. Interviewed representatives from all internal departments and all HR staff
2. Focus group discussions with representatives from bargaining units
3. Conducted HR Department workload survey
4. Reviewed policies and procedures

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Key Findings

Positives
• Staff are viewed as responsive and capable
• Strong customer service

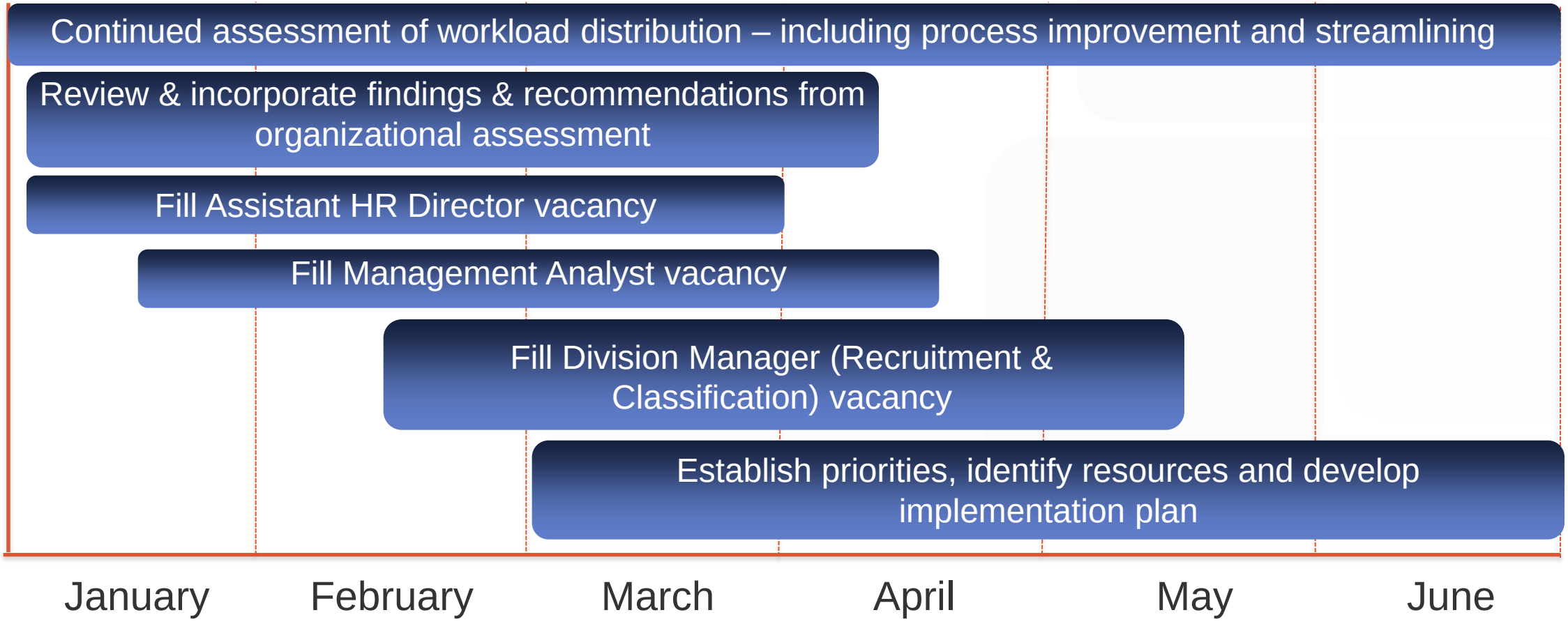
Opportunities
• Lack strategic focus on innovation and process improvement
• Limited by outdated and manual systems and our own past practices
• More robust services on professional development and leadership training needed
• HR/Payroll system (Peoplesoft)
• Current workload prohibits transformational change
• Lacking in resources and focus in two key areas: 1. Employee and labor relations 2. Training and development

Major Recommendations

Management Partners provided 65 recommendations in the following functional areas:

- Staffing levels and organizational structure
- Recruitment and selection
- Classification and compensation
- Employee and labor relations
- Training and development
- Employee benefits
- Equal employment opportunity
- Policies and procedures

6 Month Horizon



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Next Steps

- Commit to **investment in change**
  - Investment in Human Resources is important because it is an **investment in the whole organization**
  - Lead and support **high-quality, cutting-edge** organizational development
  - Our people (City employees) will **transform the organization** but only if we provide them the tools they need
  - Human Resources leads this transformation by **recruiting**, **supporting** and **retaining** staff
- Need to prioritize **key areas** that impact how we provide City services, specifically for highly skilled position needs, such as **Engineers**, **Public Safety and SVP positions**

Next Steps (continued)

- In a **competitive, high-demand** workforce market (Silicon Valley), our organization requires **innovative recruitment** and **organizational support**
- Establish **priorities** on how to invest in our Human Resources Department and develop workplan
  - Include Year 1 through Year 5 strategic workplan tasks
- Identify **necessary resources and investment** required to maintain current service delivery and enhance the organization for future success

Contract Management & Procurement Reform

Improving Basic Functions and Modernizing Practices

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Roles and Responsibilities

- Oversight of Centralized Purchasing
- Surplus Property
- Central Warehouse
- Contract Management

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Tenants of Public Purchasing

- Competition
- Equal Treatment & Access
- Transparency

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Assessment at 90 Days

- Purchasing is highly decentralized
  - Lost market opportunities to compete for best pricing
- Manual processes (or no processes)
- Heavy reliance on City Attorney's Office to write contracts/agreements
- Opportunities to implement several key procurement "best practices"

Assessment at 90 Days

- Long requisition to contract cycle times
- Confusing Purchasing Code
- Need greater separation of duties between requester and sourcing
- Maverick buying (buying without a Purchase Order or Contract)
- Need greater engagement with vendor community to promote bid awareness and how to do business with the City

Assessment at 7 Months… Accomplishments!

- Hiring qualified, professional staff
- Implementation of GovDeals for surplus property sales ($60K sold so far)
- Implementation of BidSync for e-procurement
- Expanded use of Purchase Orders
- Citywide trainings on contract writing and best practices
- New bid templates

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	1981 Chevrolet P30 ID: 0081	Chevrolet	P30	1981	Santa Clara, CA	12/14/2018 8:00 PM ET	$3,302.00 Bids: 28	View by same:
	2001 Dodge Ram 2500 Reg. Cab Long Bed 2WD ID: 2545	Dodge	BR 2500	2001	Santa Clara, CA	12/20/2018 8:00 PM ET	$1,000.00	View by same:
	Dumbell set with rack ID: 45				Santa Clara, CA	12/17/2018 5:00 PM ET	$275.00 Bids: 7	View by same:
	Bodysmith Leg Lift Machine ID: 46				Santa Clara, CA	12/10/2018 5:30 PM ET	$50.00 Bids: 1	View by same:

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City of Santa Clara

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Bid	Description	Time Left	Offers	Packet
CMO-001	MANAGEMENT and OPERATION of the SANTA CLARA CONVENTION CTR. & VISITOR SERVICES RFP	46 min (Dec 7, 2018 3:00:00 PM PST)		
RFQ 001	Recreational Activity Guides RFQ	10 days, 1 hr (Dec 17, 2018 4:00:00 PM PST)	Y	
RFP 18-19-03	RECREATIONAL PROGRAMMING SERVICES RFP	11 days, 0 hrs (Dec 18, 2018 3:00:00 PM PST)		
RFP 18-19-04	GYMNASTICS PROGRAMMING SERVICES RFP	11 days, 0 hrs (Dec 18, 2018 3:00:00 PM PST)		
RFB 18-19-01	ON-CALL WATER MAIN TAPPING SERVICES RFB	26 days, 1 hr (Jan 2, 2019 4:00:00 PM PST)	N	

Opportunities

- **Purchasing touches everything!** From our chairs to computers to paper clips, we rely on these standards and processes to support every branch of service
- **Define the business model** – centralized or hybrid
- **Revise the Purchasing Code**
  - Delegation of contract authority to City Manager
  - Local business preferences
  - Formal bidding thresholds
  - Protest process
- Develop citywide **sustainable** procurement standards and policy

Opportunities (cont'd.)

- **Contracts Management**
  - Writing effective contracts
  - Contract management
  - Contract repository
  - Process streamlining – expand use of purchase orders
- **Citywide Ethics and Process Integrity Guidelines**
- Write new administrative **Policies and Procedures**
- Conduct **procurement trainings**
- Obtain funding for **barcode system for warehouse**
- **Conduct vendor outreach** and write "How to do business with the City" guide
- **Conduct insurance assessment** with City's Risk Manager

Fiscal Outlook

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Fiscal Outlook

- Significant Progress with 10-Year Fiscal Plan and Corrective Forecast Adjustments
- Pension Costs Continue to Rise
- Property Tax decrease due to 49ers appeal
- Revenue - Tax volatility
  - 31% of General Fund dependent on volatile revenue sources
    - Sales Tax
    - Transient Occupancy Tax
- Liabilities for Other Post Employment Benefits (OPEB)

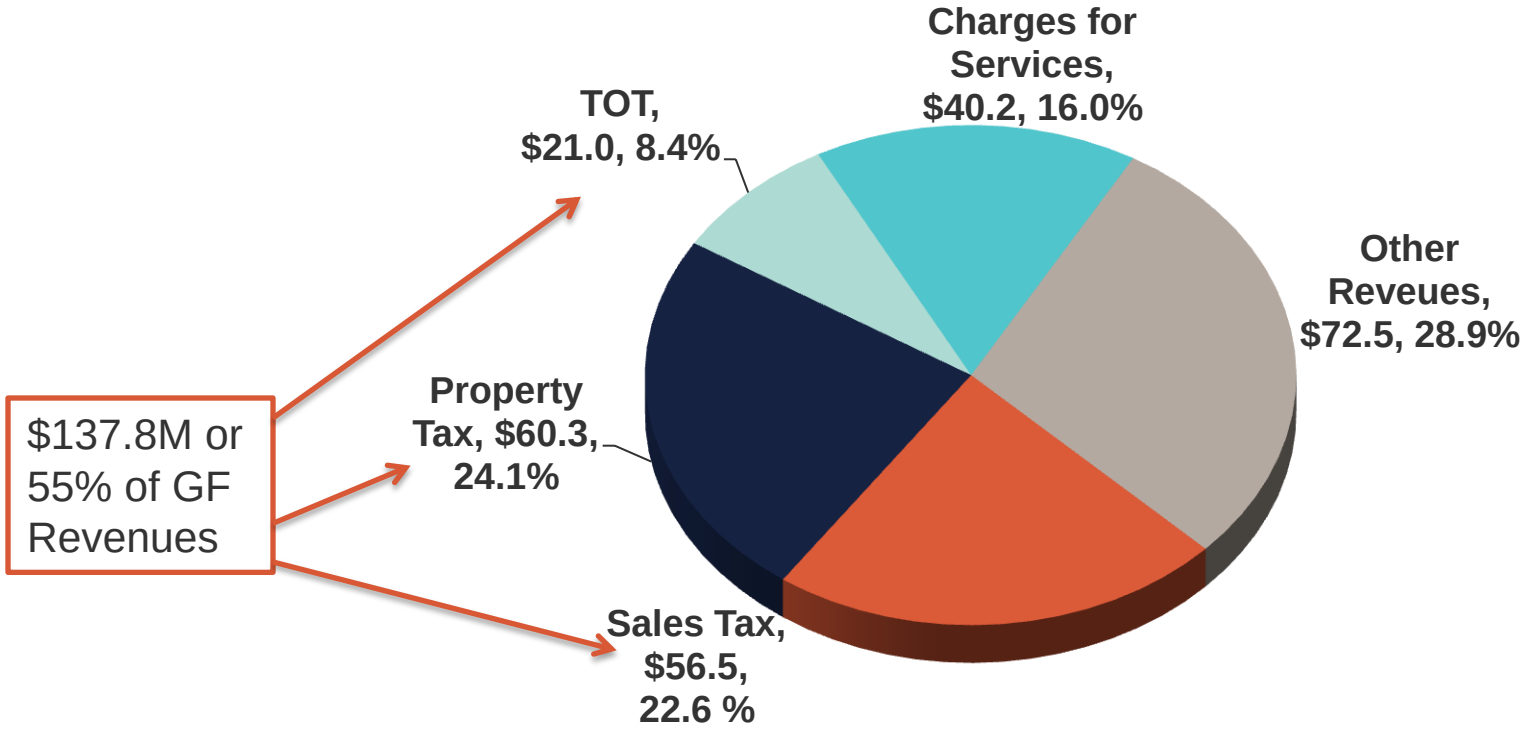
Fiscal Outlook

- Unfunded Infrastructure and increasing demands for service
- Need for Strategic Plan on revenue opportunities and expenditure management
- City Council has continued to build up reserves, with one-time funds, and continues to adopt strong budget principles
- There are predictable events that will adversely impact our fiscal outlook, e.g., economic slow down, CalPERS reform actions, etc.

