



## Agenda Report

18-444

Agenda Date: 9/11/2018

### REPORT TO COUNCIL

#### SUBJECT

Action on Donations to the City Policy and Gifts to Elected and Appointed Officials Policy and Related Budget Amendment

#### BACKGROUND

At the September 11, 2017 Governance Committee Meeting, the Committee recommended that the Gifts to the City Policy be updated to address gifts to elected and appointed officials, while a separate Donations to the City Policy be drafted to address donations to the City as a whole, both of which are now brought forward for City Council approval consideration.

After the Governance Committee recommendation, staff reviewed and amended the policies as discussed. In addition, staff added a streamlined appropriation process for monetary donations as discussed below, consistent with Charter Section 1305.

Section 1305 of the Charter of the City of Santa Clara (Attachment 1), entitled 'Budget - Appropriations,' states that, from the effective date of the budget, the several amounts stated therein as proposed expenditures shall be and become appropriated to the several departments, offices and agencies for the respective objects and purposes therein named; all appropriations shall lapse at the end of the fiscal year to the extent that they shall not have been expended or lawfully encumbered; and at any meeting after the adoption of the budget, the City Council may amend or supplement the budget by motion adopted by the affirmative votes of at least five members so as to authorize the transfer of unused balances appropriated for one purpose to another purpose, or to appropriate available revenue not included in the budget.

#### DISCUSSION

The Donations to the City policy (a new policy) seeks to address donations to the City as a whole, whereas the Gifts to Elected and Appointed Officials policy (modification of an existing policy) seeks to address gifts made directly to elected or appointed officials; staff also recommends changing the title of Council Policy 016 from "Gifts to the City" to "Gifts to Elected or Appointed Officials".

#### *Donations to the City Policy*

The Donations to the City Policy (Attachment 3) provides the procedure and requirements for evaluation and acceptance of donations to the City, which can also act as useful guidelines for individuals, community groups, and businesses wishing to make donations to the City. The policy separates donations into two categories: designated (the donor specifies intended use by a particular City department, location, or purpose) and undesignated (given to the City as a whole, for an unspecified use). The proposed policy further sets the procedure for accepting donations in three tiers: \$0 to \$999; \$1000 to \$99,999; and \$100,000 or more.

In an effort to streamline administrative processes under this policy and reduce the cost of processing these donations (which can exceed the value of the donation), the City Manager seeks authorization to make monetary donations available to departments for expenditure without further Council action for donations valued under \$100,000. To comply with Charter Section 1305 and to streamline the acceptance of donations, the City Manager will include as part of the annual recommended budget, a revenue and expenditure appropriation of \$100,000 in the General Fund. When a donation is received, the revenue appropriation will be credited and the donation allocated to the respective City service, if so designated. To make this streamlining effort effective with approval of this policy, staff recommends a Fiscal Year (FY) 2018/19 budget amendment with a revenue and expenditure appropriation in the General Fund to receive and expend donated funds.

For a donation valued at or over \$100,000, the City Manager will submit a Report to Council for Council acceptance of the donation and appropriation of funds for monetary donations. A report of all donations received will be presented to the City Council on a quarterly basis.

The City of Santa Clara's General Fund received donations in the total amount of \$30,065 for FY 2016/17 and \$42,188 to date FY 2017/18. A breakdown by department is shown in the following table:

Department	FY 2016/17 Donations	FY 2017/18 Donations	Designated Use
Finance	\$1,367	\$1,790	To assist customers in need of financial assistance with utility bills
Fire	\$2,000	\$5,000	Fire protection program
Parks & Recreation	\$11,618	\$33,196	Various parks, recreation, and senior programs
Police	-	\$1,899	Police investigation program
Library	\$14,330	\$3	Various Library programs
Public Works	\$750	\$300	Street program
<b>Total</b>	<b>\$30,065</b>	<b>\$42,188</b>	

#### Gifts to Elected and Appointed Officials Policy

The amended Gifts to Elected and Appointed Officials Policy (Attachment 5) focuses on the process for accepting gifts given directly to elected and appointed City officials, including Board, Commission, or Committee members, and establishes the procedure and requirements for accepting gifts.

The policy is intended to supplement, rather than replace, applicable state law including the provisions of the Political Reform Act. The annual gift limit amount can be found in the California Code of Regulations (Attachment 6); the current annual gift limit amount for the period of January 1, 2017, to December 31, 2018, is \$470, and this figure is adjusted biennially for inflation. The amended policy also includes alternative options for received gifts; within 30 days of receipt, the elected or appointed official may return the unused gift to the gift-giver, reimburse the gift-giver for the value of the gift, or donate the gift to a nonprofit group without taking a tax deduction.

Regardless of the options to receive gifts, the policy prescribes that elected or appointed officials shall disclose verbally the acceptance of any gift at a public meeting of a body on which the official

serves during the Reports of Members portion of the agenda or, for elected department heads, by submitting a Report to Council.

### **FISCAL IMPACT**

Staff recommends a FY 2018/19 budget amendment of \$100,000 in the General Fund in order to receive and expend donated funds.

### **BUDGET AMENDMENT**

	FY 2018-19 Current	Increase/ (Decrease)	FY 2018-19 Revised
<u>Fund 001 - General Fund</u>			
<u>Revenues</u>			
Nondepartmental Program (3611) - Donations	\$0	\$100,000	\$100,000
<u>Expenditures</u>			
Nondepartmental Program (3611) - Expenditures	\$0	\$100,000	\$100,000

### **ENVIRONMENTAL REVIEW**

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

### **COORDINATION**

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

### **PUBLIC CONTACT**

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

### **RECOMMENDATION**

Adopt a resolution to approve the Donations to the City policy and the Gifts to Elected and Appointed Officials policy, and approval of related budget amendment.

Reviewed by: Walter C. Rossmann, Chief Operating Officer

Approved by: Deanna J. Santana, City Manager

### **ATTACHMENTS**

1. Excerpt from Charter of the City of Santa Clara - Section 1305

2. Donations to the City Policy (Redline)
3. Donations to the City Policy (Clean)
4. Gifts to Elected and Appointed Officials Policy (Redline)
5. Gifts to Elected and Appointed Officials Policy (Clean)
6. Excerpt from California Code of Regulations - Section 18940.2.
7. Proposed Resolution to Adopt Donations to the City policy and Gifts to Elected and Appointed Officials policy