



Legislation Details (With Text)

File #: 21-1134 **Version:** 1 **Name:**
Type: Consent Calendar **Status:** Agenda Ready
File created: 8/17/2021 **In control:** Council and Authorities Concurrent Meeting
On agenda: 9/7/2021 **Final action:** 9/7/2021
Title: Action on the Appropriation of Funds from the Silicon Valley Central Chamber of Commerce and Related Budget Amendment

Sponsors:

Indexes:

Code sections:

Attachments: 1. Settlement Agreement

Date	Ver.	Action By	Action	Result
9/7/2021	1	Council and Authorities Concurrent Meeting	Noted and filed	

REPORT TO COUNCIL

SUBJECT

Action on the Appropriation of Funds from the Silicon Valley Central Chamber of Commerce and Related Budget Amendment

COUNCIL PILLAR

Promote and Enhance Economic, Housing and Transportation Development
Enhance Community Engagement and Transparency

BACKGROUND

On May 22, 2018, Council provided direction to staff to begin an audit of the Convention Center and Convention-Visitors Bureau and the City hired TAP International to complete a performance audit of the Santa Clara Convention Center (SCCC) and the Convention-Visitors Bureau (CVB). To date, TAP International has completed three audits that have been presented to Council.

At the September 18, 2018 Council meeting, TAP International presented the analysis and findings of the performance audit entitled "Santa Clara Convention Center and Convention-Visitors Bureau: Restructuring Operations Can Strengthen Accountability, Performance and Revenue". The audit revealed while the fiscal health of the SCCC and CVB was good when evaluated separately and received high customer satisfaction scores, the audit also revealed serious failures to manage public assets with appropriate stewardship, accountability, and transparency by the Chamber.

At the November 27, 2018 Council meeting, TAP International presented the analysis and findings of the performance audit entitled "City of Santa Clara Tourism Improvement District - Governance, Internal Controls and Oversight Need Attention". The findings revealed similar issues found in the previous audit including the need for updated policies and improved record keeping as the Fiscal Agent of the Tourism Improvement District (TID).

At the November 12, 2019 Council meeting, TAP International presented the analysis and findings of the financial audit entitled “Contract Close Out Report: Convention and Visitor’s Bureau”. The audit revealed the need for the City to receive reimbursement from either the Chamber, CVB, or the Tourism Improvement District reserves based on the nature of the expenditures and the balances at the end of the Chamber’s agreement with the City. TAP International presented nine recommendations for Council consideration and Council direction was referred to Closed Session under Anticipated Litigation.

DISCUSSION

The City Council authorized discussion with the new Chamber executive staff to reach a compromise on the amounts owed as identified by the audit. A settlement was reached between the City and the Silicon Valley Central Chamber of Commerce (“SVCCC”) in June 2021, based on authority provided by Council in closed session. The settlement agreement in the amount of \$330,000 to be paid to the City was executed on July 12, 2021 (Attachment 1 Settlement Agreement). SVCCC will submit four equal payments of \$82,500 within 10 days from the beginning of each quarter, the first of which has already been made.

Funds will be managed by the City Manager’s Office and used to improve outreach and assistance to small businesses in Santa Clara.

ENVIRONMENTAL REVIEW

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

FISCAL IMPACT

The recommended budget action recognizes the settlement funds of \$330,000 and appropriates those funds to the City Manager’s Office to be used to improve outreach and assistance to small businesses in Santa Clara.

Budget Amendment FY 2021/22			
	Current	Increase/ (Decrease)	Revised
General Fund			
<u>Revenue</u>			
Revenue from Other Agencies - Silicon Valley Central Chamber of Commerce	\$0	\$330,000	\$330,000
<u>Expenditures</u>			
City Manager’s Office	\$5,442,069	\$330,000	\$5,772,069

The budget amendment recommended above requires five affirmative Council votes to appropriate additional revenue.

COORDINATION

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

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

Consistent with City Charter Section 1305, "*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,*" approve the FY 2021/22 budget amendment in the General Fund to recognize and appropriate revenue in the amount of \$330,000 to the City Manager's Office operating budget (**five affirmative Council votes required to appropriate additional revenue**) .

Reviewed by: Ruth Mizobe Shikada, Assistant City Manager

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

1. Settlement Agreement