2018/19 Citywide Annual Operating Budget = $860.9M

Fund Type ($ millions)	2017/18 Adopted	2018/19 Adopted	Increase or (Decrease)	% Change
General Fund	$221.6	$250.5	$28.9	13%
Special Revenue Funds	$7.2	$14.6	$7.4	103%
Internal Service Funds	$15.8	$17.5	$1.7	11%
Enterprise Funds	$484.5	$578.3	$93.8	19%
Total	$729.1	$860.9	$131.8	18%

2018/19 General Fund Resources = $250.5M



Fiscal Outlook

31% of GF Tax Revenue is Volatile

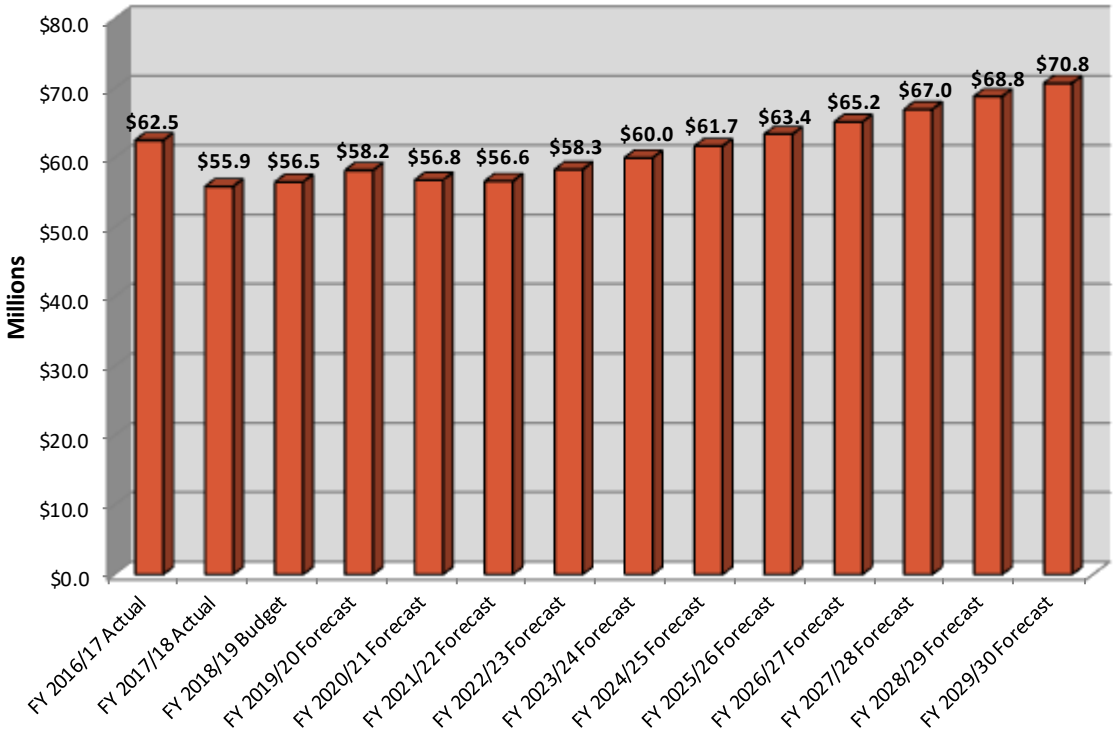
Revenue Source	Stable	Trend	% of General Fund
Sales Tax		↔	23%
Property Tax	☑	↑	24%
Transient Occupancy Tax (TOT)		↔	8%
Total			55%

2018/19 General Fund Appropriations by Type = $250.5M

Expenditure Category	2017/18 Adopted	2018/19 Adopted	Increase or (Decrease)	% Change	% of Total GF Budget
Salary and Benefits	$170.2	$184.9	$14.7	9%	74%
Services and Supplies	38.0	38.1	0.1	(0.3%)	15%
Interfund Services	10.2	11.3	1.1	11%	5%
Capital Outlay	0.7	0.9	0.2	29%	-
Debt Service	2.5	2.5	-	-	1%
Transfers-Out	-	12.8	12.8	100%	5%
Total General Fund	**$221.6**	**$250.5**	**$28.9**	**13%**	**100%**

Sales Tax

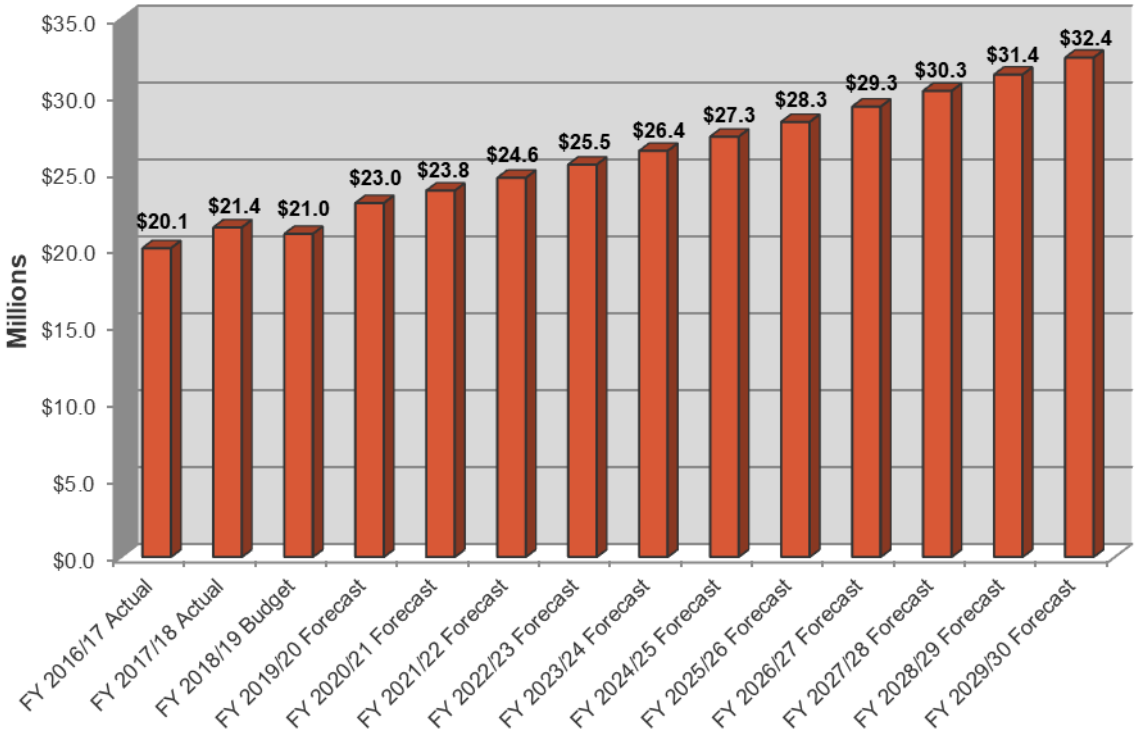
- 2nd Largest General Fund Revenue Source
- Business to Business sales make up almost half of the City's Sales Tax



FY 2016/17 includes one-time $7.0 million true-up payment due to the unwinding of the State's Triple Flip.

Transient Occupancy Tax (TOT)

- 3rd Largest General Fund Revenue Source
- Economic downturn could negatively impact these revenue sources



Fiscal Challenges

Rising Pension Costs

- Managing three impacted categories: retirees, classic members, and new employees (under PEPRA)
- Change in budget methodology decreased forecasted CalPERS costs from prior year
- CalPERS actions lowering the Discount Rate projected to have a significant cost impact -- 7.5% to 7% over three years
- New 10-Year Financial Plan using the City's actuary (Bartel & Associates) projected CalPERS rates provides structure/framework for fiscal management

Fiscal Challenges

Rising Pension Costs:

- Majority of Actuarial Accrued Liability is due to Retirees
- Current Assets are not sufficient to cover Retirees portion
- 63% of Miscellaneous and 75% of Safety hires in FY 2018/19 were PEPRA

64% of Miscellaneous and 71% of Safety Accrued Liability is due to Retirees

PLAN FUNDED STATUS - MISCELLANEOUS

	June 30, 2016	June 30, 2017
Active AAL	$ 216,100,000	$ 222,300,000
Retiree AAL	417,800,000	449,600,000
Inactive AAL	23,600,000	25,300,000
Total AAL	657,500,000	697,200,000
Assets	396,900,000	432,100,000
Unfunded Liability	260,600,000	265,100,000
Funded Ratio	60.4%	62.0%

