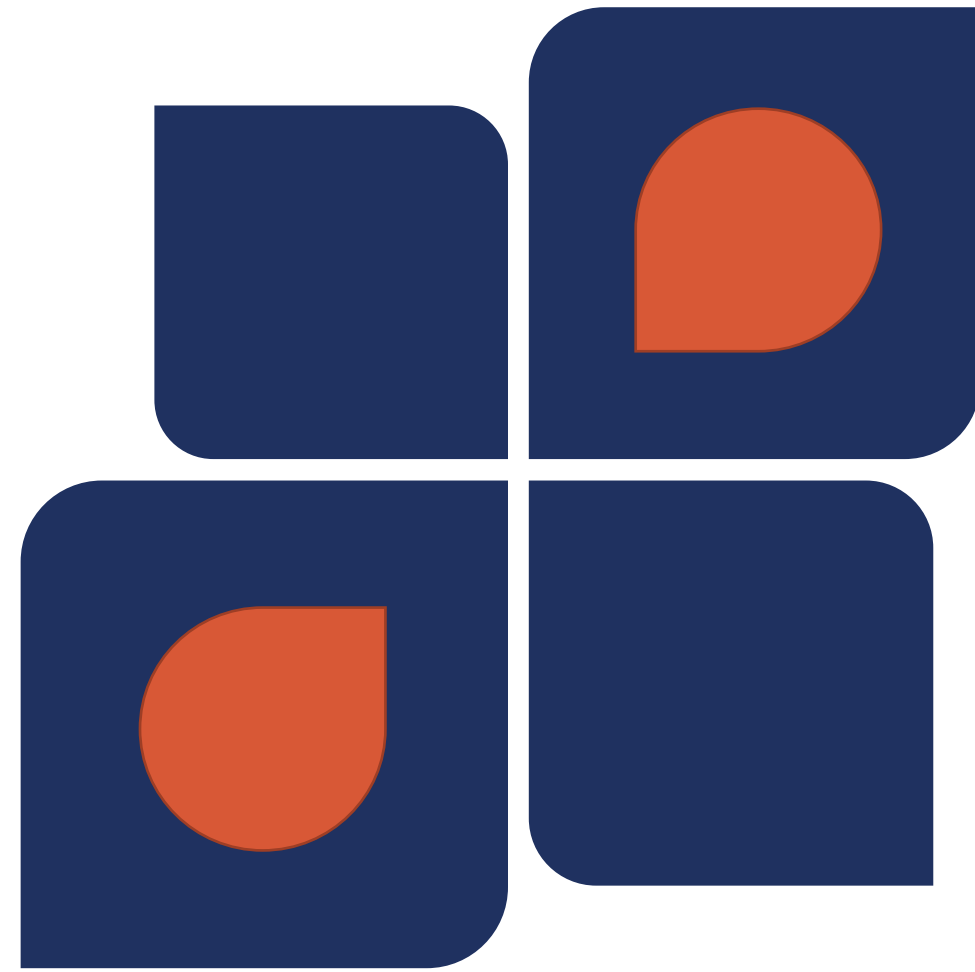


2022 City Council Priority Session

February 8, 2022



Welcome - Where we Are

- Governance: Working on Meeting Efficiency and Collegiality
- City not aligned with Charter re: Council Appointees, has caused for significant workload, impaired function, and burden on the organization for complex legal services needs
- 10-Year Financial Forecast -- \$19.6 M GF projected deficit and \$5 M in GF CIP Reserve with \$500M of GF 5-Year CIP need (*\$1B long-term*)
- Workload high, Capacity low, and Staffing reduced/overwhelmed with work
- Significant Accomplishments on Priorities: COVID uncertainty
- Next 18 months will define your work:
 - February - November 2022 Ballot Measures/Stabilize Fiscal and Workforce Conditions
 - November – June 2023 Budget balancing (based on ballot outcome) and adopted balanced budget with either reductions or stabilized revenue

Agenda

1. Welcome – Where we Are
2. Budget Update & 10-Year Financial Forecast
3. Accomplishments on Council Priorities and State of the Organization
4. Governance Check-in with Council
5. 2022 Council Priorities Strategy – 2022 Critical Priorities, Additional Items Referred and Unfunded Council Initiatives

5 p.m. Presentation of Ballot Measure Strategy Research Results



Public Presentations



Budget Update & 10-Year Financial Forecast

Kenn Lee, Director of Finance



Agenda

- Overview
- Economic Outlook
- 10-Year General Fund Forecast
- Capital Budget
- Budget Balancing
- Budget Principles
- Next Steps/Policy Discussion



Overview

Financial Update as a Strategic Planning Tool

- Evaluate current condition
- Foundation for looking at priorities
- Know risk factors and vulnerabilities
- Understand trade-offs moving forward
- Develop mitigation efforts
- Strategic positioning and use of reserves



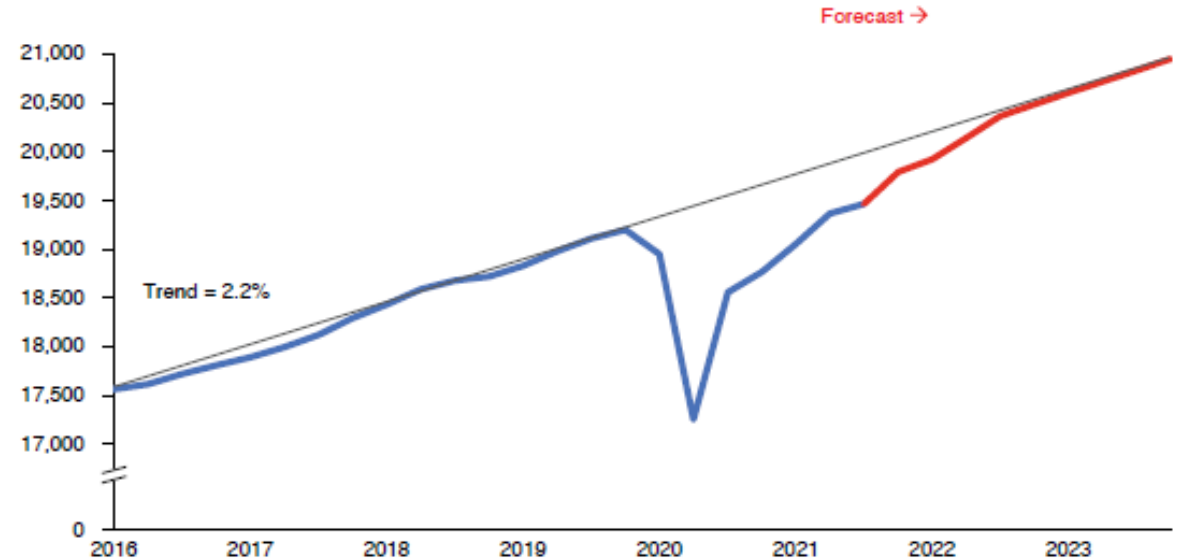
Economic Outlook



Economic Outlook

- COVID-19 continues to determine the course of the economy
- UCLA Forecast is for continued strong economic growth and labor market recovery, with a lessening of supply constraints and inflation
- Omicron variant may temporarily derail this forecast, but it is too soon to tell

Real GDP Levels and Trends, \$ Billions



Source: UCLA Anderson Forecast and Oxford Economics

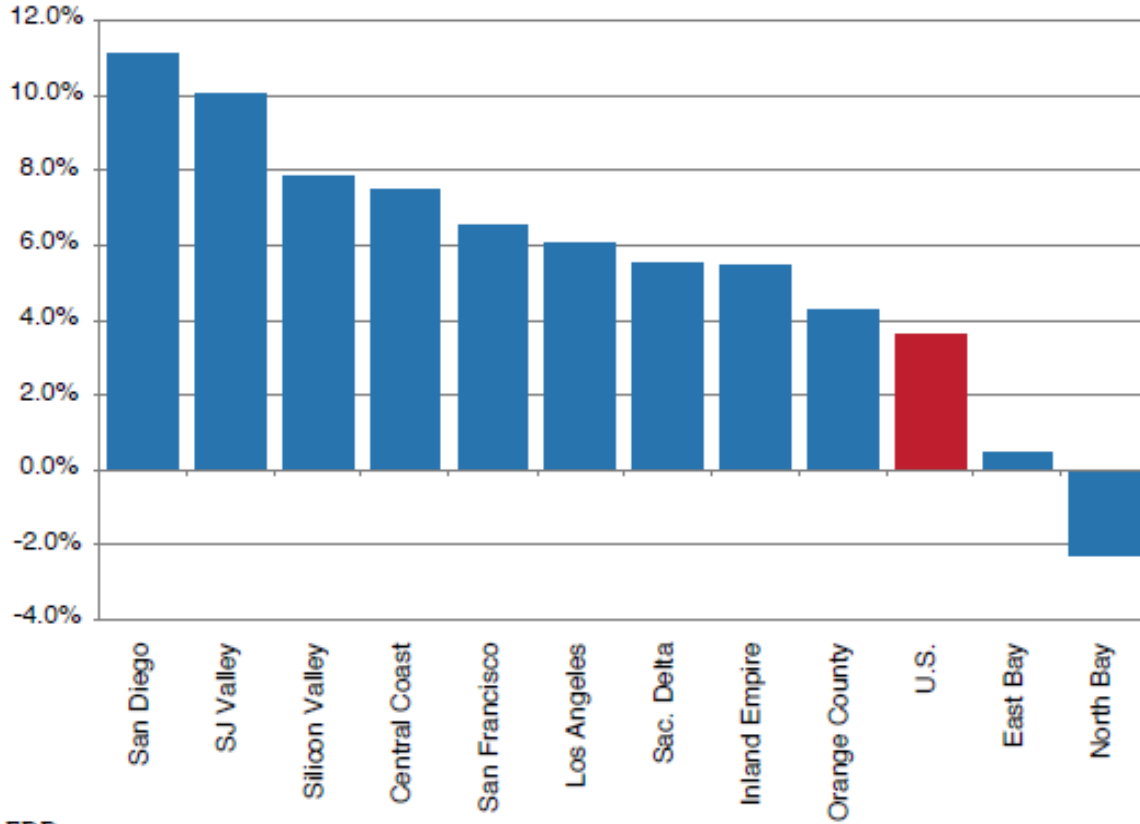
- GDP expected to reach the pre-pandemic trend by Q3 2022



Economic Outlook

Chart 3

California Regional Job Gain
(July 2021 to Oct. 2021, SAAR)

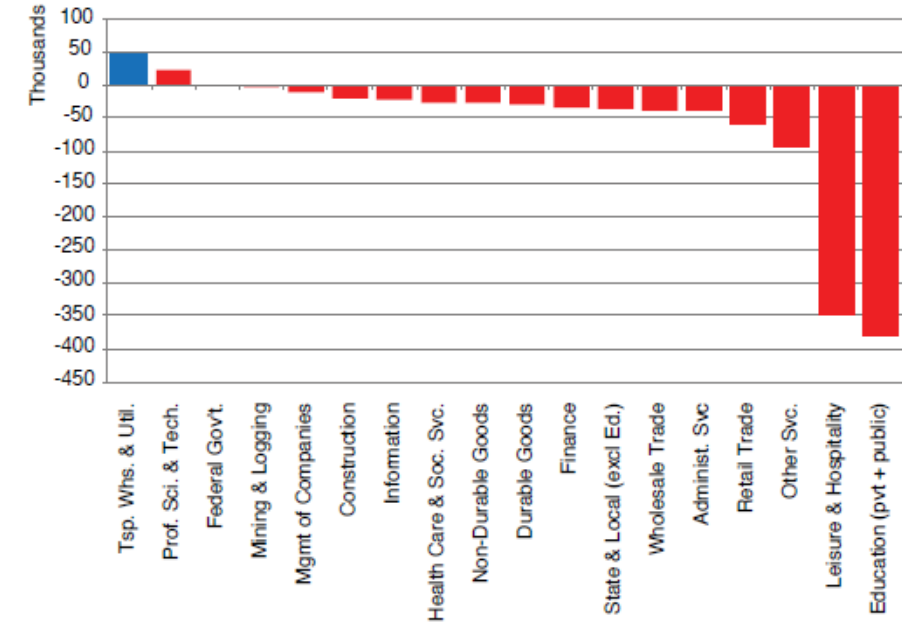


Source: California EDD

- Job losses concentrated in certain sectors
- Silicon Valley outperformed many other regions in California