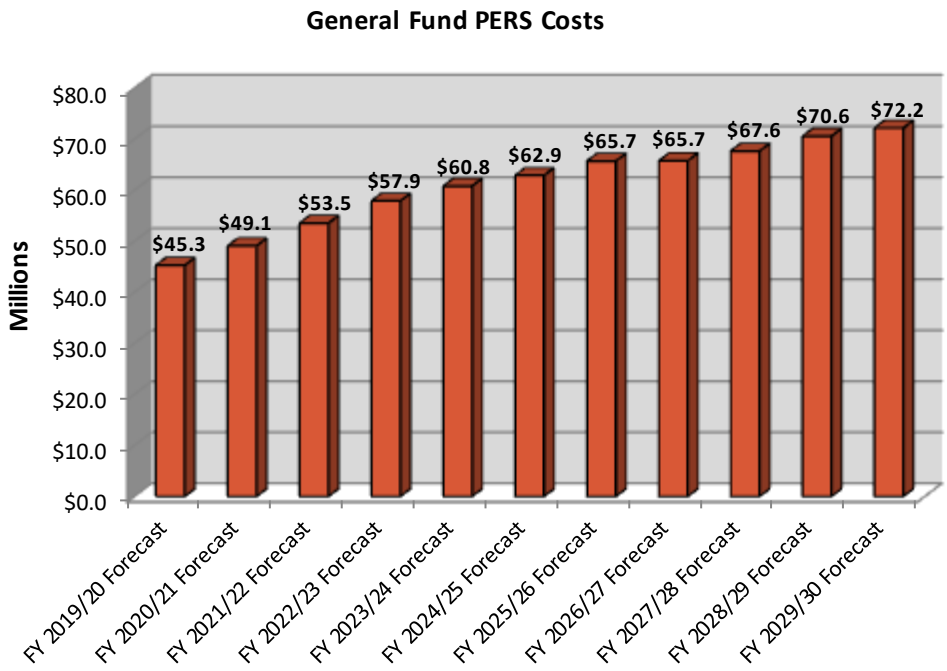
PLAN FUNDED STATUS - SAFETY

	June 30, 2016	June 30, 2017
Active AAL	$ 187,100,000	$ 206,400,000
Retiree AAL	495,000,000	516,600,000
Inactive AAL	6,800,000	5,600,000
Total AAL	688,900,000	728,600,000
Assets	445,000,000	481,000,000
Unfunded Liability	243,900,000	247,600,000
Funded Ratio	64.6%	66.0%

Fiscal Challenges

Rising Pension Costs:

- Predicted to increase $33.4 million (all funds) by FY 2029/30 when compared to FY 2019/20 costs
- Current UAL of $516 million
- FY 2029/30 Fixed UAL costs will reach
  - $31.7 million for Miscellaneous
  - $32.2 million for Safety



Fiscal Challenges

- **Pension Trust**
  - Pension Trust Funding for all Funds included in 2018/19
  - UAL of $516M
  - Reserve funded 4% of total UAL

FUND	Pension Reserve Balance as of June 30, 2018 ($ millions)	YTD Pension Trust Contribution ($ millions)	Total	% of Fund UAL
General Fund	$12.124	$3.849	$15.973	4.1%
Electric	$3.489	$0.729	$4.218	4.5%
Water	-	$0.139	$0.139	0.7%
Sewer	-	$0.060	$0.060	0.8%
Water Recycling	-	$0.010	$0.010	1.0%
Solid Waste	-	$0.020	$0.020	0.5%
Total	$15.613	$4.807	$20.420	4%

Source: CalPERS GASB 68 Report

Fiscal Challenges

Liabilities for Other Post Employment Benefits (OPEB)

- Unfunded Accrued Liability (UAL) equals $28 million
- Currently 31% funded
- Funding strategy to pay off over 22 years
- City is paying Actuarially Determined Contribution (ADC)
- Government Accounting Standards Board (GASB) Statement 75 requires governments to report a liability on the financial statements and more extensive note disclosures
  - Included in the City's 2017/18 Comprehensive Annual Financial Report (CAFR)

Source: CalPERS GASB 75 Report

General Fund Reserves as of December 2018
(One-Time Funds)

FUND TYPE	CURRENT BALANCE ($ millions)	REQUIREMENTS
Budget Stabilization Reserve	$63.3	90-day or 25% of budgeted appropriations
Capital Projects Reserve	**$24.5**	**$5 million min. reserve target**
Land Sale Reserve	$21.2	Net proceeds from sale of City owned land, unrestricted
Building Inspection Reserve	$ 9.6	Development fees restricted to fund Building Division costs
Total	**$118.6**	

Summary of Reserve Funds
(One-Time Funds)

Reserve Type	July 1, 2017 Beginning Balance	July 1, 2018 Beginning Balance	Proposed Contribution for Dec 2018	2018/19 Use of Reserves	Total Reserve Balance	Estimated One-time Increase in 2019	Estimated 18/19 Reserve Balance
General Fund Budget Stabilization (BSR)	$50.0	$55.1	$9.1	($0.9)	$63.3	$15.0	$78.3
General Fund Capital Projects	$32.8	$31.0	$3.6	($10.1)	$24.5	-	$24.5
Land Sale Reserve	$39.3	$29.1	-	($7.9)	$21.2	-	$21.2
Building Inspection	$8.4	$12.4	$0.4	($3.2)	$9.6	-	$9.6
Special Liability	$0.5	$3.8	$2.2	($2.0)	$4.0	-	$4.0
Pension Trust (all funds)	$5.0	$15.5	$4.8	-	$20.3	-	$20.3
Electric Rate Stabilization	$87.0	$121.0	-	-	$121.0	-	$121.0
Total	**$223.0**	**$267.9**	**$20.1**	**($24.1)**	**$263.9**	**$15.0**	**$278.9**

Fiscal Challenges – Unfunded Projects and Infrastructure

Absence of a Capital Fund strategy to address short- and long-term needs for:

- Public Facilities and Other Infrastructure
- Streets and Other Infrastructure
- Parks and Recreation

Fiscal Challenges – Unfunded Projects and Infrastructure

Public Facilities and Other Infrastructure

- Civic Center Repair / Rehabilitation
- Corporation Yard Repair / Rehabilitation
- Fire Station Repair / Rehabilitation
- Convention Center Repair / Rehabilitation
- Cemetery Repair / Rehabilitation

Note – the Unfunded Projects and Infrastructure list will be updated during the 2020/21 & 2021/22 Budget Process

Fiscal Challenges – Unfunded Projects and Infrastructure

- **Streets and Other Infrastructure**
  - Pump Station Repair / Rehabilitation
  - Storm Drain / Rehabilitation
  - Annual Streets Maintenance
  - Major Streets Improvements
  - Trials and Bike Lanes Improvements
- **Parks and Recreation**
  - International Swim Center
  - Sports Facilities, Fields, and Land Acquisition

Ten-Year Financial Forecast

- Established Ten-Year Financial Forecast
- Projected Deficits/Surpluses if solved with ongoing dollars (concept of Net Operating Margin)

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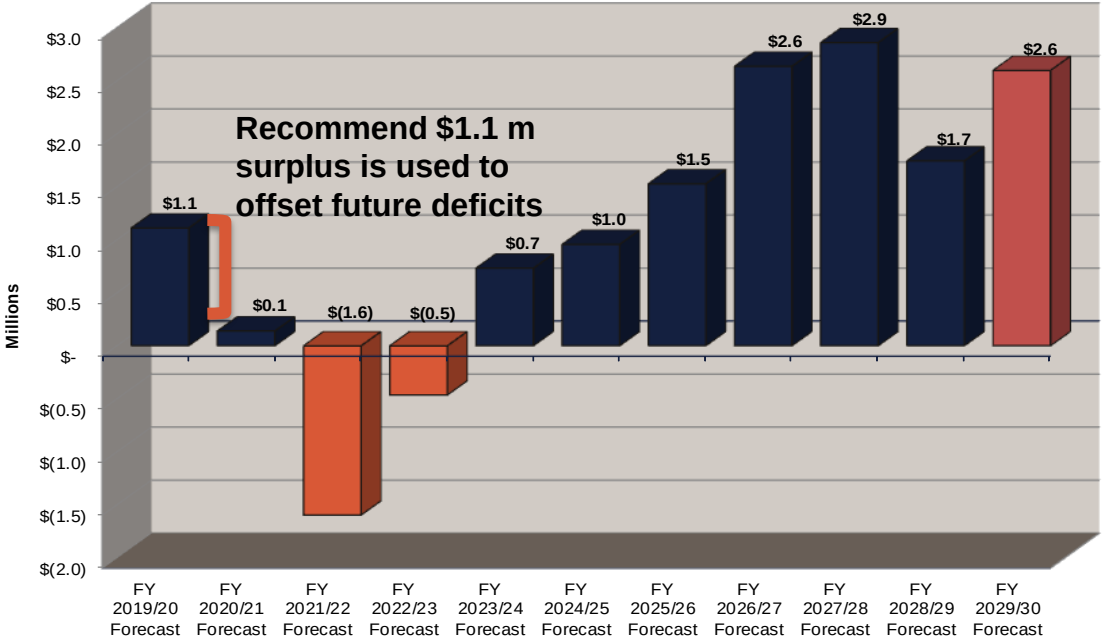
10 Year Financial Forecast Development and Assumptions

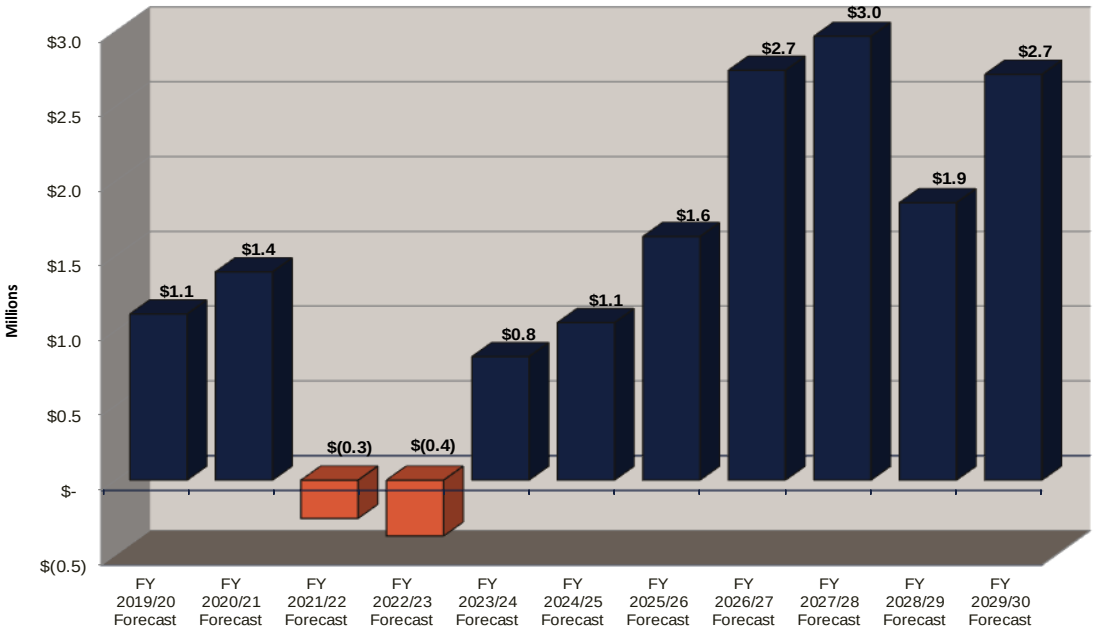
- **CalPERS** – Implemented current CalPERS direction/methodology for payments and reflected accordingly in budgeting practices and financial forecast
- **Economic Slow Down Strategy** – Modest economic slow down assumed
- **Revenue and Expenditure Update** – Review of all revenue and expenditures
- **FY 2019/20 Base Budget Review** – Includes modest increases of Base Budget expenditures to maintain current service levels