Chart 1

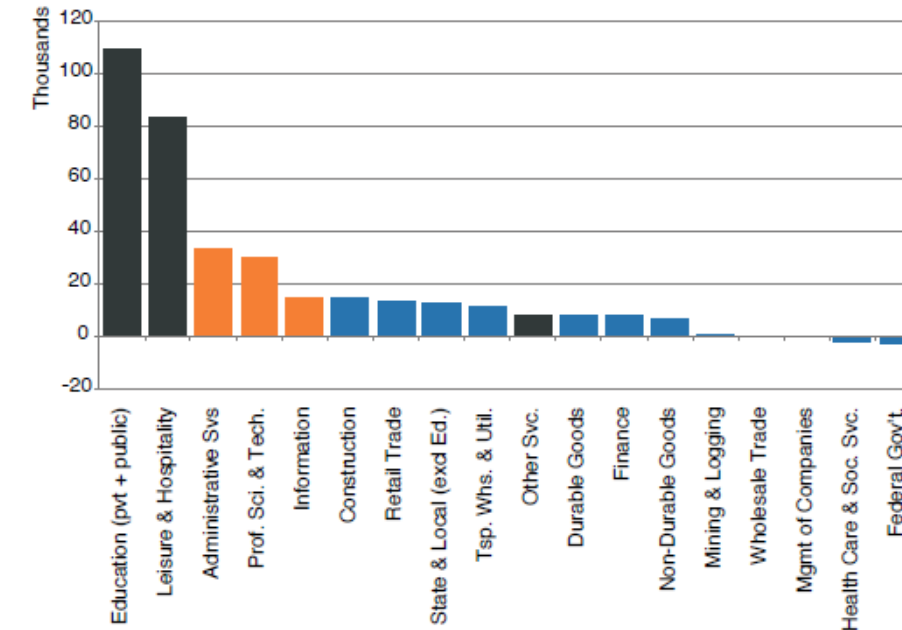
CHANGE IN NO. OF JOBS BY SECTOR
(February 2020 to Sept. 2021)



Source: California EDD

Chart 2

CHANGE IN NO. OF JOBS BY SECTOR
June to Sept. 2021

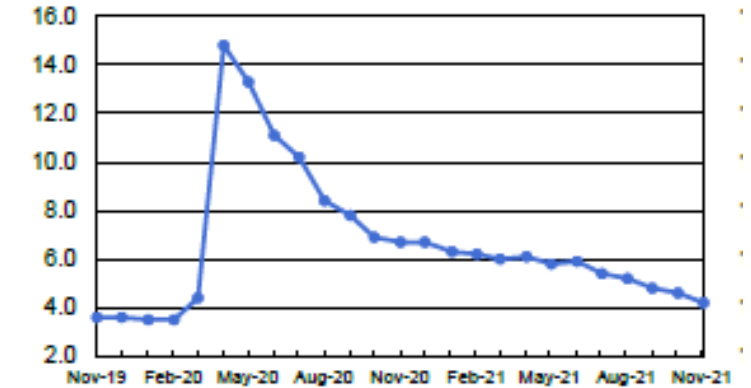


Source: EDD.ca.gov

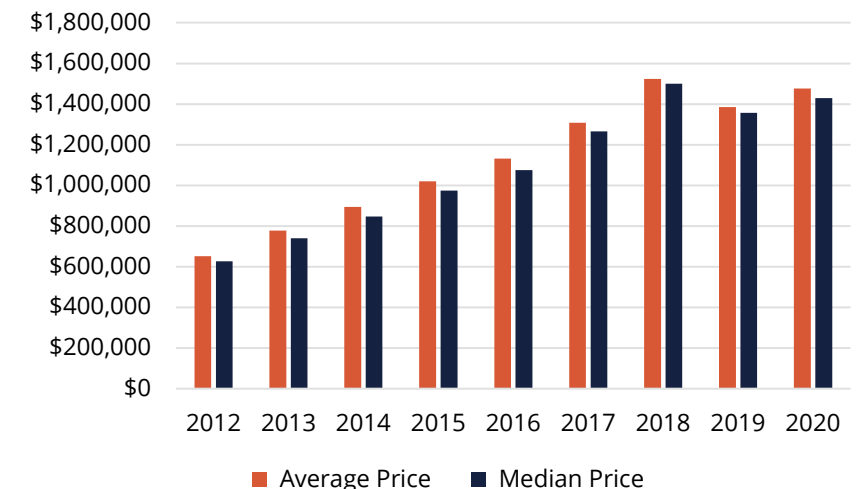
Economic Outlook

- Unemployment continues to improve after unprecedented increase in March 2020; Silicon Valley lower than State and U.S.
- Santa Clara residential real estate market experienced growth despite COVID-19
- Home prices increased at their fastest rate in over 40 years; UCLA does not expect this rate of appreciation to continue (annual growth of 5.6% projected by Q4 2022; 4.8% by Q4 2023)
- Development activity remains strong; can change quickly

U.S. Unemployment Rate
November 2019 – November 2021



Single Family Residential Home Sales

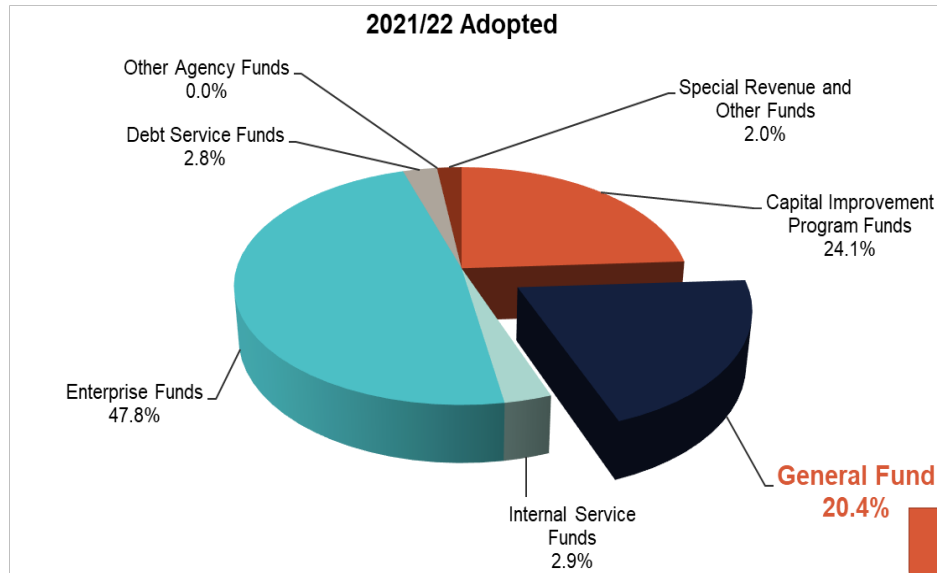


Data Source: Santa Clara County Association of Realtors

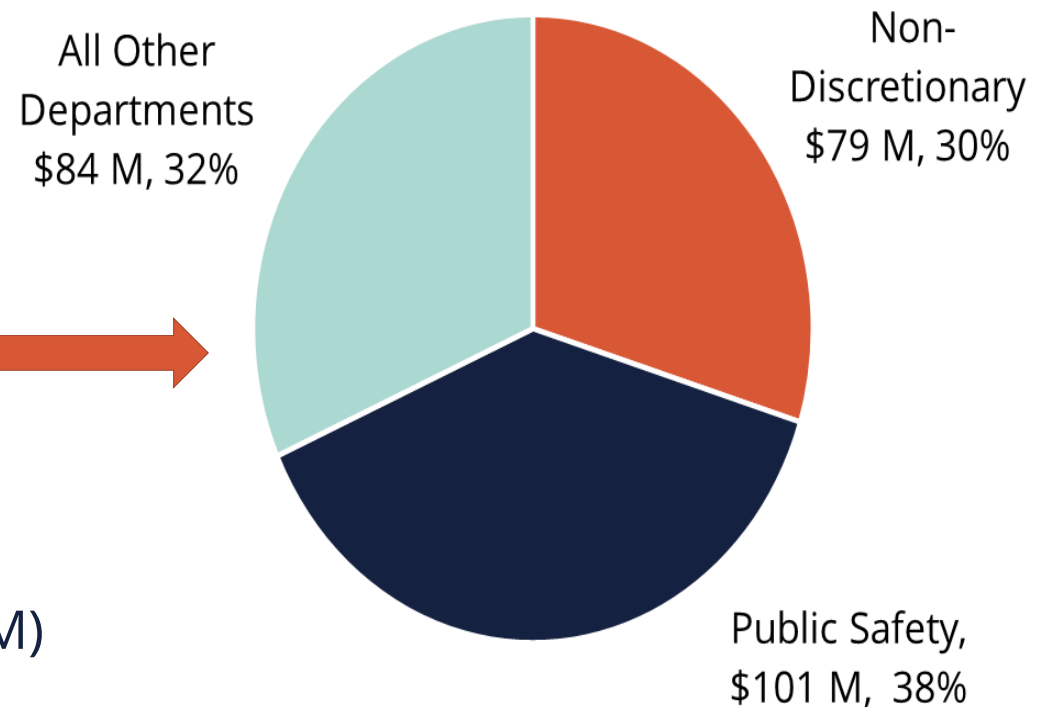
10-Year General Fund Forecast



10-Year General Fund Forecast



FY 2022/23 General Fund Budget (\$264 million)



- Compare ongoing General Fund revenues and expenditures
- General Fund accounts for approximately 20% the total City Budget
- Public Safety – 38% of budget (\$101M, up from \$99 M)
- Other Depts – 32% of budget (\$84M, down from \$100M)
- Non-discretionary - 30% of budget (\$79M, down from \$87M)



10-Year General Fund Forecast Development and Assumptions

Major assumptions:

- Post COVID-19 continued economic recovery with longer-term impacts to Transient Occupancy Tax
- Current CalPERS direction/ methodology for payments
- Revenue and expenditure review
- Adjustments for latest labor agreements

Forecast does not include:

- Additional contributions to reserves (Council Policy for BSR, Pension)
- One-time funding sources
- One-time expenditures
- The cost to address unmet/ deferred infrastructure needs



10-Year General Fund Forecast

Known Risks

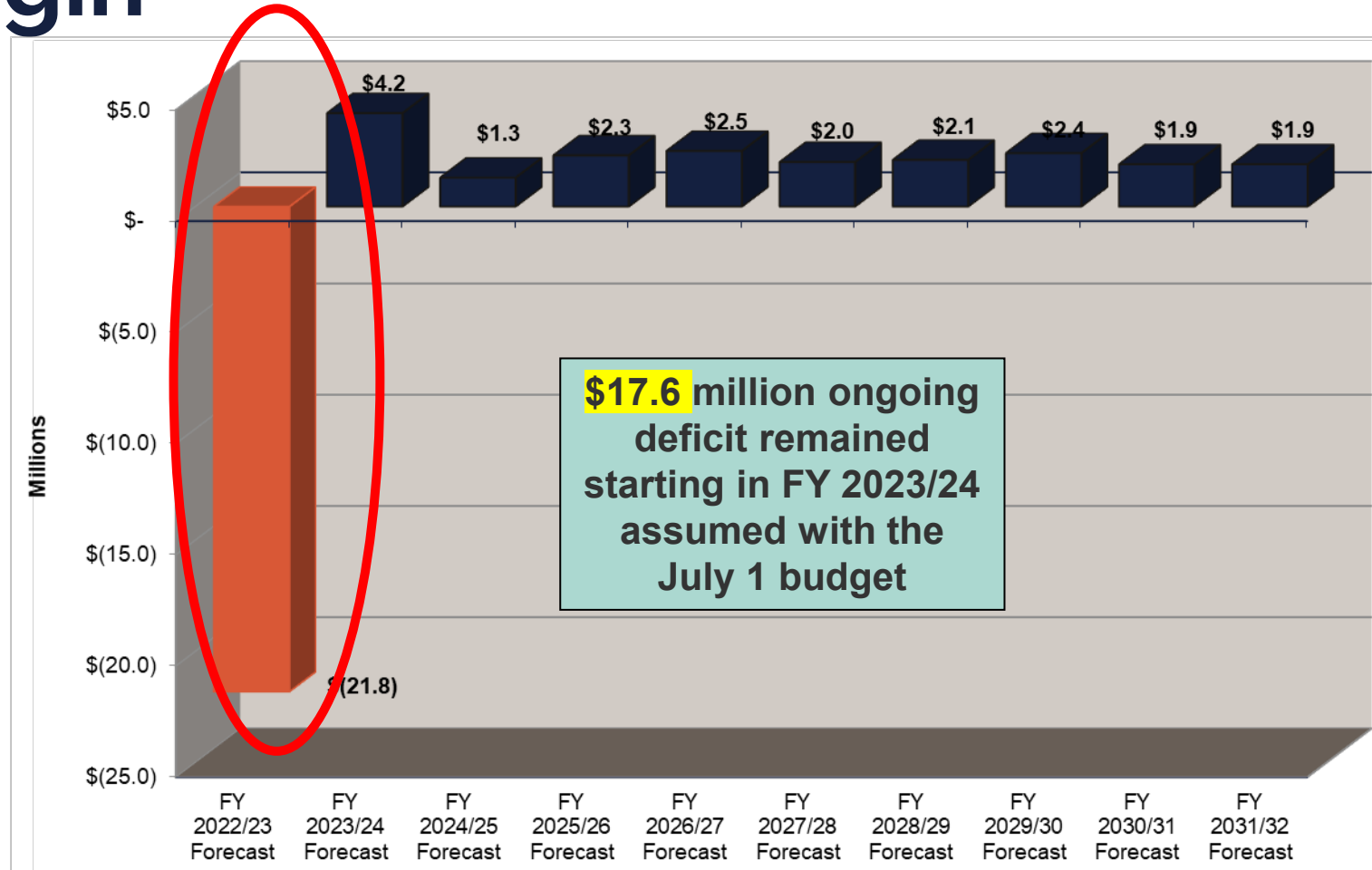
- More significant impact from COVID-19 variants
- Economic slowdown/recession/inflation
- State/federal legislative changes and legal challenges
- Labor costs outside the budget assumptions
- CalPERS actuarial changes or reform actions
- Capital/infrastructure - unanticipated critical maintenance needs
- Maintenance impacts and timing of development projects



General Fund Forecast – June 2021

Net Operating Margin

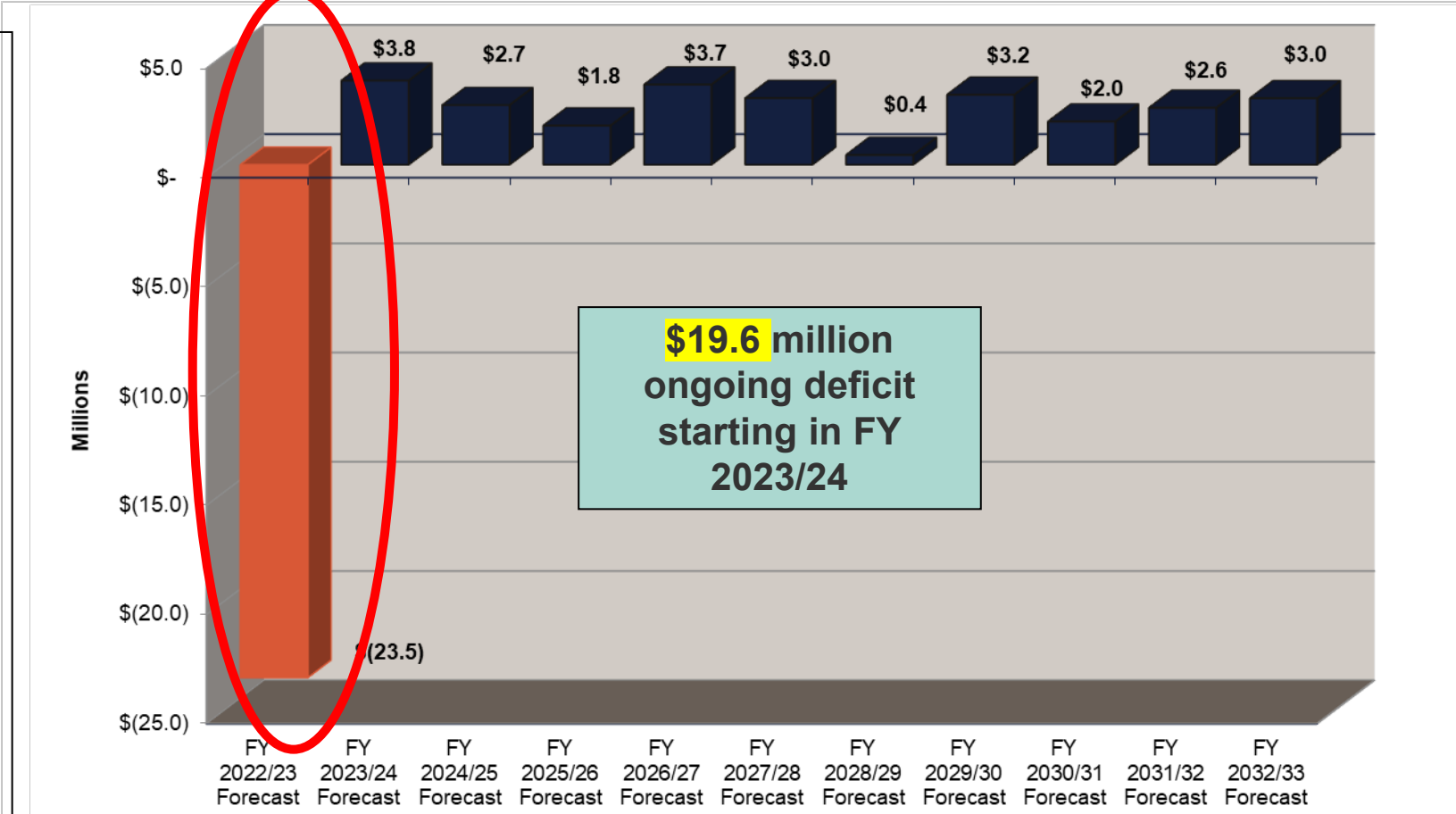
- FY 2021/22 and FY 2022/23 budget projected significant COVID-induced ongoing shortfall
- FY 2022/23 shortfall solved with use of reserves, allowing time for potential improvement and phased-in impacts
- Net shortfall of **\$17.6 M** when combining FY 2022/23 and FY 2023/24
- Ongoing shortfall to be addressed in FY 2023/24 and FY 2024/25 Operating Budget



General Fund Forecast – January 2022

Net Operating Margin

- Slight increase in ongoing shortfall projected
- To be addressed in FY 2023/24 and FY 2024/25 Biennial Operating Budget
- Will require combination of expenditure reductions, additional revenues, and limited use of reserves



Budget Balancing through FY 2021/22 and Ongoing Forecast

General Fund Forecast Timeline –

	January 2020 Forecast	April 2020 Forecast	January 2021 Forecast	April 2021 (With Phase 1)	June 2021 Adopted Budget*	January 2022 Forecast*
General Fund Shortfall	(\$13 M) <i>(from \$3.3M)</i>	(\$34 M)	(\$42 M)	(\$29 M)	(\$17.6 M)	(\$19.6)**
COVID – 19 Induced Impact						

* Projected shortfall through FY 2023/24

** Adjusted revenues/expenditures (e.g., higher insurance costs, retirement)

Major Changes from Prior Forecast

Revenues - Down \$0.6 M in 2022/23 (less than 1% of revenue budget)

- Lower estimates: Rents - Related lease payments down due to extended timeline partially offset by new Commerce/Peddler's Plaza revenue (down \$0.5 M); Sales Tax (down \$0.8 M), Licenses and Permits (down \$0.2 M)
- Higher estimates: Contribution in-lieu (up \$0.6 M), Property Tax (up \$0.3 M), Interest Income (up \$0.3 M)

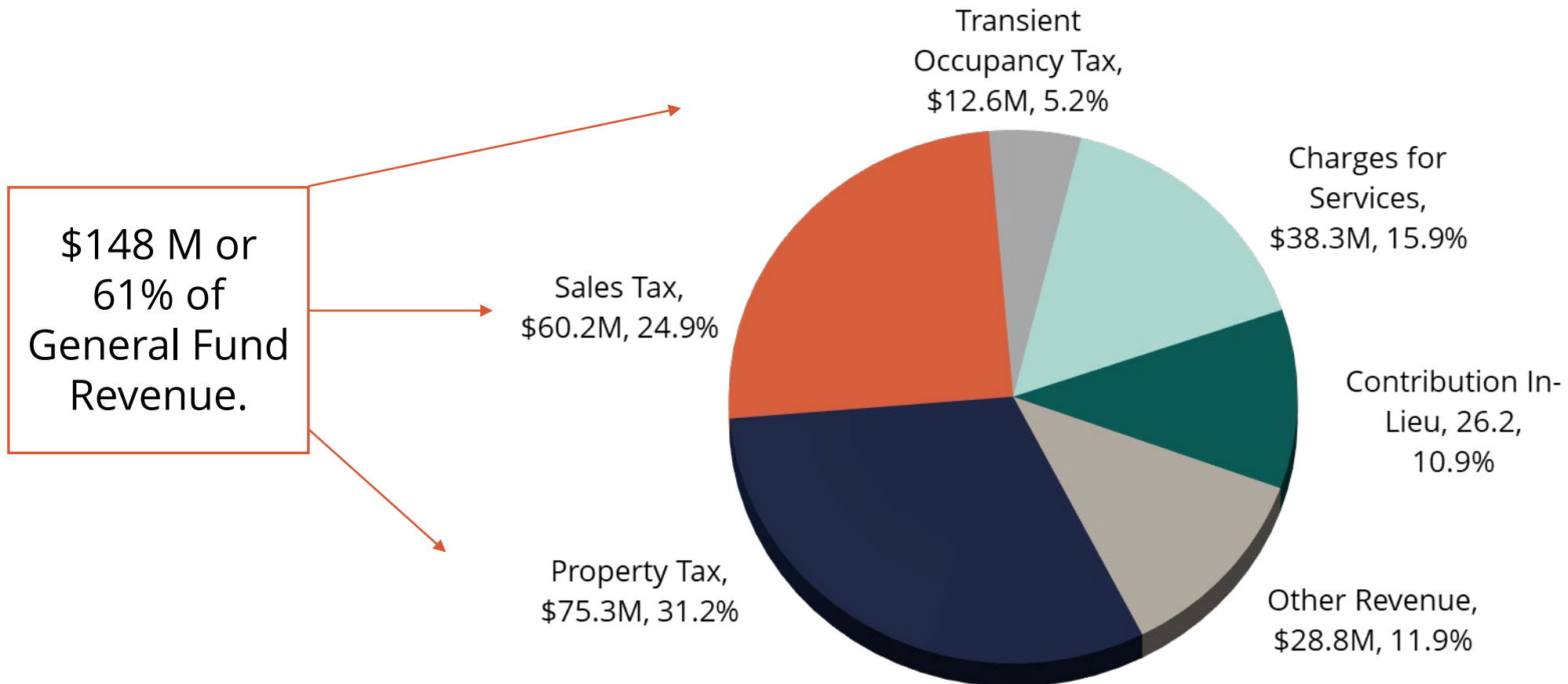
Expenditures - Up \$1.1 M in 2022/23 (less than 1% of expenditure budget)

- Salaries and Benefits
 - Salaries (down \$1.6 M)
 - Retirement costs (up \$0.9 M)
 - Other benefits (down \$0.2 M)
- Non-Personnel Costs (up \$0.8 M)
- Interfund Services (up \$1.3 M) – Insurance up \$1.0 M; vehicle replacement up \$0.2 M



10-Year General Fund Forecast

2022/23 General Fund Revenues = \$241.4 M



Note: 30% (\$72.8M) of General Fund Revenue is Economically Sensitive (Sales Tax and TOT)