January 2019 General Fund Net Operating Margin – Base Scenario



January 2019 General Fund Net Operating Margin with 1% TOT

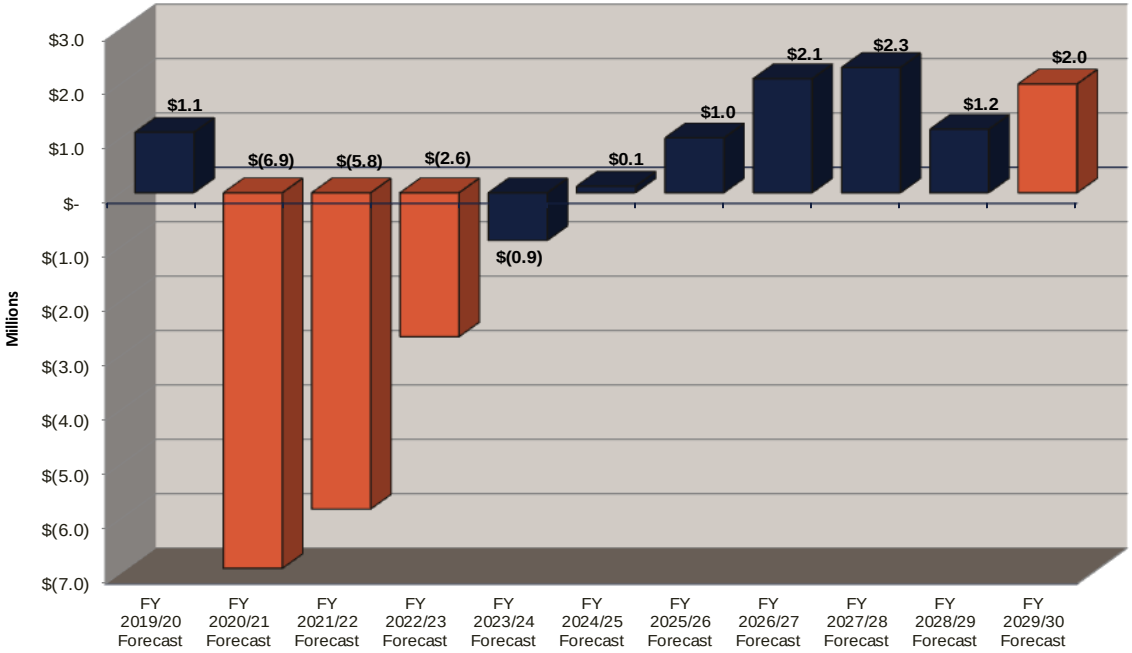
- 1% TOT Ballot Measure would solve ongoing deficits
- 1% Electricity Utility User Tax Ballot Measure could bring additional $2-$4 million ongoing (not reflected)



Deeper Recession Scenario – Major Drivers

- **Sales Tax – Consultant data reflecting a recession in FY 2020/21**
  - Overall decline 9.5% in FY 2020/21 and 3.8% decline in FY 2021/22
- **Transient Occupancy Tax – volatile and driven by hotel occupancy and room rates**
  - Revenues are volatile and declines would follow similar trend to Sales Tax
- **Property Tax – delayed and moderate effect due to timing of property assessments and Proposition 13 cap**
  - Assume growth drops to 5% in FY 2021/22 and 4% in FY 2022/23
- **Assume lower interest rates during recession**

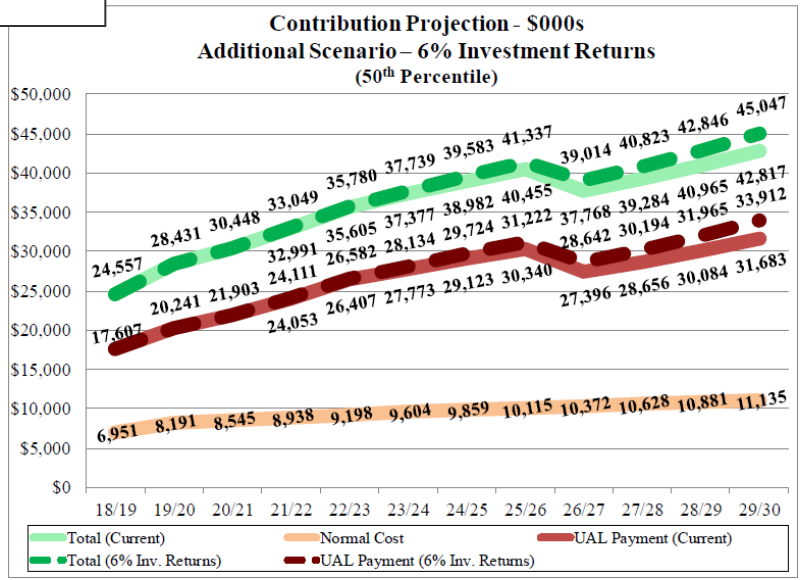
General Fund Net Operating Margin Recession Scenario



6.5% vs 6% CalPERS Investment Return Scenario

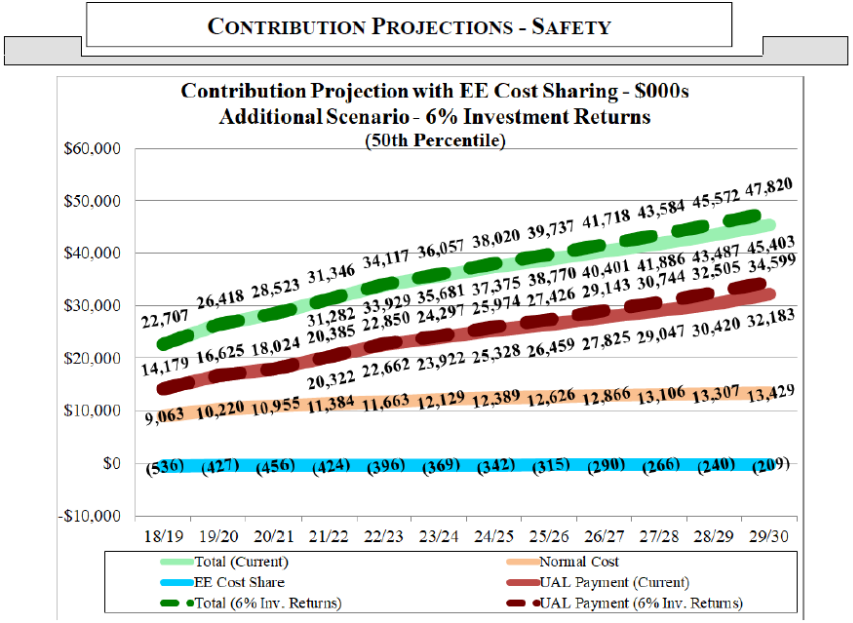
Lower actual investment returns = higher UAL Payment

- Current Scenario (solid lines) assumes 6.5% returns over 10-Yr Period
- Increases $58k in FY 2021/22 to $2.2m in FY 2029/30
- Each year's investment shortfall "loss" would be amortized for 20 Years
- Total $9.0m All Funds ($5.3m GF) over the 10-Year Forecast

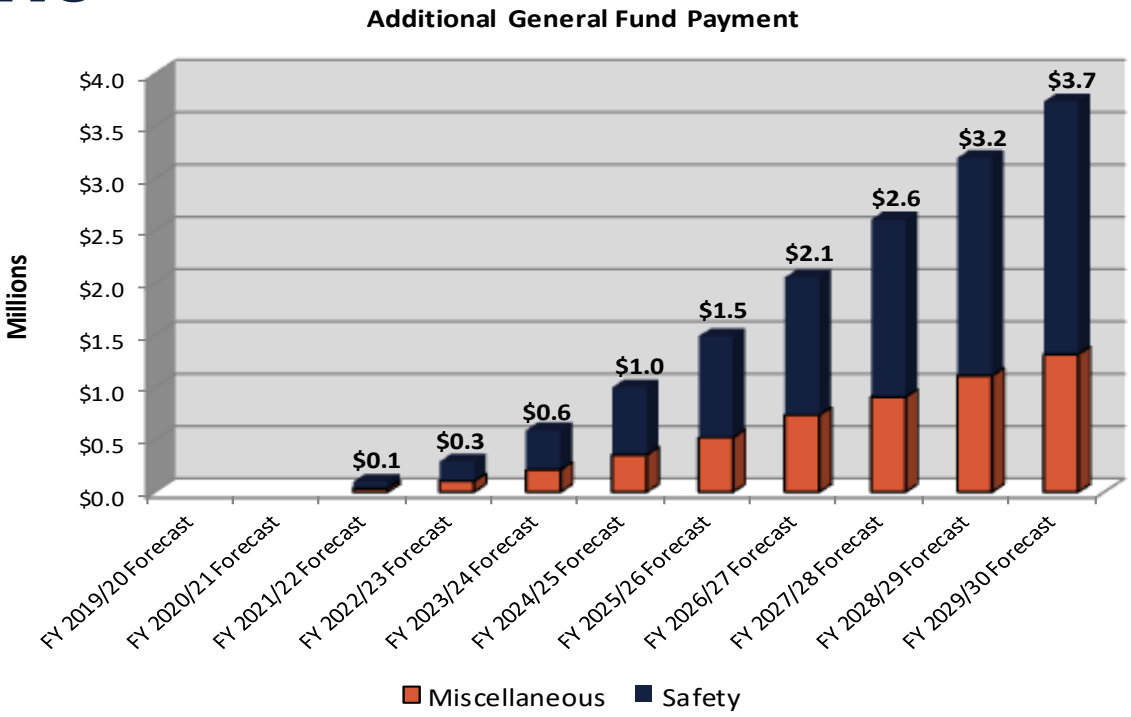


6.5% vs 6% CalPERS Investment Return Scenario

- Lower Investment returns = higher Unfunded Accrued Liability (UAL)
- Increases $64k in FY 2021/22 to $2.4m in FY 2029/30
- Each year's investment shortfall "loss" would be amortized for 20 Years
- Total $9.8m over the 10-Year Forecast

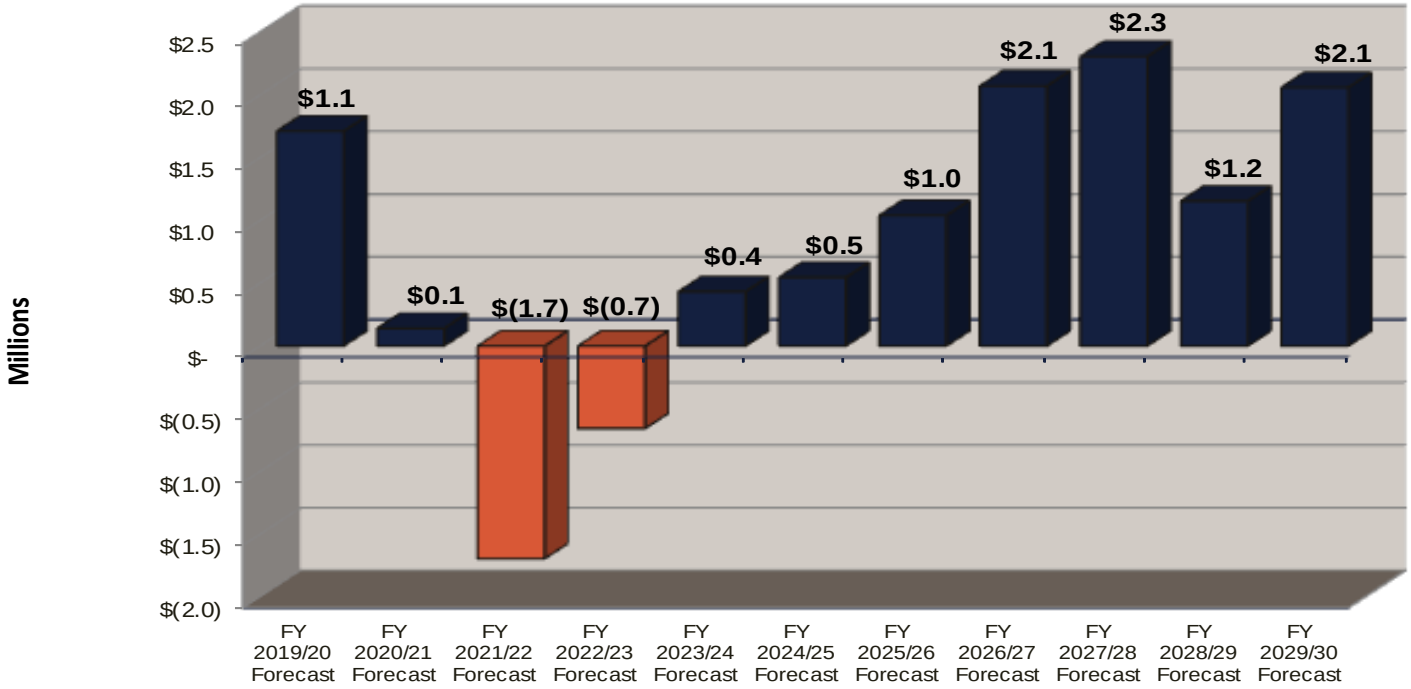


6.5% vs 6% CalPERS Investment Return Scenario

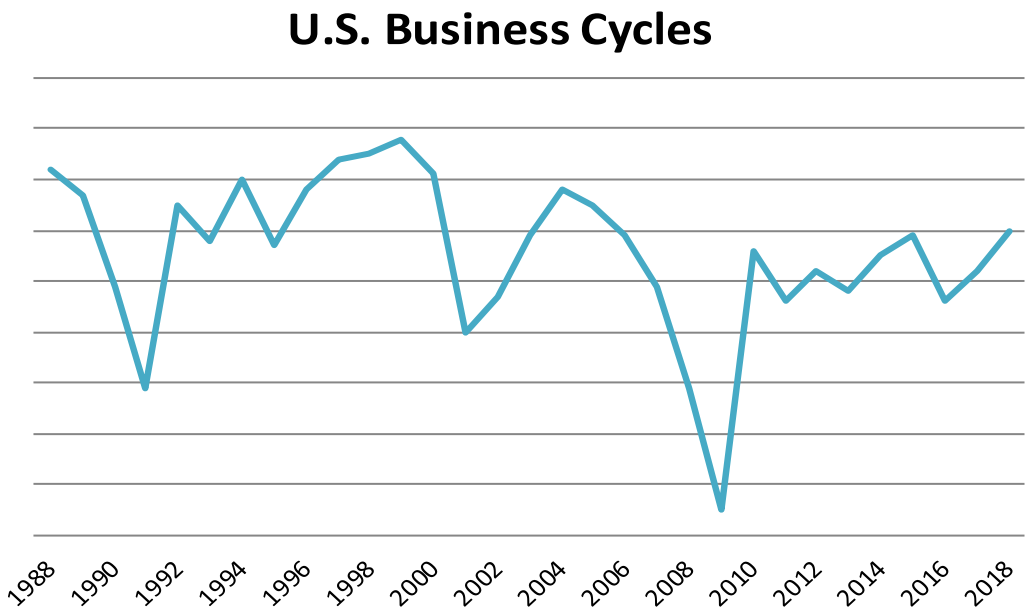


Total Increase of $15.1 Million

General Fund Net Operating Margin Base Scenario with CalPERS at 6%



Potential Impacts to Forecast



Economic expansion is the second-longest in U.S. History

- Currently on track to become the longest expansion
- June 2009 to current
- 116 + months

Note: Based on Annual GDP Growth

Potential Impacts to Forecast

- Decrease in Stadium Authority revenue
- Labor negotiations and expenditures beyond assumptions
- CalPERS actuarial changes or any CalPERS reform actions
- Infrastructure Operating Budget impacts
- Economy
- State/Federal Legislative Changes
- Further refinement of major tax revenue projections
- Development Projects:
  - Revenue Impact
  - Staffing

Budget Work Plan for FY 2019/20 & 2020/21

- Two-year Operating Budget Development currently underway
- Update to the two-year Capital Improvement Plan (CIP)
  - Moved to a two-year CIP budget in the prior year
  - Updates to the CIP for 2019/20 will be limited and included as part of the Operating Budget Report to Council
- Stadium Authority Operating, Debt Service, Capital Budget and Marketing Plan
  - Study Session scheduled for March 6, 2019
  - Board action scheduled for March 19, 2019

FY 2019/20 & 2020/21 Budget Approach

Overall budget approach

- Continuing to positioning City for potential economic slow down through prudent management of reserves
- Manage project cost escalations by holding some projects for a more favorable bidding climate
- Revenue projections will be reflective of historical trends
- Managing changes in total compensation, specifically salary and pension costs

FY 2019/20 & 2020/21 Budget Approach

Potential New Revenue Sources

- Community benefits programs
- Review of current taxes including TOT and Business License Tax Rates and Methodology
- Development of new revenue (e.g., UUT) and review other revenue opportunities
- Review of fees and charges for adjustment to full cost where appropriate (Study underway)
- Consideration of potential new or modernization of impact fees (Study underway)

FY 2018/19 &19/20 Capital Improvement Plan (CIP)

- Adopted a two-year CIP Budget in FY 2018/19. Adjustments to the FY 2019/20 CIP included in the Annual Budget
- Incorporated City Council Priorities for fiscal alignment
- Departments focused on approved projects in prior Capital Budgets
- Address health/safety issues and serious deferred maintenance needs
- Long-term budget decisions based on using data from the Ten-Year Financial Plan

FY 2019/20 & 20/21 Annual Operating Budget

- New Format for Budget
  - Greater level of detail and increased transparency
  - Budget format has not changed since the 90's
  - Budget will include beginning and ending balances for all funds
- Long-term fiscal decision making (Self-solve budget requests)
- Continue community engagement and transparency efforts
- Limited number of personnel/new vehicle requests will be considered

FY 2019/20 & 20/21 Annual Operating Budget

- Improve business processes (may require use of one-time funds)
- No longer beginning with a status quo budget for the base year
  - Departments were asked to develop their base budgets and they were submitted in December 2018
- Requests should only be made for items that can be completed or be well underway in FY 2019/20 & 2020/21
- Use of other funds before use of the General Fund – Shift expenditures from General Fund to other funds where appropriate
- All budgets will be scrutinized regardless of funding source

FY 2019/20 Stadium Authority Budget/Marketing Plan

- Budget process began in November 2018
- Worked with StadCo/ManCo to receive all required documents
- Budget adoption in March 2019

Date	Stadium Authority Budget Schedule
March 6, 2019	Study Session to review Proposed Stadium Authority Budget
March 19, 2019	Adoption of Stadium Authority Budget

FY 2019/20 & 2020/21 Budget Calendar

Date	City Budget Schedule
January 31 and February 1, 2019	Adoption of Budget Principles
April 9, 2019	Study Session to review the Proposed Municipal Fee Schedule
April 23, 2019	Public Hearing and Adoption of Proposed Municipal Fee Schedule
May 7, 2019	Study Session to review Annual Operating Budget and Ten-Year Financial Plan
June 4, 2019	Public Hearing for the Proposed Annual Operating Budget, Ten-Year Financial Plan, and CIP Budget
June 25, 2019	Public Hearing and Adoption of Proposed Annual Operating Budget, Ten-Year Financial Plan, and CIP Budget

Update on Council Policy Priorities

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City Council Policy Priorities

Promote and Enhance Economic and Housing Development

Enhance Community Engagement and Transparency

Enhance Community Sports and Recreational Assets

Ensure Compliance with Measure J and Manage Levi's Stadium

Deliver and Enhance High Quality Efficient Services and Infrastructure

Sustainability (Recommended)

Maintain Adequate Staffing Levels (**Recommended: Manage Strategically Our Workforce Capacity and Resources**)

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Promote and Enhance Economic and Housing Development

1. **Franklin Street Option Agreement and Downtown Revitalization and Precise Plan**
2. **City Place and Santana West** – Settlement Agreements
3. **Specific Plans** for Lawrence Station (Completed), Tasman East (Completed), El Camino Real, Patrick Henry and Freedom Circle
4. **Next phase of Santa Clara Square** – housing and build-out needs
5. **Business Relations – Need for More Small Business Outreach** – North Santa Clara – CityPlace, Yahoo! Site, Cedar Fair, Tasman East
6. **Affordable Housing Policy, Land, and Funding**
7. **Major Developments that Require Focused Attention and Review** (Tasman East, Coleman Gateway, Kyli, SCU projects, NVIDIA, etc.)

Promote and Enhance Economic and Housing Development

8. **Prevailing Wage** – implement tracking system for prevailing wage support and training for both vendors and City staff.
9. **Convention Center**: (1) Convention Center Assessment, (2) Initiate Feasibility Study for Expansion Options of the Convention Center, (3) Determine Operating Model for the Convention Center
10. **Historic Preservation Inventory**
11. **Collaboration with NOVA** – Small Business Development, Expanded Services
12. **Westfield Valley Fair Expansion**
13. **City Place Planning and Initial Phase of Project Delivery** – Phase 1

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Enhance Community Sports and Recreational Assets

1. **Celebrated Grand Opening** for:
   a) San Tomas and Monroe Neighborhood Park and Community Garden
   b) Reed and Grant Sports Park Ground Breaking
   c) Central Park Annex Ribbon Cutting
   d) Mission Library Rebuild and Reopening
2. **Bookmobile Implementation**
3. **All Inclusive Park** – after losing grant opportunity, worked with County to increase Santa Clara's potential grant allocation from $1M to $1.8M

City of Santa Clara
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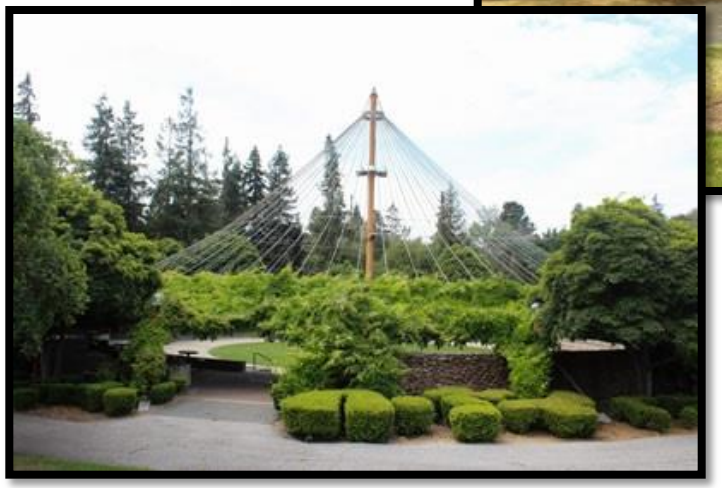
Enhance Community Sports and Recreational Assets

4. **Several Park Master Plans Approved by Council and Underway**
   a) Bowers Park
   b) Machado Park
   c) Homeridge Park
   d) Montague Park
5. **Park Fee Review and Update**
6. **Central Park Master Plan** – explore inclusive park elements to increase accessibility of City parks