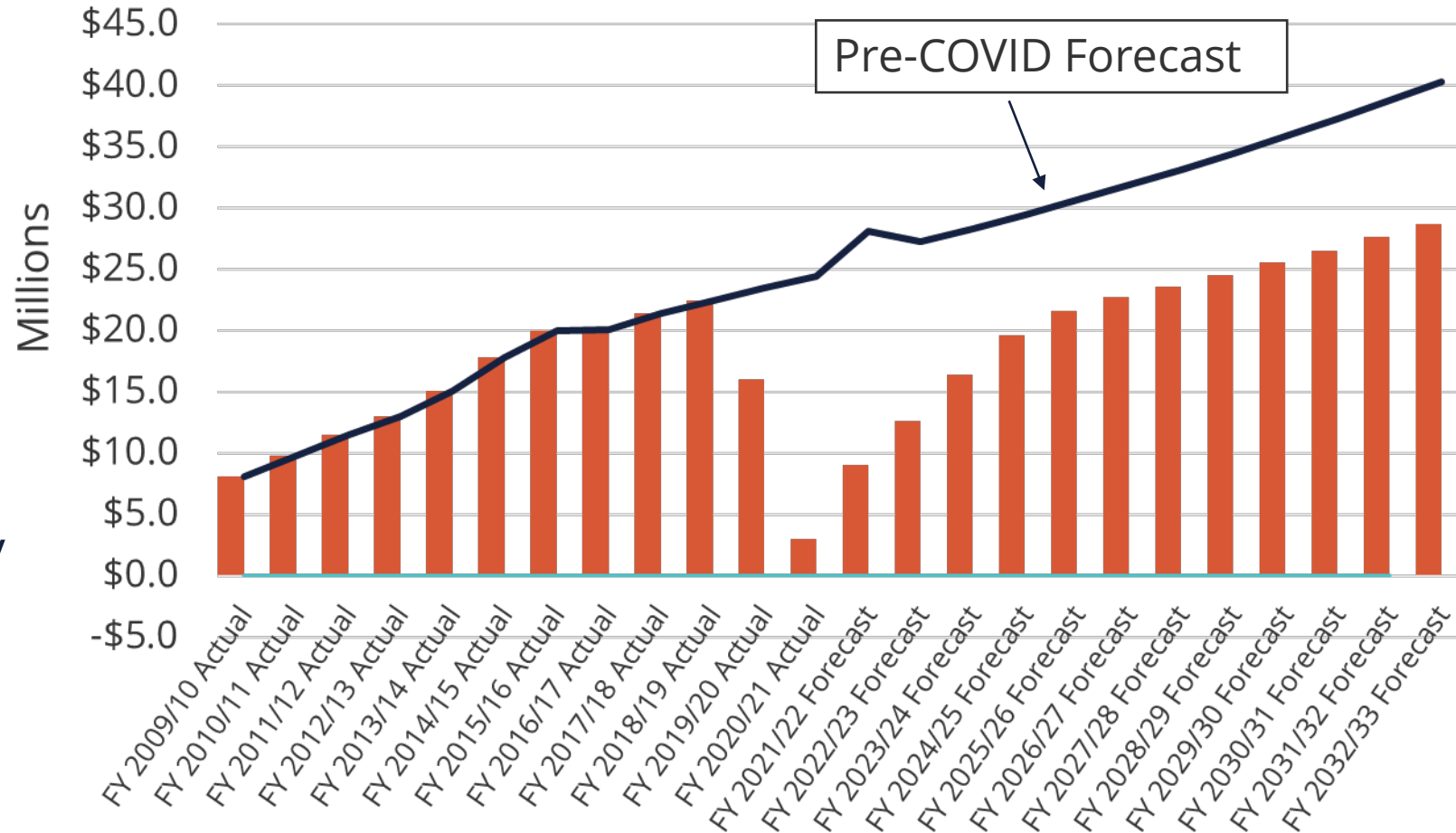
Selected General Fund Revenues

	FY 2018/19 Actual	FY 2019/20 Actual	FY 2020/21 Actual	FY 2021/22 Budget	FY 2022/23 Forecast	FY 2022/23 Forecast Pre-COVID*
Property Tax	\$58.4 M	\$65.5 M	\$68.8 M	\$71.3 M	\$75.3 M	\$75.9 M
Sales Tax	\$58.5 M	\$55.3 M	\$56.2 M	\$58.2 M	\$60.2 M	\$62.8 M
Transient Occupancy Tax	\$22.5 M	\$16.0 M	\$2.9 M	\$9.0 M	\$12.6 M	\$22.5 M
Rents (Related project delay)	\$8.8 M	\$8.9 M	\$9.2 M	\$9.8 M	\$11.3 M	\$13.4 M
Interest Income (excludes Pension Trust Interest)	\$5.3 M	\$5.2 M	\$3.2 M	\$2.6 M	\$2.5 M	\$6.3 M

* FY 2022/23 revenues down almost \$20 million from pre-COVID Forecast (January 2020 Forecast)

10-Year General Fund Forecast Transient Occupancy Tax (TOT)

- 3rd largest General Fund revenue source
- COVID-19 Significantly Impacted TOT receipts
- Occupancy and room rates plummeted in 2020; slow return assumed
- Rate increase effective January 2022 (increase from 9.5% to 11.5%)
- No additional hotels assumed

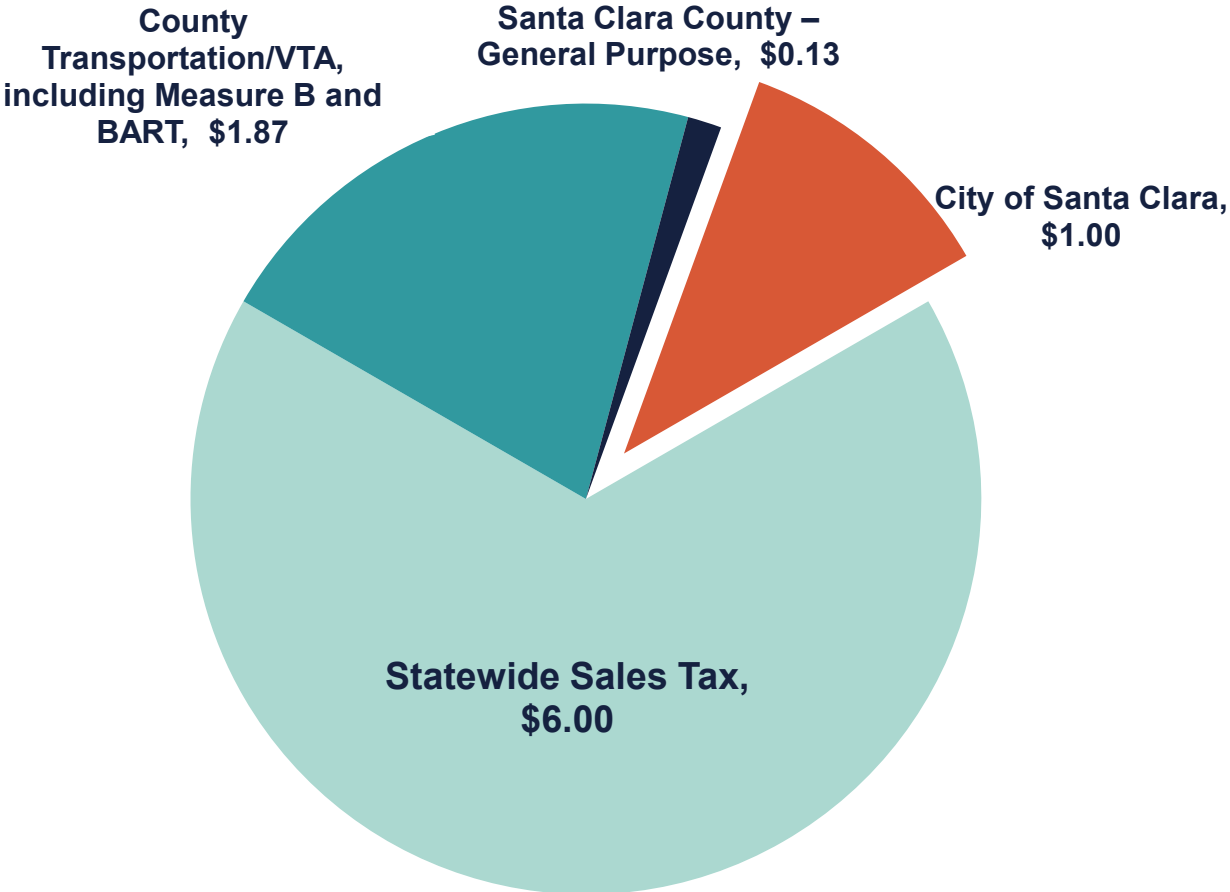


10-Year General Fund Forecast

Sales Tax

Sales Tax Based on \$100 Purchase

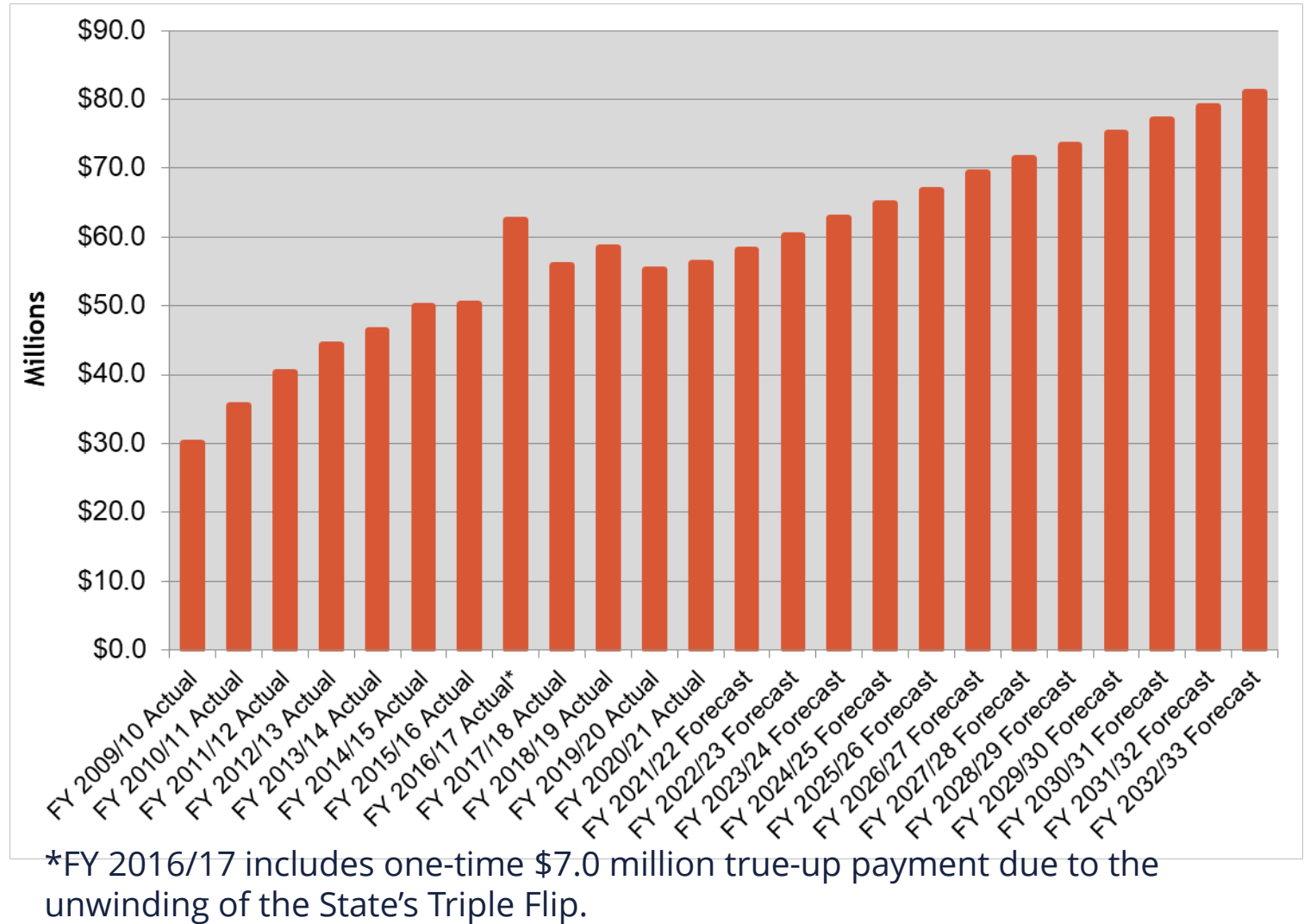
- The City of Santa Clara receives \$1 of every \$9 of sales tax collected
- Most of sales tax revenues support the State and County Transportation



10-Year General Fund Forecast

Sales Tax

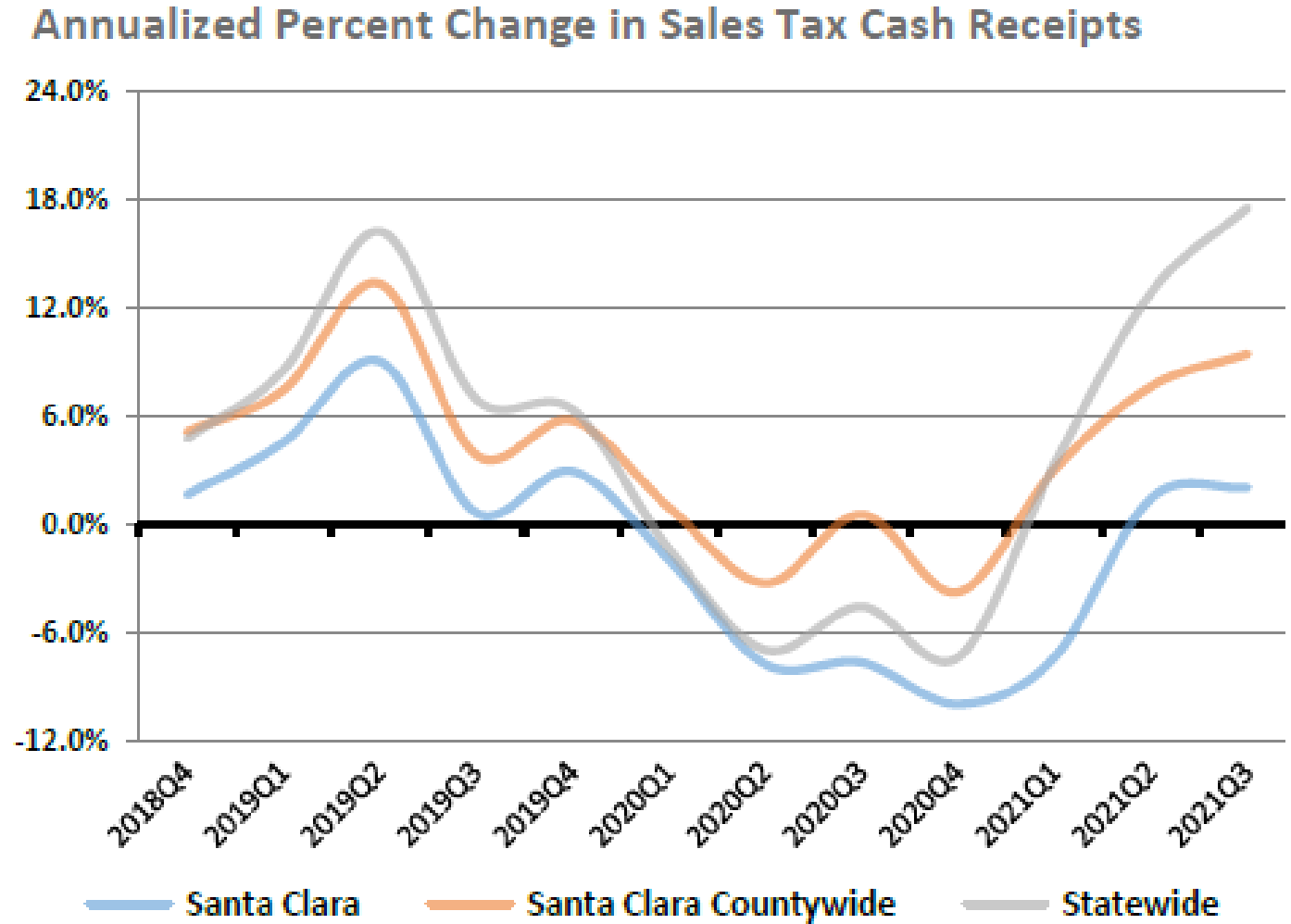
- 2nd largest General Fund revenue source
- COVID-19 Impacted Collections in FY 2019/20 and 2020/21
- Business to Business sales make up over 40% of the City's Sales Tax
- Economically sensitive
- Internet Sales Tax