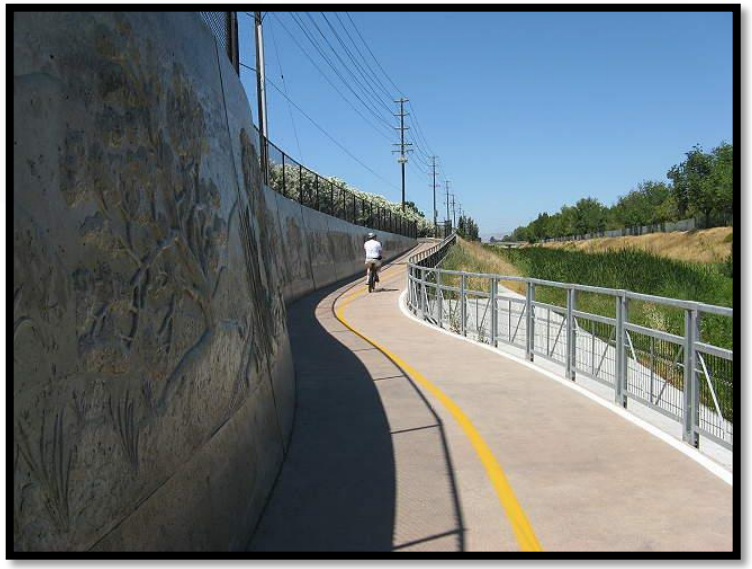
City of Santa Clara
The Center of What's Possible

Deliver and Enhance High Quality Efficient Services and Infrastructure

1. **Smart City Santa Clara** – Goal is to establish Santa Clara as a Smart City
2. **Citywide Facility Condition Inventory and Assessments**
3. **Roadway Priorities for Multimodal Improvements**
4. **IT Project Pipeline** (CAD, RMS, DocuSign, Document Management, Financial System Upgrade, Website Update, etc.)
5. **Streamline City-wide Purchasing Policies**
6. **Surplus Property Sales (GOVDeal) and Online Bidding**
7. **Contract Management and Training**
8. **Coal and Carbon Free Electricity** – Since January 2018; SVP Implemented
9. **Contract Compliance, Risk Management, and Oversight of Contracted Services**

City of Santa Clara
The Center of What's Possible

Deliver and Enhance High Quality Efficient Services and Infrastructure



10. **Convention Center Operations and Service Delivery Model**
11. **Cannabis Ordinance** – Policy Development
12. **Massage Parlor Ordinance**
13. **Tobacco Ordinance**
14. **Audit Program Implementation**
15. **Capital Projects Management** (200+ Projects, Transition from Manual to Automated Tracking)
16. **Infrastructure Efforts**, e.g., Long-Term Water Access, Regional Sewage Issues (TPAC)
17. **Response to Regional Development Projects**, e.g., Cupertino San Jose
18. **Traffic Fee Impact Update**
19. **Safe Routes to School Program**
20. **Minimum Wage and Worker Retention Policy**

City of Santa Clara
The Center of What's Possible

Maintain Adequate Staffing Levels

(**Recommended**: Manage Strategically Our Workforce Capacity and Resources)

1. **City's Workload > Staff Capacity/Levels:** We have less resources than surrounding cities and are far more complex, how we use our capacity requires more strategy.
2. **Deficit refinement/budget due diligence saved dozens of positions in year 1** (40-50 positions). This came by deliberate decision to reduce process, which opened up capacity.
3. **Organizational Development Efforts** – Executive Management training and development to keep skills sharp and modern. Training and develop require capacity.
4. **Civic Scholars Program** – Flexible, no-cost opportunity for working adults to complete BA degree
5. **Hired key staff vacancies:** Recruitment and Retainment of Staff need a Reboot!
6. **Civic Center Master Plan** to address space needs
7. **Cannabis Tax Measure** and tax implementation will produce revenue, but also draw resources
8. **Good labor relations and negotiated contracts.**

Completed 5 MOUs – Year 1	Initiated 5 MOUs – Year 1
• Fire (IAFF Unit 1) • Fire Management (Unit 9B) • AFSCME (Unit 6) • SC Employee Association (Units 5, 7 & 8) • Misc Management (Unit 9)	• Police (Unit 2) • Police Management (Unit 9A) • IBEW (Unit 3) • Engineers (Unit 4) • Public Safety Non-Sworn (Unit 10)

City of Santa Clara
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Enhance Community Engagement and Transparency

1. **Established City Manager Blog**
2. **Connecting with residents** through website, social media, the City Newspaper, community events, community meetings, commissions, etc.
3. **Expanded City's online reach** by joining Nextdoor.com
4. **Transparency in funding local campaigns** – Dark Money Ordinance
5. **Use of Peak Democracy** for online community surveys
6. **Implementation of enhanced/robust community research efforts** (e.g., Stadium Authority Model)
7. **Information Memos** as part of executive report out at Council meetings
8. **Worked with Mayor to hold State of the City in the community**

The Newspaper for City of Santa Clara Residents & Businesses

Winter/Spring 2018

Inside

City of Santa Clara
The Center of What's Possible

See inside for Annual Clean-Up Campaign Information — pages 14-15

Voters to consider Council election change on June 5

A ballot measure to change the way Santa Clara elects members of the City Council will be considered by voters during the Gubernatorial Primary Election on Tuesday, June 5.

If approved, the City Charter would be amended so that Council members are elected to represent one of two districts. (How to divide the City into two districts will be determined at public hearings in the spring.) Each district will have three Council members and only residents of the district will vote for those Council positions. Currently candidates run for a specific Council seat, which does not represent a geographical district, and are elected by all voters in the City.

The June 5, 2018 Gubernatorial Primary Election is the first step in the transition process. If the Charter Amendment measure passes in June, then in the November 2018 election two Council members would be elected to four-year terms for District 1 by residents living in that district. Voters throughout the City will also elect a Mayor for a four-year term in November 2018.

The second phase of the transition would occur in 2020, when voters in District 1 would select a Council member for a two-year term and voters in District 2 would select three Council members for four-year terms.

To be eligible to vote in the June 5 election, residents must be registered to vote by May 21. Requests to vote by mail ballot must be received by May 29. More information on how to register and request mail ballots can be found on the Santa Clara County Registrar of Voters website, SCCgov.org, and from the Santa Clara City Clerk's Office, 1500 Warburton Ave., 408-615-2220 or the website SantaClaraVotes.org.

Ranked Choice Voting in the future

Currently, Santa Clara uses plurality voting, where the candidate who receives the most votes is elected. A new type of voting method – a form of Ranked Choice Voting – could be put in place beginning as early as the 2020 election if the City Charter amendment measure is approved in June 2018. In this method, voters rank candidates on their ballot in order of preference and candidates must receive a certain threshold of voter support to be elected. More detailed information will be provided to voters before the system is put into place.

All of these election changes were recommended by a Charter Review Committee appointed by the City Council.

Central Park Annex coming soon

A new public park is nearly complete between Kiely Boulevard and Miles Drive. It includes areas with native grasses and creek upland habitat, as well as a new playground, picnic area, grass lawn and restroom. Prometheus Development will turn over the two-acre park to the City at a public dedication event to be scheduled in early 2018.

Council goal-setting session in January

The public is invited to attend the City Council's goal-setting session on Jan. 19-20 from 8:00 a.m. to 5:00 p.m. at the Santa Clara Convention Center.

The entire session will be live streamed on the City's YouTube and Facebook channels. City priorities will be determined for the next two years during this session.

For information, call the Mayor/Council Office at (408) 615-2250 or check the City website at SantaClaraCA.gov.

Fire Department helps fight wildfire

The Santa Clara Fire Department dispatched Engine 90 and a crew of four firefights to Southern California on Dec. 5 to help fight the massive wildfire in Ventura County. The team was assigned to structure protection. Explosive, gusty winds – clocked at more than 75 mph – fed the fire that destroyed 150+ homes in one night. Wind-drive fire embers made for tenuous conditions. At press time, the fire had scorched more than 236,000 acres but was slowly coming under control.

Connect with Santa Clara

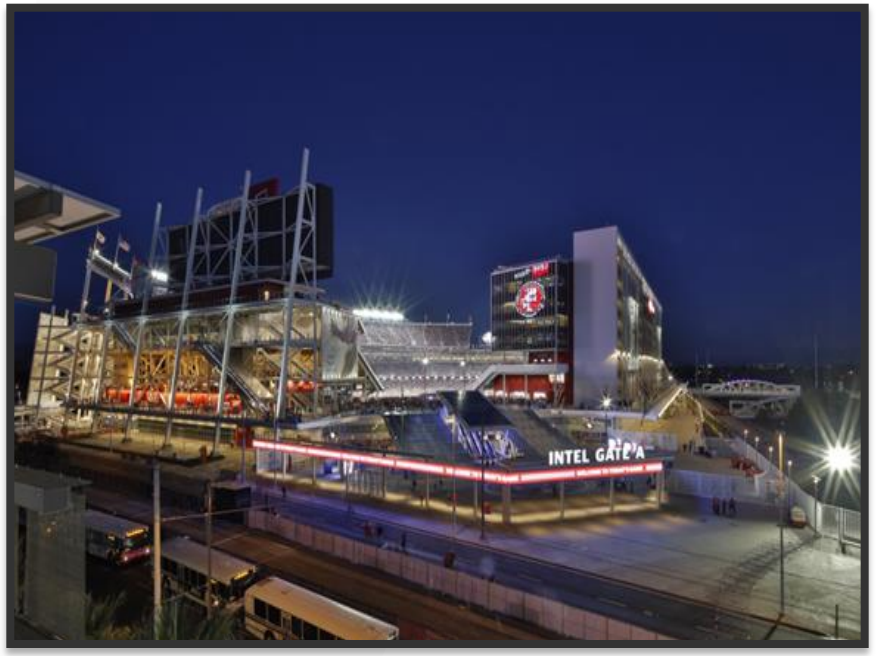
City of Santa Clara
The Center of What's Possible

Enhance Community Engagement and Transparency

9. **Community programs:**
   - Leadership Santa Clara
   - Neighborhood Watch
   - Boards & Commissions
10. **Re-Launched City's app, MySantaClara** with expanded service options and increased accessibility to City staff and resources
11. **Developed a 10-year Fiscal Outlook** to provide better transparency for residents to review and understand the City's fiscal outlook

Connect with Santa Clara

Ensure Compliance with Measure J and Manage Levi's Stadium



1. **Completed comprehensive audit status monitoring** framework of Stadium costs and financial reporting. Findings from comprehensive audit of Stadium were implemented, which led to an updated approach to managing the contracts and other processes.
2. **Set aside $630,000** for establishing a **Community Room** at the Stadium.
3. **Negotiated Concessionaires Agreement** for Levi's Stadium. Monitoring workforce retention.
4. **Implemented real-time noise monitoring program**.
5. **Established telephone number** to receive input from residents.
6. **Conducted robust community engagement** process on impacts of the Stadium to establish solid data for future improvements.
7. **College Football Playoff (CFP) National Championship** – Agreement to ensure no losses to Stadium Authority or City.

Ensure Compliance with Measure J and Manage Levi's Stadium

8. **Independent Auditor Function** – took action to obtain in-house and external independent auditors to address specific Board direction (such as reconciling public safety expenditures charged to "Construction Fund"), as well as ongoing needs.
9. **Improved Budget Transparency** – separated Stadium Authority budget to demonstrate resource revenue and expenditure for the Stadium.
10. **Marketing Plan** – implemented new process to review the draft Marketing Plan in a study session prior to acting on the Plan at a subsequent Board Meeting.
11. **Improved Financial Reporting** – inclusion of the non-NFL net revenue by event type and event revenue and expenses by category in annual report. See 4th Quarter Report for detailed reporting.
12. **SCSA/Levi's Stadium Selected for two projects for study by NYU**– community engagement and financial analysis of regional economic impact of large events.
13. **Accountability to Agreements** – issued several letters to Tenant on agreement provisions that require compliance or improved performance.

Sustainability

Recommended new Council Priority Pillar

Sustainability – Current Efforts

1. **Improve energy efficiency at aging City buildings**
2. **Waste reduction** (Organics Collection)
3. **Reduce single-occupant vehicle use** (TDM, multi-modal options)
4. **Provide energy efficiency, solar incentive and green power programs** to residential and business electric users in Santa Clara, including:
   - Santa Clara Green Power (100% renewable energy)
   - Solar electric incentives
   - Neighborhood Solar Program

Sustainability – Current Efforts

5. **Corp Yard Green Business Certification**
   - Implement a DPW Environmentally Preferable Purchasing Policy (EPPP)
   - Install sink faucets aerators
   - Reduce the use of chemicals
     - cleaners with triclosan, fluorescent tubes, aerosolized air fresheners, paper products processed with chlorine, etc.
   - Properly sort and dispose of waste
     - garbage, recycling, plant material, e-waste, universal waste, hazardous waste

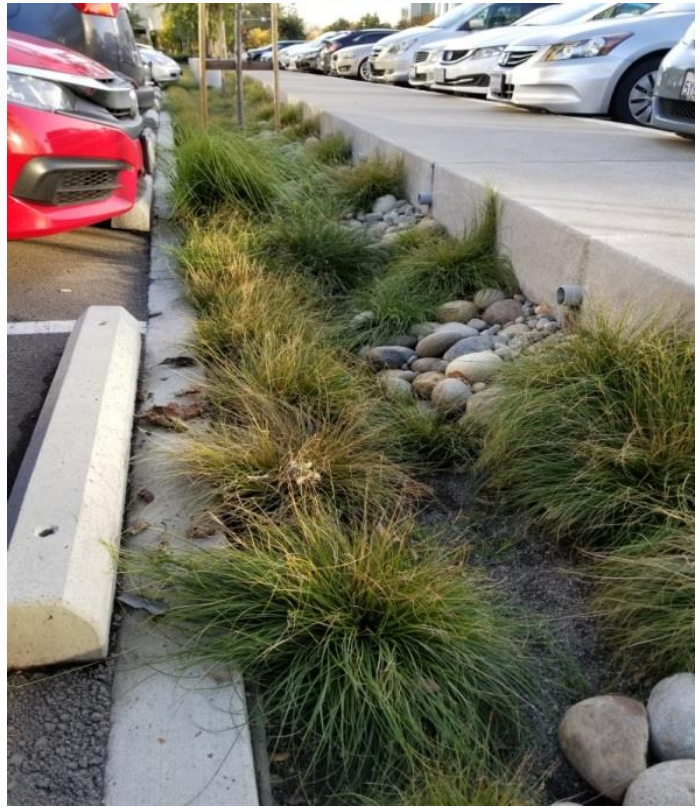
Sustainability – Current Efforts

6. Green Fleet Policy Development

- Policy Objectives:
  - Optimize fleet size by reducing the number of underutilized vehicles/equipment
  - Select the most environmentally friendly and cost effective fleet of vehicles available by class
  - Reduce the total cost of running the City's fleet
  - Comply with EPA and CARB emissions requirements
- Purchase & install electric vehicle charging stations as necessary for implementation
- Policy Approval Summer 2019

Sustainability – Current Efforts

7. **Green Infrastructure (GI) Plan**
   - Adoption Required by September 30, 2019
   - Develop guidelines for streetscape and project design and construction that:
     - Retrofit existing impervious spaces (examples: parks, green streets, rain gardens, parking lots)
     - Provide treatment of stormwater before discharge
     - Prioritize/advocate multi-benefit projects that include stormwater treatment, complete streets, urban forestry, etc.
   - Plan includes standard specs and details

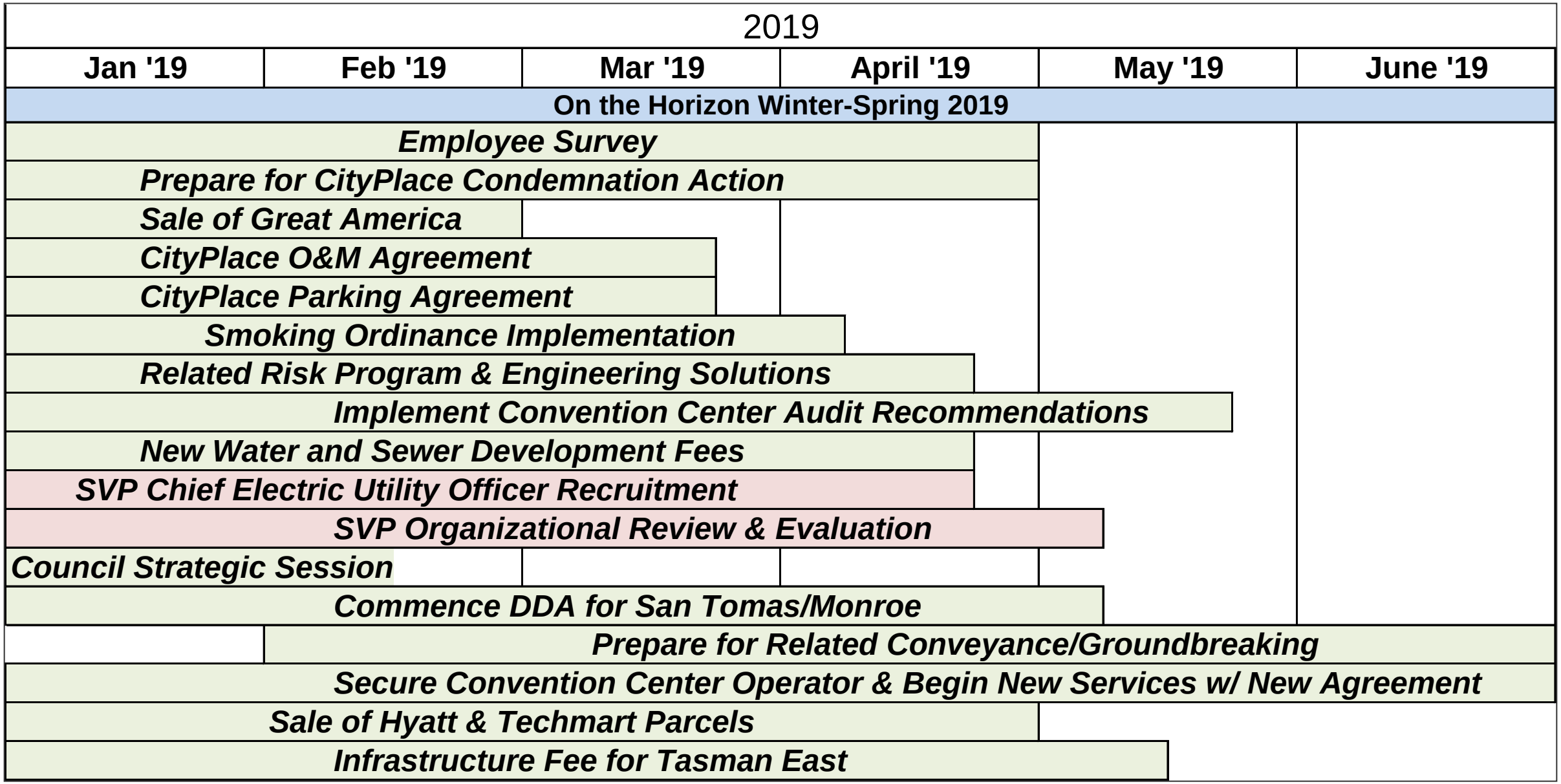


Sustainability – Current Efforts

8. **Updating Climate Action Plan**
9. **Implemented state adopted Green Building Codes** through Building Permitting program and Planning permits
10. **General Plan Sustainability Policies** in the following areas:
    - Land Use and Transportation,
    - Air Quality,
    - Energy Use,
    - Green Building,
    - Water Conservation,
    - Waste Reduction, and
    - Biological Resources Protection

Sustainability – New Initiatives

1. **Transition to bleach-free paper towels** in City facilities
2. **Reduce use of plastics** by focusing on reusable drinking containers for public meetings and reducing the practice of single-use plastic bottles
3. **Increase amount of recycled materials** and decrease use of paper throughout the City through better use of digital tools
4. **City-wide sustainable procurement policy** to guide purchasing through all departments of environmentally preferred supplies