10-Year General Fund Forecast

Sales Tax

- Santa Clara performance lagging behind the County and the State
- COVID-19 related declines followed by improvement in recent quarters



Source: AvenuInsights



10-Year General Fund Forecast

Sales Tax

- Annual Per Capita Sales Tax trending down in recent quarters
- Business-to-Business is the backbone of the City's sales tax
- Internet sales (County Pool) is 20% of sales tax

Santa Clara
Annual Per Capita Sales Tax
Adjusted for Inflation
(Constant 2017 \$)

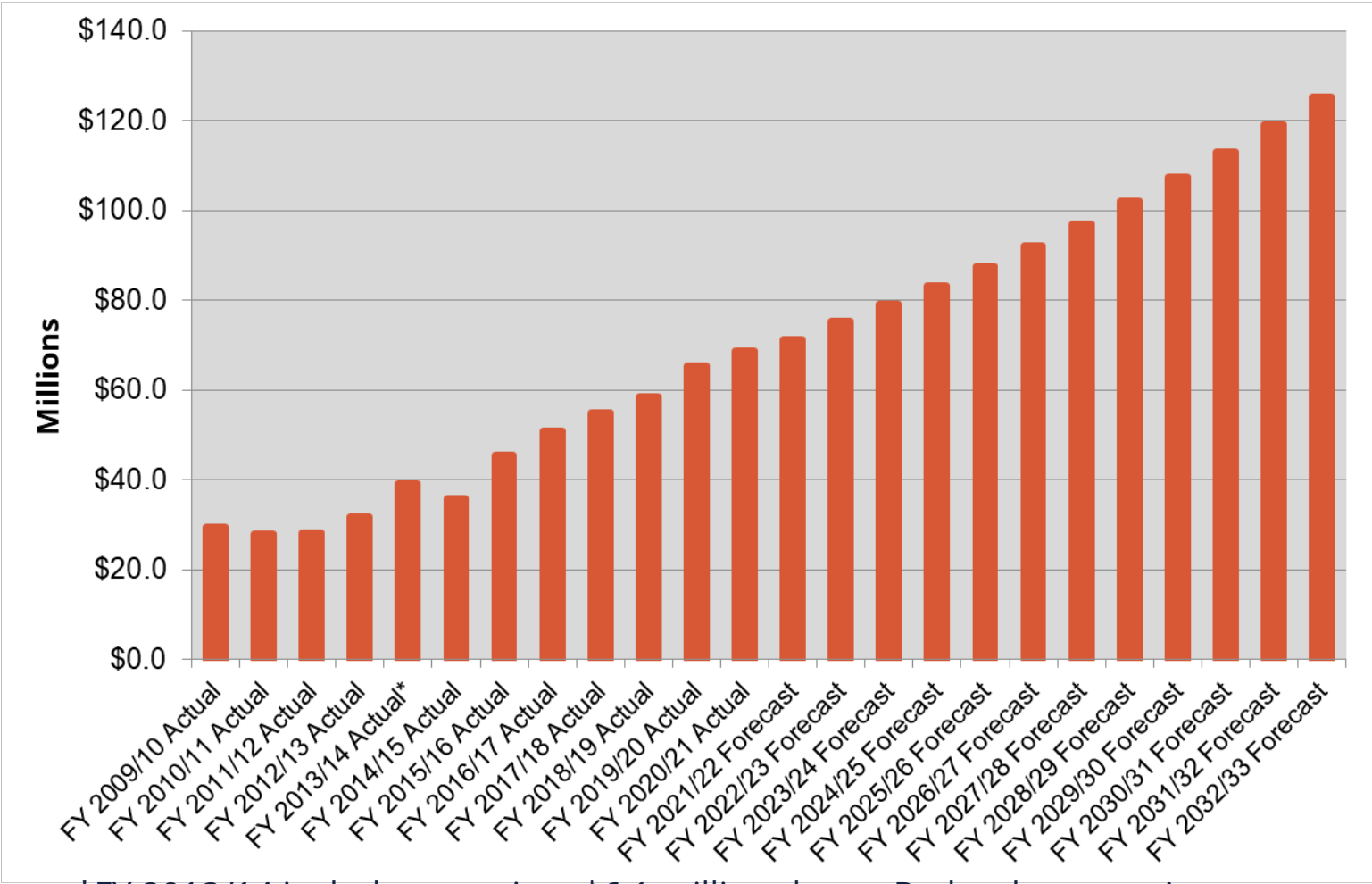
Source: AvenuInsights



10-Year General Fund Forecast

Property Tax

- Largest General Fund revenue source
- Secured valuation growth ranging from 5.0% - 5.5% over the forecast period
- Assumes approximately \$750 M - \$1.0 billion annual development growth valuation in out years



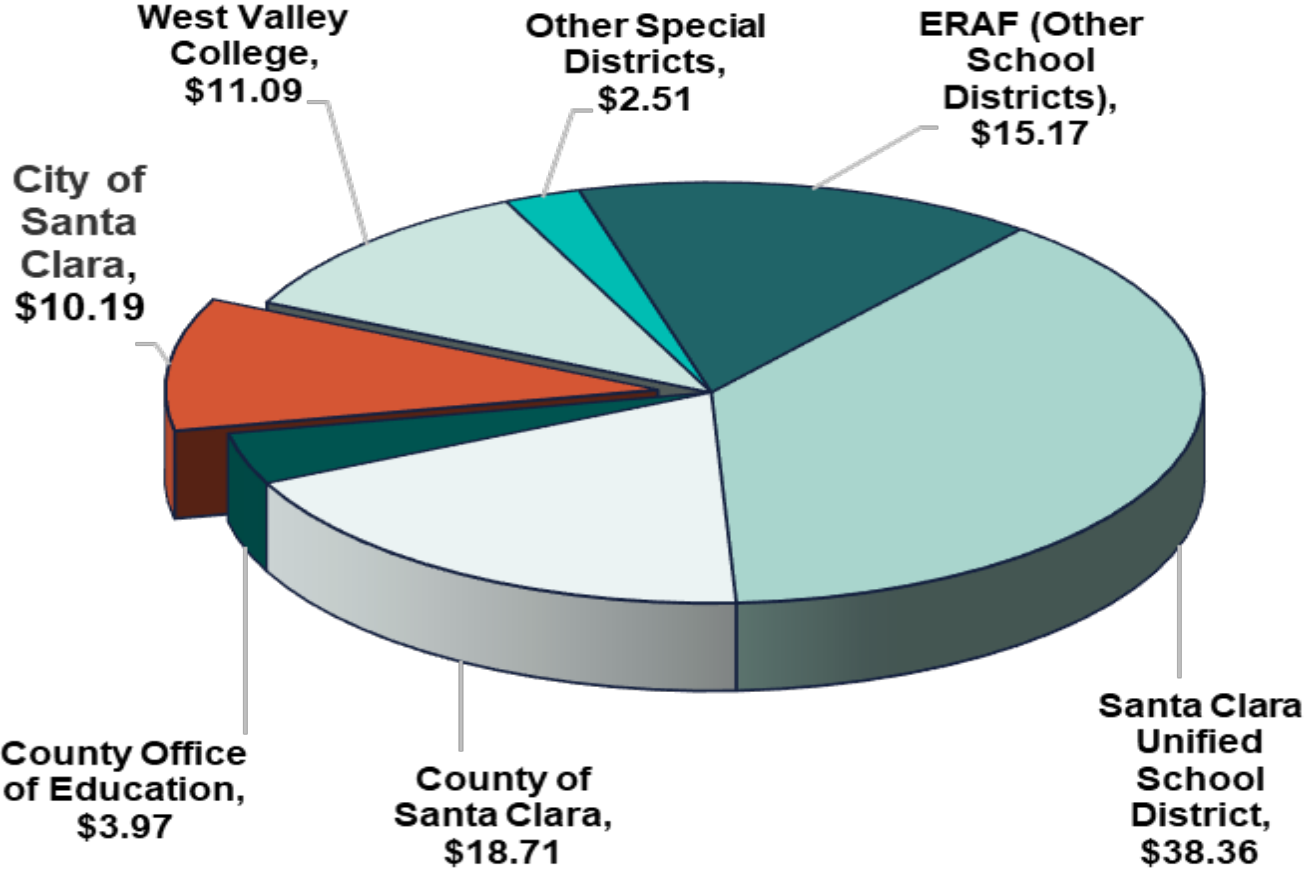
*FY 2013/14 includes one-time \$6.1 million due to Redevelopment Agency dissolution

10-Year General Fund Forecast

Property Tax

- The City of Santa Clara receives \$10.19 of every \$100 collected in property tax
- Most of property tax revenues support schools and the County