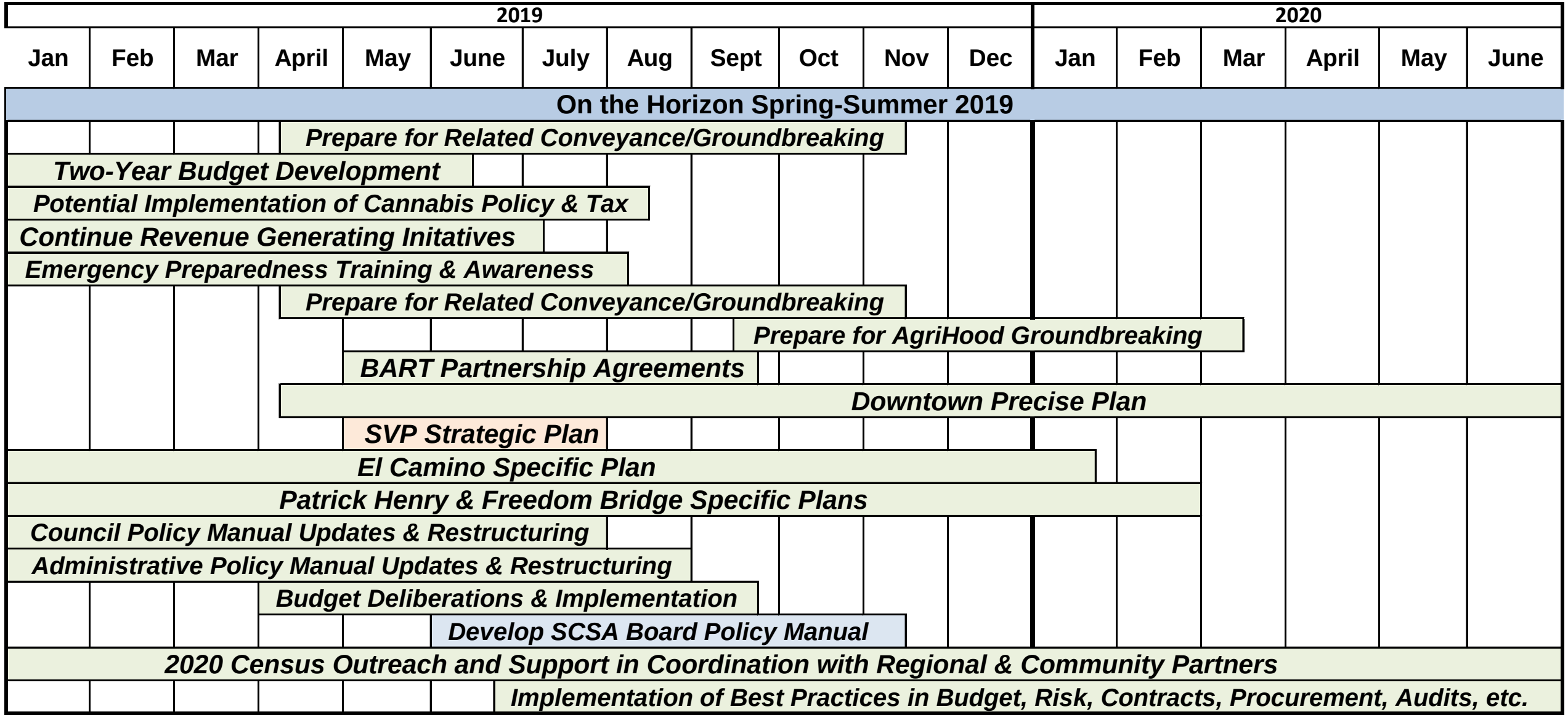


DRAFT – subject to further revision

2019					
Jan '19	**Feb '19**	**Mar '19**	**April '19**	**May '19**	**June '19**
On the Horizon Winter-Spring 2019					
New Capital Projects Database					
Salary Setting Commission Implementation					
First NYU Graduate Student Research Update on Stadium					
Measure N Implementation					
Measure M Implementation					
Two-Year Budget Development					
Continue Revenue Generating Initatives					
Strengthening Emergency Preparedness (Increased Training and Awareness)					
Labor Negotiations					
Community Room Negotiations at Stadium					
Stadium Authority Budget Development & Board Consideration					
Review Public Safety Model for Stadium Events					
CFP Fiscal Reconciliation & Financial Report					
Award of Convention Center & CVB Contract					

Citywide | Silicon Valley Power | Levi's Stadium

DRAFT – subject to further revision



Citywide

Silicon Valley Power

Levi's Stadium

DRAFT – subject to further revision

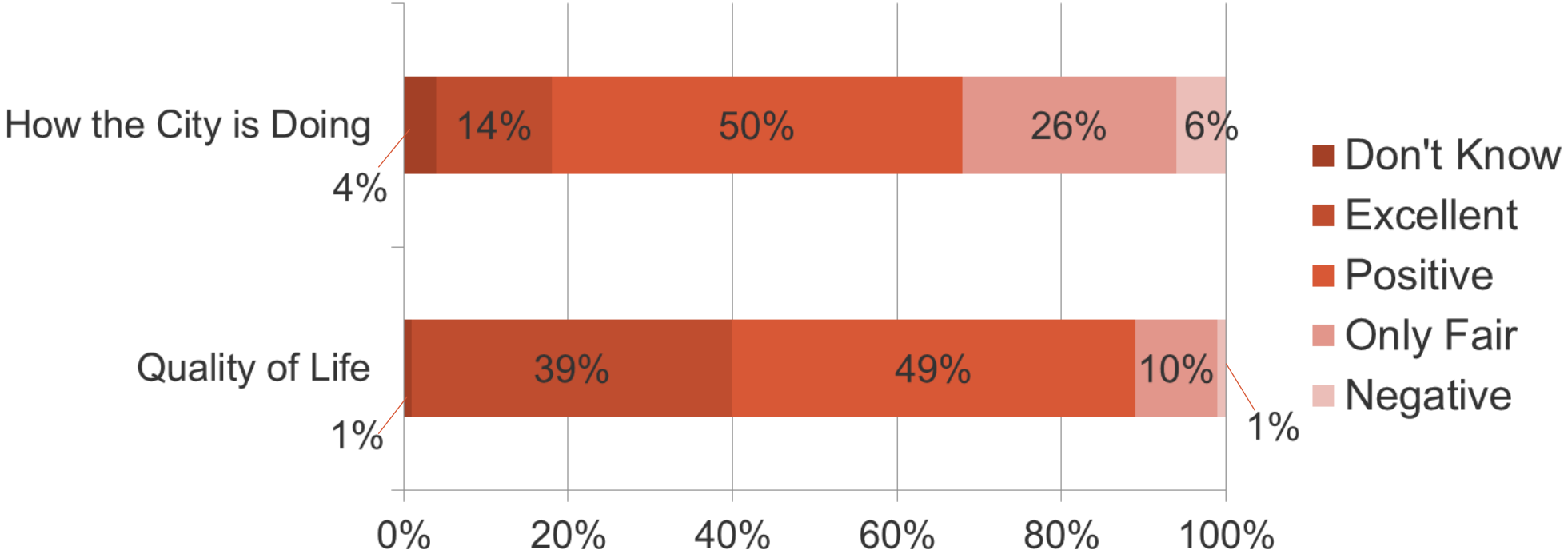
Community Research Statistics

City of Santa Clara
The Center of What's Possible

Community Research Statistics

64% of respondents believe the City is doing an excellent or positive job

88% of respondents believe that quality of life in Santa Clara is positive or excellent



Source: Telephone surveys conducted by EMC Research and The Lew Edwards Group in January and June 2018 with Santa Clara voters

City of Santa Clara
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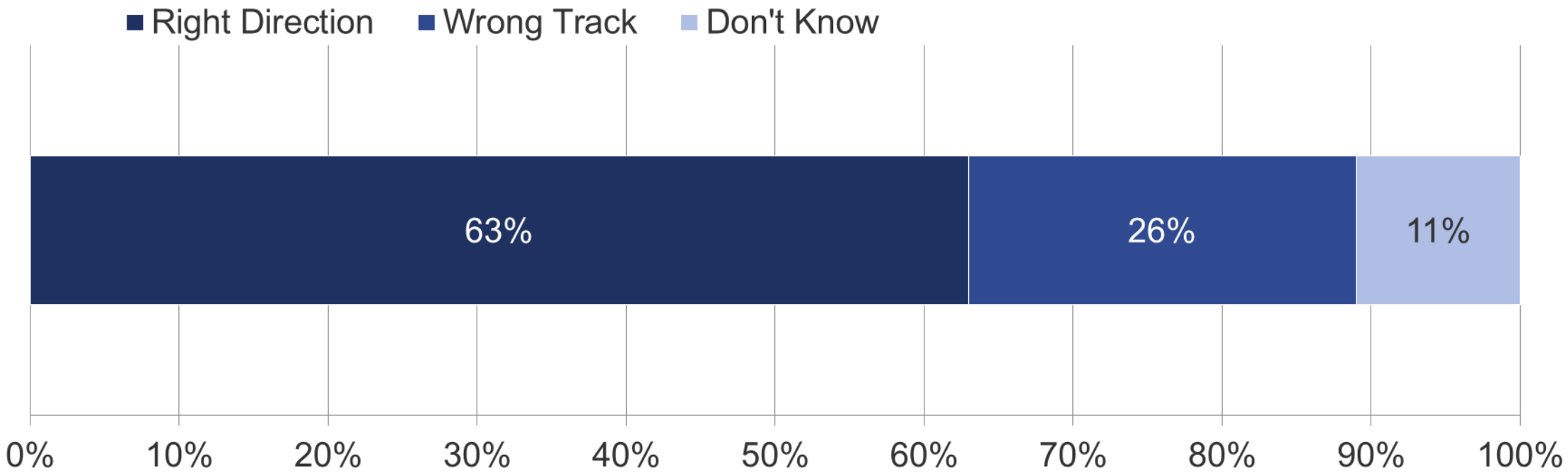
Community Research Statistics

63% of those polled believe that the City is headed in the right direction.



City of Santa Clara
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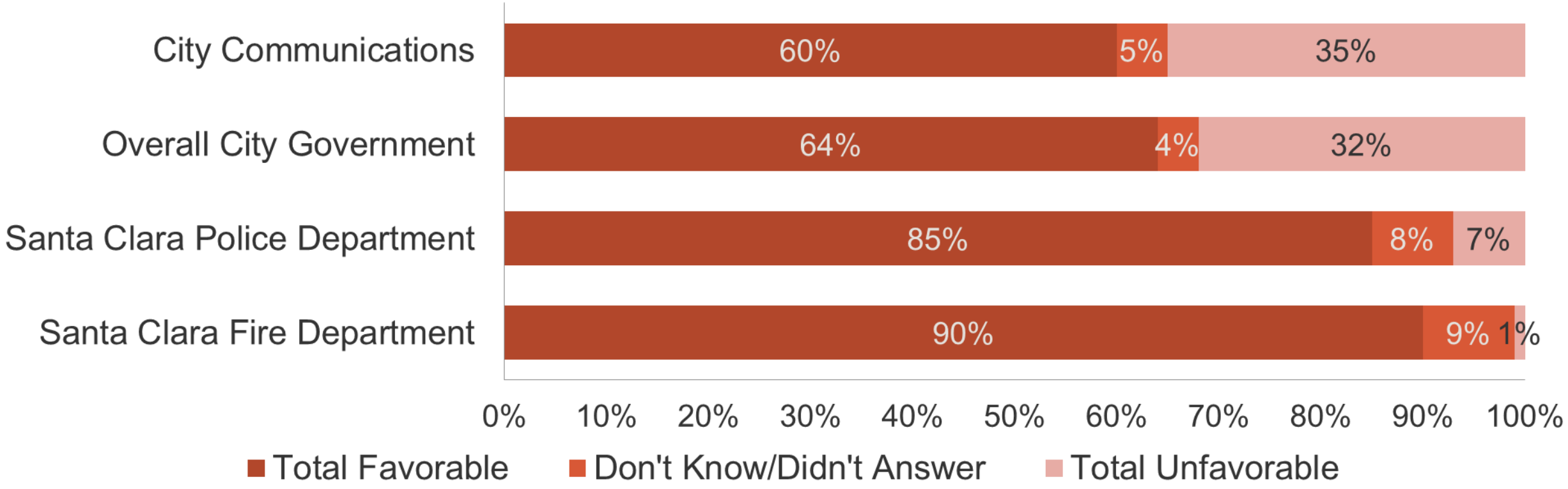
Source: Telephone surveys conducted by EMC Research and The Lew Edwards Group in January and June 2018 with Santa Clara voters

Community Research Statistics

Overall, voters rate City services very positively, especially public safety:



Source: Telephone surveys conducted by EMC Research and The Lew Edwards Group in January and June 2018 with Santa Clara voters

City of Santa Clara
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Recommendations

City of Santa Clara
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Recommendations for City Council Action:

1. Adopt the 2019-2020 Budget Principles;
2. Accept the 10-year Financial Forecast;
3. Validate Pillars and approve recommended amendments as follows:
   a. **Manage Strategically Our Workforce Capacity and Resources** (changed from Maintain Adequate Staffing Levels);
   b. Addition of a new **Sustainability** Pillar;
4. Approve the City Auditor's Annual Audit Workplan for FY2018/19 (mid-year) and 2019/20;
5. Provide direction to the City Manager to continue to work on the two revenue strategy options (Transit Oriented Tax and the Utility Users Tax) and bring back a work plan for the City Council.

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