Property Tax Distribution Per \$100 Collected

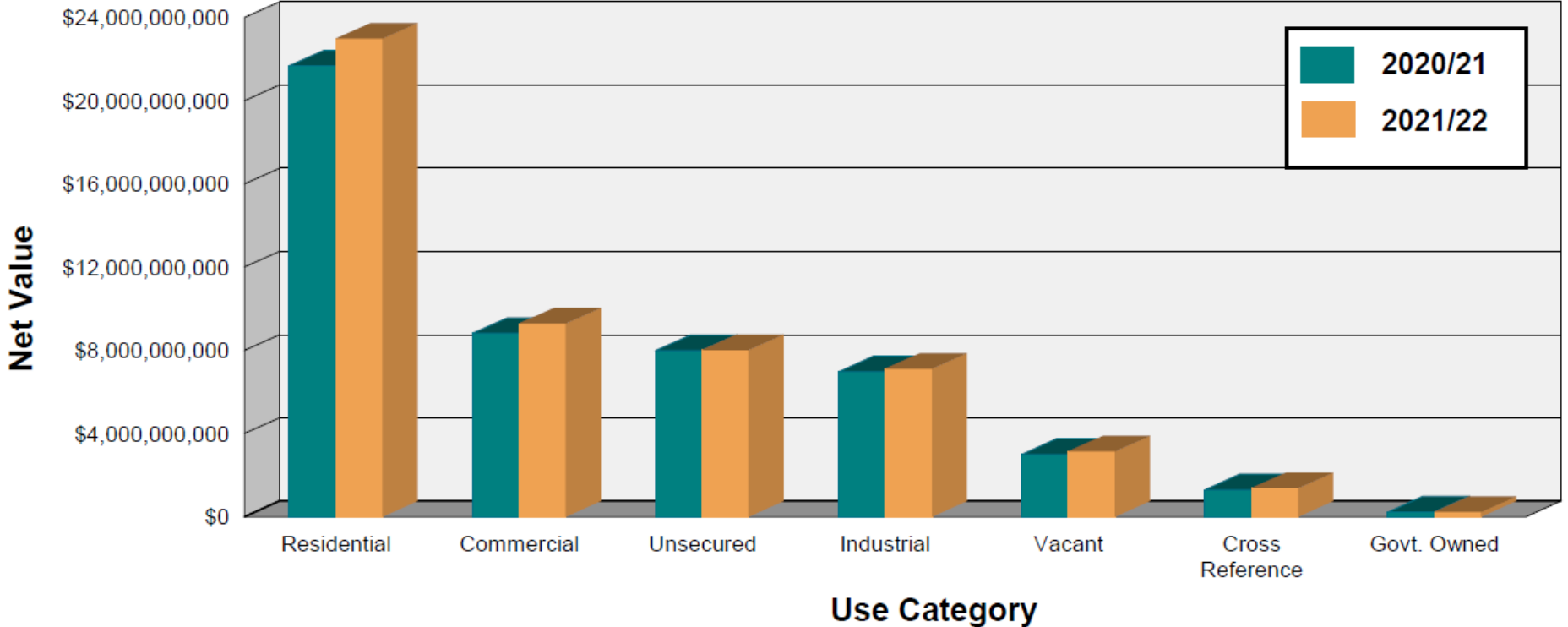


10-Year General Fund Forecast

Property Tax

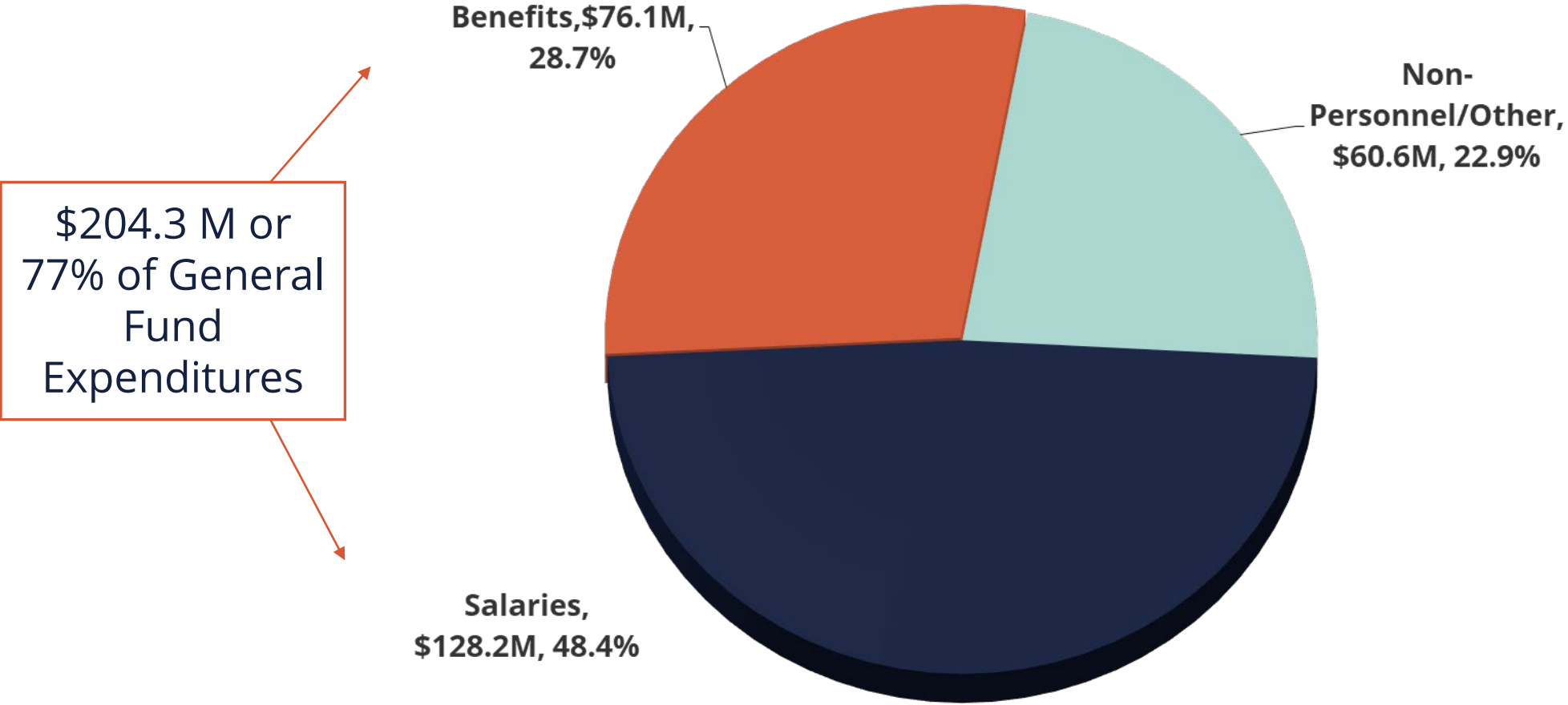
- City of Santa Clara's mix of residential and non-residential property assessed values

Assessed Value by Major Use Category



10-Year General Fund Forecast

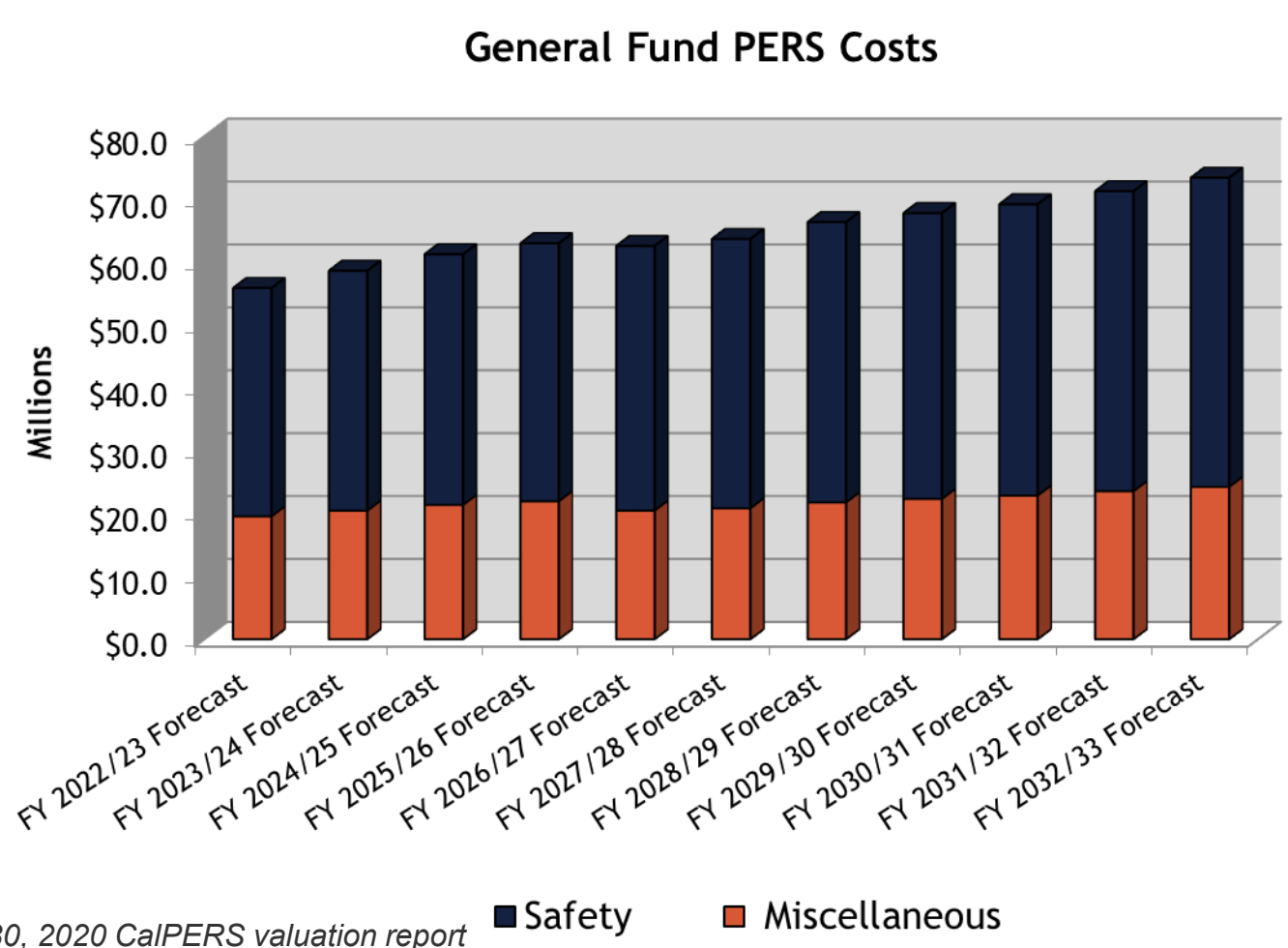
2022/23 General Fund Expenditures by Type



10-Year General Fund Forecast

CalPERS Rising Pension Costs due to Policies to Address Unfunded Liabilities

- Managing three impacted categories: retirees, classic members, and new employees (under PEPRAs)
- From FY 2022/23 to 2032/33 General Fund projected to increase \$17.6 M (from \$55.8 M to \$73.4 M)
- Current Unfunded Actuarial Liability (UAL) (all funds) of \$640 M¹
 - 66% of Miscellaneous and 73% of Safety Accrued Liability is due to retirees
- Payments part of CalPERS reform efforts; Actuary projects rates to peak at end of forecast period, followed by declines
- Labor agreements can impact UAL



¹ Combined Safety and Miscellaneous Unfunded Accrued Liability, as of June 30, 2020 CalPERS valuation report

Capital Budget

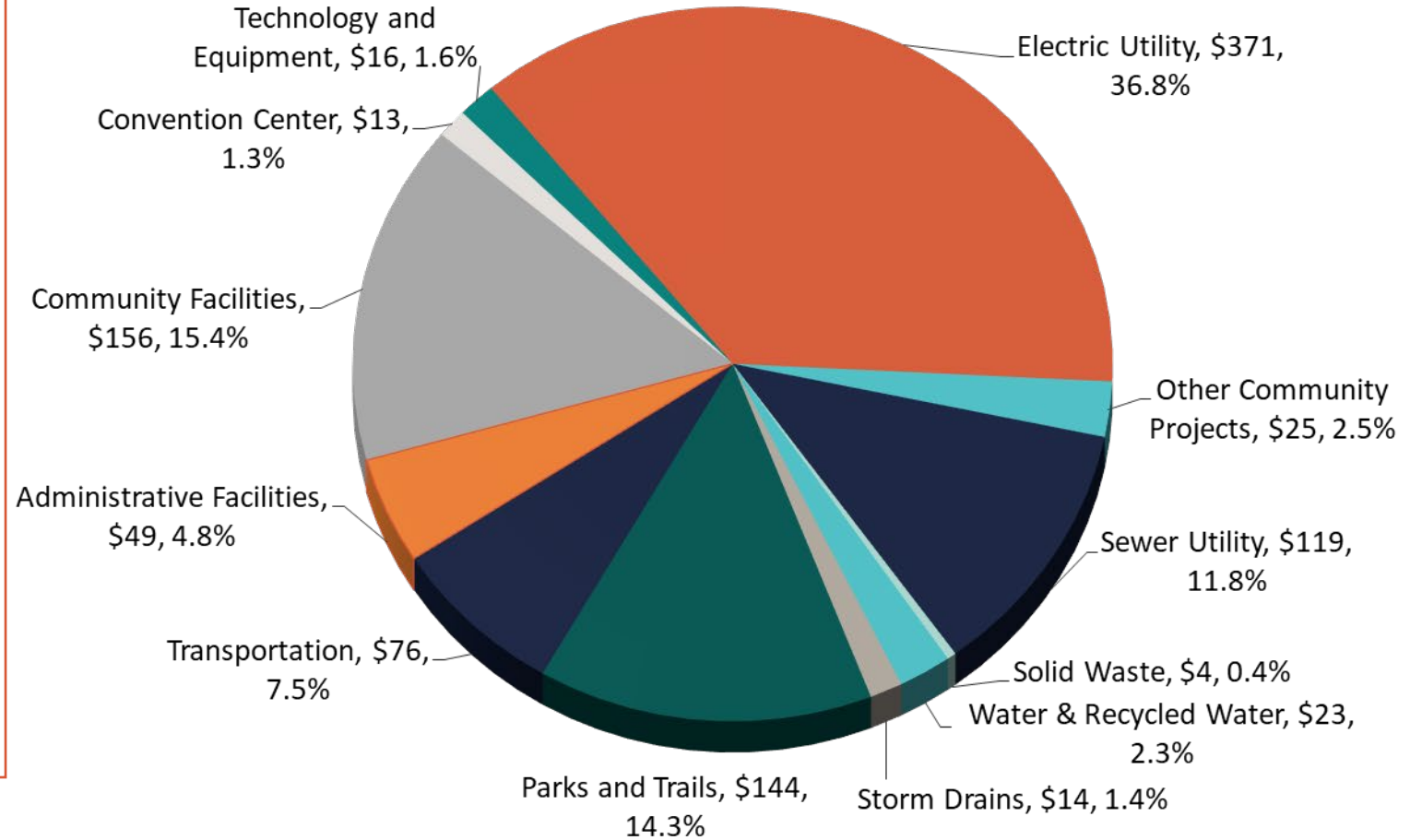


Capital Budget Submittals

- \$1.0 Billion in Capital Budget Submittals
- Dedicated funding for Utilities, developer-funded projects, and some Transportation projects
- Significant funding gap for projects supported by General Fund

FY 2022/23 - FY 2026/27 CIP Submittals

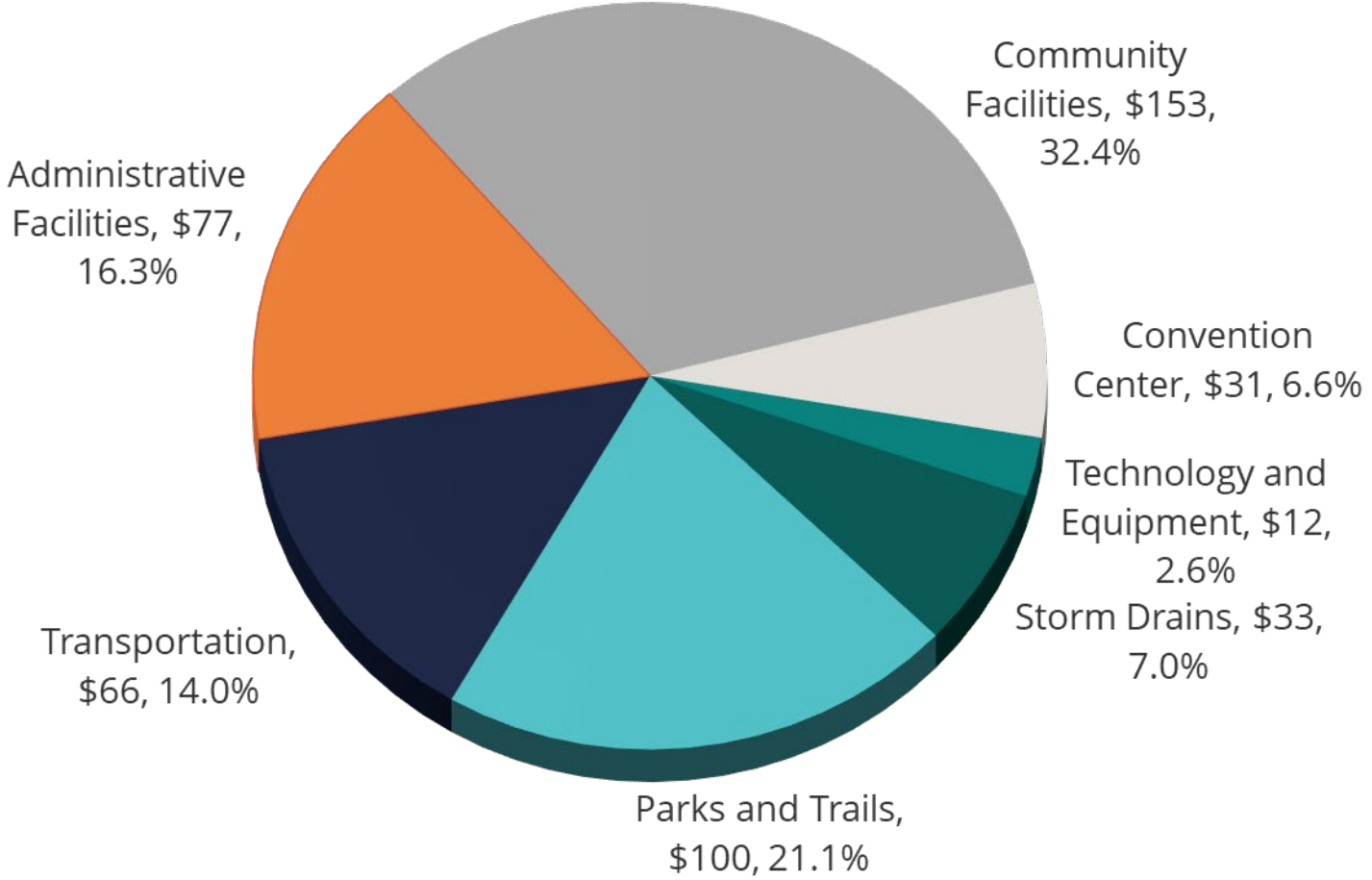
\$ in millions



Capital Budget Submittals

FY 2022/23 - FY 2026/27 CIP Submittals
\$ in millions

Initial General Fund Requests totaling \$472 M for upcoming Five-Year CIP



Capital Budget

Unfunded Infrastructure Needs

Close to \$1 billion of identified capital needs not in Forecast:

- Parks Assessment (December 2017-Kitchell Report) identified \$100 M of parks grounds and building needs (\$156 M w/ escalation)
- 2015 Storm Drain Master Plan identified \$343 M in projects (2018 dollars), including almost \$68 M in high priority projects
- Transportation infrastructure (e.g., traffic signal infrastructure replacement (\$50 M), uncontrolled crosswalks (\$50 M), Bicycle Plan (\$40 M), Creek Trail Master Plan (\$50 M), pavement (\$9 M annually beyond CIP)
- Public Buildings (New City Hall (\$236 M – \$300 M), existing City Hall (\$39 M); fire stations, historic buildings, corporation yard, ADA plan)
- Adding capacity to keep pace with growth/development (e.g., library and parks)



Budget Balancing



Budget Balancing

Balancing Strategy Timeline

- Significant budget balancing required over the next 1.5 years
- FYs 2021/22 and 2022/23 work on revenue opportunities/ballot measures
- Concurrent budget balancing proposals, end of 2022/early 2023
- Both revenue/expenditure solutions needed
- We must resolve deficit by proposed FY 23/24 budget (May 2023 release)

Action	Date
FY 2022/23 Municipal Fee Adoption	April 19, 2022
FY 2022/23 & FY 2023/24 Proposed Budget Released	April 29, 2022
June 2022 Election	June 7, 2022
Budget Adoption	June 21, 2022
November 2022 Election	November 8, 2022
FY 2023/24 & FY 2024/25 Proposed Budget Released	May 1, 2023
FY 2023/24 & FY 2024/25 Budget Adoption	June 2023



Addressing COVID-19 Deficits

- Multi-phase budget rebalancing initiated ASAP (March and June 2021)
- Federal Stimulus funding
- Use of one-time reserves
- Eliminated/freeze vacant positions
- Some labor concessions (no pay increase for two years for some labor groups)
- Successful Transient Occupancy Tax ballot measure
- Hiring freeze with exceptions; General Fund value of non-public safety vacancies (\$7.1M)
- Stricter expenditure controls with review of purchases
- Limited travel and training
- Evaluating contracts and reduced non-personnel expenditures
- Ongoing review of cost-recovery fees (e.g., Parks & Recreation)



Budget Balancing Strategy

- Use of reserves to address FY 2022/23 shortfall approved in FY 2021/22 and FY 2022/23 Adopted Budget
- Additional use of Land Sale Reserve to address FY 2022/23 shortfall and maintain Budget Stabilization Reserve at 15%
- Combination of strategies will be necessary to address ongoing shortfall in FY 2023/24 and FY 2024/25 Biennial Budget
 - Ongoing and one-time expenditure reductions
 - Revenue-generating actions
 - Use of Reserves



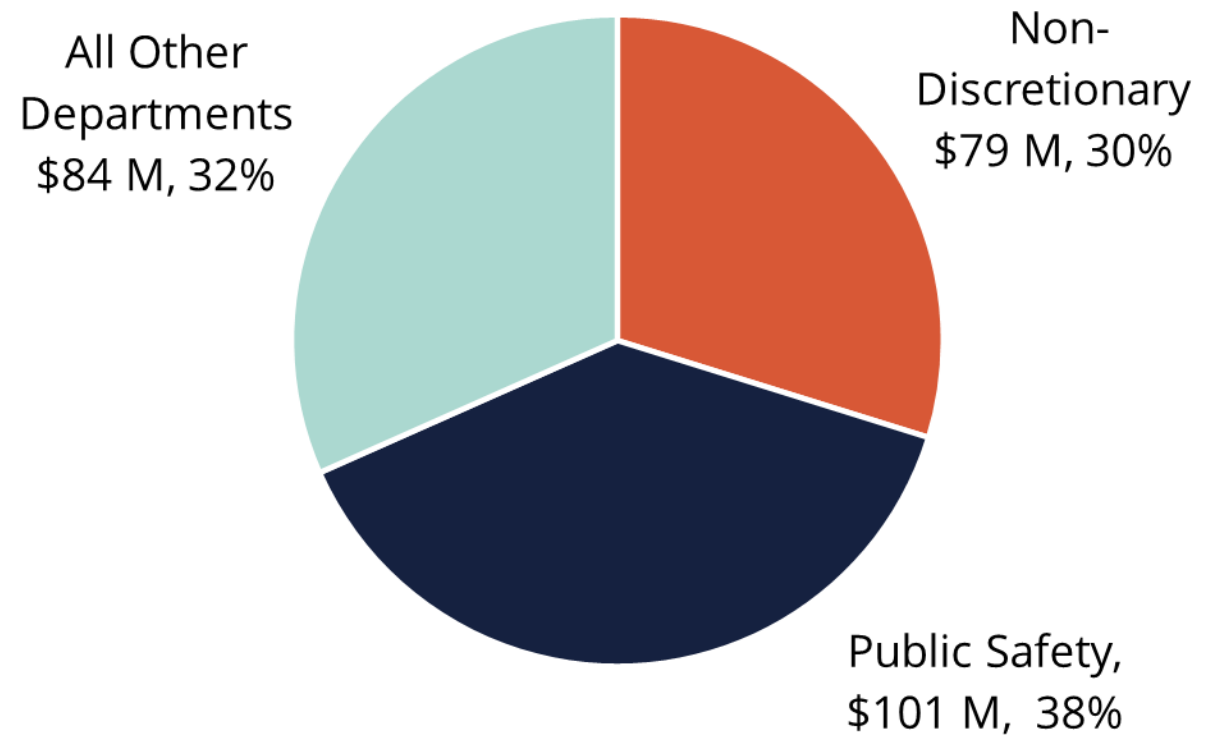
Budget Balancing Strategy

Expenditure Budget

Limited control in certain areas

- Non-Discretionary costs - approx. 30% of the General Fund budget (e.g., CalPERS UAL, debt, fixed facility costs, fee-supported activities)
- \$19.6 M budget shortfall represents approx. 10% of all discretionary costs; 23% of non-public safety costs (meaning, if public safety held harmless, 23% cuts in All Other Departments)

FY 2022/23 General Fund Budget (\$264 million)



Potential Budget Balancing Scenario

	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27
Forecast (Shortfall)/Surplus	\$3.4 M	\$3.8 M	\$2.7 M	\$1.8 M	\$3.7 M
Carried Over – 1x Solutions	(\$25.2 M)	(\$23.5 M)	(\$9.7 M)	(\$5.0 M)	(\$3.2M)
January 2022 Forecast Update	(\$1.7 M)				
Ongoing Expenditure Reductions		\$5.0 M			
Ongoing Revenue Solutions		\$5.0 M	\$2.0 M		
Remaining Shortfall	(\$23.5 M)	(\$9.7 M)	(\$5.0 M)	(\$3.2 M)	\$0.5 M
One-Time Expenditure Solutions			\$0.4 M	\$3.2 M	
Use of Budget Stabilization Reserve	\$14.2 M				
Land Sale Reserve (Up from \$4.5 M in FY 22/23)	\$9.3 M	\$9.7 M	\$4.6 M		
Remaining Budget (Shortfall)/Surplus	\$0 M	\$0 M	\$0 M	\$0 M	\$0.5 M



Budget Balancing

Select General Fund Reserves

Reserve Type	2021/22 Current Balance	Potential Balances
General Fund Budget Stabilization (BSR)	\$53.9 M*	\$39.8 M
General Fund Capital Projects	\$5.0 M	\$0 M
Land Sale Reserve	\$23.6 M	\$0 M
Pension Trust (General Fund)	\$24.0 M	\$24.0 M

** The BSR reserve drops to \$36.6 million in the FY 2022/23 Adopted Budget; adjustment to \$39.8 million to meet the 15% target in FY 2023/24*

Budget Balancing

Balancing Strategy Impacts

- **We need both new revenues and expenditure reductions** (\$12 M ongoing)
 - Additional expenditure reductions will be necessary (potential of \$5 M ongoing and an additional \$3.6 M one-time)
 - Revenue increases/ballot measure would help offset a portion of the shortfall (potential goal of est. \$7 M)
- Potentially solve one-half of the shortfall with ongoing solutions
- Use the entire land sale reserve and capital projects reserve
- Keep the goal to maintain Budget Stabilization Reserve at 15% of expenditures
- Forecast already assumes growth and recovery from COVID-19
- No money for General Fund funded infrastructure
- Restoration of services would begin in **Year 5 at the earliest**

Budget Balancing

Potential New Revenue Sources

Potential New Revenue Sources

Under Review for 2022

- Improve municipal fee cost recovery
- Business License Tax
- General Obligation Bond (Capital Infrastructure)

Future Considerations

- Utility User Tax
- Documentary Transfer Tax
- New or modernization of impact fees



Budget Balancing

Potential New Revenue Sources

Municipal Fees

- Fees and Charges approved each year to recover the costs of services provided
- Fee study underway to update fees
- Many City fees are below cost recovery
- Policy decision – what level of subsidy for senior, youth, planning, etc.



Budget Balancing

Potential New Revenue Sources

Utility Users Tax (UUT)

- The rates in Santa Clara County range from 2% to 5%
- Potential estimated revenue of \$4 M - \$6 M (Water, Gas, Telephone)

Documentary Transfer Tax

- Increase of \$3.30 (for a total of \$4.40 for each \$1,000) would generate \$7 M annually; for a \$1.5 M sale, the tax would increase from \$1,650 to \$6,600

Impact Fees Study

- 2020 Consultant study – fee comparison and feasibility analysis
- Consider new fees including public protection, libraries, and general government



Budget Principles



Budget Principles

- Provide framework and approach for developing the City's budget
- Budget Principles approved by Council each year
- Modify principle #6 to acknowledge the drop of the Budget Stabilization Reserve to 15% of expenditures in FY 2022/23 and the proposed use of the Land Sale Reserve to address any additional shortfall

PROPOSED BUDGET PRINCIPLES FOR FY 2022/23

1. Make decisions within the context of the City's Code of Ethics and Values, especially being Fiscally Responsible, Communicative, and Service-Oriented.
2. Consider budget decisions with long-term implications taking into account data from the Ten-Year Financial Forecast.
3. To the extent possible, align ongoing expenditures with ongoing revenues to avoid negative impacts on future budgets and maintain the City's high financial management standards.
4. When addressing General Fund shortfalls, use a combination of ongoing and one-time solutions to balance the competing goals of aligning ongoing revenues and expenditures and minimizing the service delivery impacts to the community.
5. Continue cost control measures until the ongoing General Fund revenues and expenditures are in alignment.
6. Approve an exception to the Council Policy that dictates setting the General Fund Budget Stabilization Reserve at or above 25% of adopted budget expenditures; set the Reserve level at a minimum of 15% of expenditures and address any remaining FY 2022/23 shortfall with the use of the Land Sale Reserve.
7. Focus on projects and services that benefit the community as a whole.
8. Pursue economic development objectives and strategies to foster new public and private investment within Santa Clara, and to create employment opportunities.
9. Balance between compensation adjustments to retain and attract employees and funding for positions.
10. Use one-time unrestricted revenues (e.g., annual General Fund surplus) for one-time uses such as increasing reserves, funding capital or Information Technology projects, paying off debt, and/or paying off unfunded pension or other post-employment benefits liabilities.
11. Inform and communicate clearly and broadly to residents, businesses and employees regarding the City's fiscal position and budget; schedule hearings to promote active participation in the City Council's budget deliberations.
12. With limited exceptions, establish fees based on full cost recovery where individuals/businesses rather than the community at-large are benefitting from City services. This preserves limited unrestricted resources for providing services that benefit the community as a whole.
13. Focus on business process redesign in order to improve employee productivity and the quality, flexibility, and cost-effectiveness of service delivery (e.g., streamlining, simplifying, reorganizing functions, and reallocating resources).
14. Explore expanding existing revenue sources and/or adding new revenue sources.
15. Engage employees to contribute new and innovative ideas during the department budget development process.
16. Use the General Plan as a primary long-term fiscal planning tool and link ability to provide City services to development policy decisions.



Next Steps / Policy Discussion



Next Steps

FY 2022/23 and 2023/24 Budget Calendar

Date	City/Stadium Authority Budget Schedule
February 8, 2022	Council Priority Setting Retreat / Adoption of Budget Principles
March 15, 2022	Approval of Stadium Authority Budget
TBD	Study Session on Municipal Fee Schedule
April 19, 2022	Public Hearing and Adoption of Proposed Municipal Fee Schedule
April 29, 2022	Release Proposed Biennial Capital Budget and Summary of Operating Budget Changes
May 10, 2022	Study Session to review Biennial Capital Budget and Operating changes
June 7, 2022	Study Session to review Biennial Capital Budget and Operating changes
June 21, 2022	Public Hearing/Adoption of Biennial Operating Budget and CIP changes



Moving Forward

City Council Policy Discussion

Budget Balancing

- FY 2022/23 and FY 2023/24 Capital Budget
 - Limited resources to address significant unfunded capital needs
 - G.O. Bond consideration/requires community engagement and strategy
- FY 2022/23 Operating Budget
 - Use of Reserves approved to balance FY 2022/23 budget
- FY 2023/24 and FY 2024/25 Biennial Operating Budget
 - Significant FY 2023/24 General Fund shortfall
 - With draw down of reserves, fewer options available
 - Expenditure reductions and additional revenues



Council Q & A



Public Comment



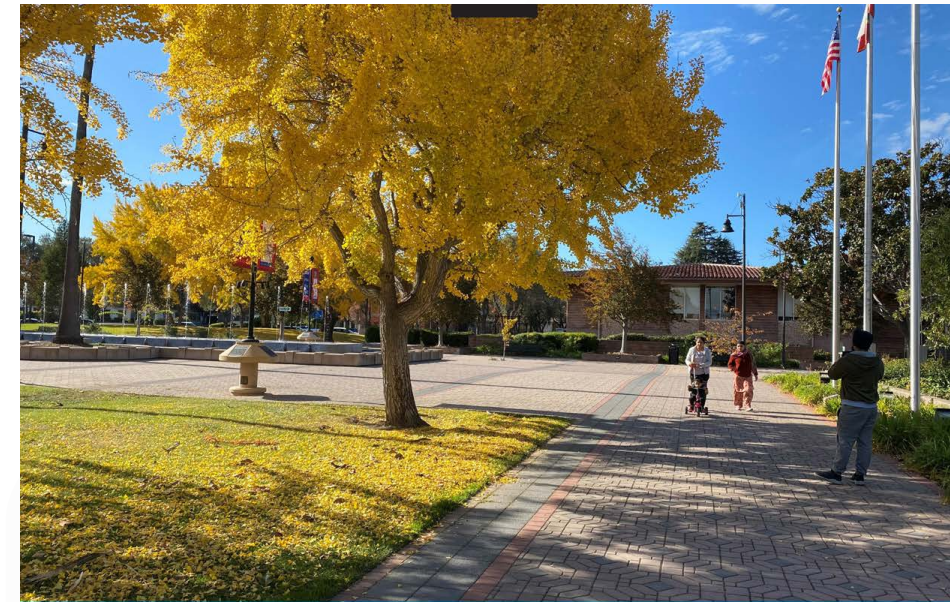
Accomplishments on Council Priorities & State of the Organization

Deanna J. Santana, City Manager
Dr. Shawn Spano, Facilitator



State of the Organization

- City produced 2021 Mid-Year and 2021 Year-End Accomplishments on Council Priorities and Other Operational Work.
- Report demonstrates high-functioning teamwork that is award-winning and has pivoted to respond to community's needs during COVID while advancing Council priorities.
- Reduced staff capacity significantly and has not reduced proportionately City services—est. 26% reduced capacity did not mean est. 26% reduced services.
- Impacts to staff for sustaining services, coupled with COVID and City Attorney vacancy.



**City of
Santa Clara**
The Center of What's Possible

2021

CITY COUNCIL GOALS & PRIORITIES

**City of Santa Clara Summary
of Accomplishments**

Accomplishments



City of Santa Clara
The Center of What's Possible

2021

CITY COUNCIL GOALS & PRIORITIES

City of Santa Clara Summary of Accomplishments

SANTA CLARA RESPONDED DURING THE PANDEMIC

We quickly pivoted to provide City services in-person while enhancing online digital services during the pandemic

Healthy Meals Santa Clara
150,000 free meals to youth and children in partnership with Santa Clara Unified School District to supplement meals.

City Council prioritized COVID-19 response during Priority Setting Sessions!

Emergency Rental Assistance
Assisted low-income households in Santa Clara with rental assistance for past due rent due to the COVID-19 crisis.

169 households
\$734,000 in funding

Small Business Assistance Grant Program

248 businesses supported
\$1,745,000 in grants

Food for Families
In partnership with the Salvation Army and Second Harvest Food Bank, distributed free essential food items to those impacted by the COVID-19 pandemic.

16,809 boxes of food
5,603 households

Senior Meal Program
We transitioned our daily Senior Nutrition Program to maintain the health and safety of the senior community.

103,000 free meals

Santa Clara City Library COVID-19 Free Testing

22 days of testing
10,986 tests provided

MANAGE STRATEGICALLY OUR WORKFORCE CAPACITY & RESOURCES



We invest in our staff to ensure they continue to provide the best possible service while remaining fiscally responsible and focused on strategic goals.



ENHANCE COMMUNITY SPORTS, RECREATIONAL & ARTS ASSETS



We will continue to provide public amenities, programs and services that provide opportunities to stay active and engaged. We are also continuing to maintain and improve our parks



City of Santa Clara
The Center of What's Possible

Accomplishments

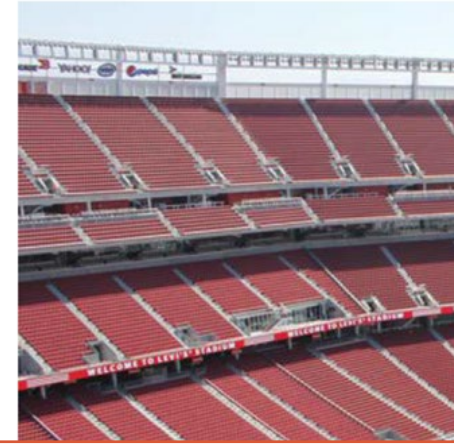
DELIVER & ENHANCE HIGH-QUALITY EFFICIENT SERVICES & INFRASTRUCTURE

We were busy in 2021 delivering the critical services the community expects and going above and beyond when the community needs us.



ENSURE COMPLIANCE WITH MEASURE J & MANAGE LEVI'S STADIUM

We are committed to managing Levi's Stadium with integrity, protecting public funding and complying with Measure J.



PROMOTE & ENHANCE ECONOMIC, HOUSING & TRANSPORTATION DEVELOPMENT

We will continue to look for opportunities to provide additional housing and transportation and partner with other agencies to make progress in these areas.



PROMOTE SUSTAINABILITY & ENVIRONMENTAL PROTECTION

The City of Santa Clara is dedicated to environmental sustainability and climate action through community programs, projects, partnerships and policy development.

Ranked second place in the nation for SVP's Green Power Excellence from the U.S. Department of Energy





2021 Service Awards & Recognition



2021 American Public Works Association Project of the Year
Reed & Grant Sports Park Project



Ranked First Place for 3CMA 2021 Savvy Award in Digital Interactive Overall Website for City website redesign



U.S. Environmental Protection Agency RAD Champion Award for Silicon Valley Power Responsible Appliance Disposal Program



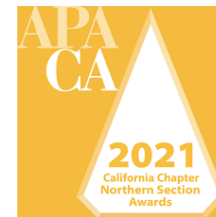
Ranked First Place CMUA Resource Efficiency & Community Service Award for Silicon Valley Power innovative Energy Efficiency Grant Program for Small Businesses



Award for Excellence in Information Technology Practices from Municipal Information Systems Association of CA



2021 Achievement of Excellence in Procurement Award for excellence in public procurement



Award of Excellence from the American Planning Association for Tasman East Specific Plan



Clean Water Environment Association Sewer Collection System of the Year



2021 Service Awards & Recognition



Silicon Valley Power recognized for Smart Energy Provider designation from the American Public Power Association

American Public Power Association's Safety Award of Excellence for Silicon Valley Power



Mission Branch Library LEED Silver Certification through the U.S. Green Building Council



Certificate of Achievement in Excellence in Financial Reporting for Comprehensive Annual Financial Report ending FY June 2020



State Level Recognition with Grassroots Award of Merit from California American Planning Association recognizing community team including Reclaiming Our Downtown, Santa Clara Parade of Champions, and Old Quad Residents for Rebuilding Downtown Santa Clara



California Emergency Services Association Coastal Chapter Exceptional Award for LISTOS program for Emergency Management



Capital Budget Excellence Award for Fiscal Year 2020/21 from the California Society of Municipal Finance Officers

City Council Pillars



Promote and Enhance Economic, Housing and Transportation Development



Enhance Community Sports, Recreational and Arts Assets



Deliver and Enhance High Quality Efficient Services and Infrastructure



Manage Strategically Our Workforce Capacity and Resources



Enhance Community Engagement and Transparency



Ensure Compliance with Measure J and Manage Levi's Stadium



Promote Sustainability and Environmental Protection

2021 City Council Priorities

- At the August 2021 Check-in, **23 total priorities*** were identified in the following categories:
 - **Top/Urgent** – one item
 - **Important** – three items
 - **Already In Progress/Ongoing** – 16 items
 - **Items to be Considered 2022** – three additional items

2021 City Council Priorities

Top / Urgent Priority

1. COVID-19 Recovery

- ✓ In February 2021 Priority Setting, Council agreed that **COVID-19 Assistance and Relief** was the most **urgent top priority**. In August 2021 check-in, the City continues to move towards **COVID-19 Recovery** as a top priority.
- ✓ The City continues to provide services and resources with the current workforce capacity and fiscal outlook, emphasizing the importance of COVID-19 vaccinations and expanded hours and in-person services at City Hall

2021 City Council Priorities

Three Important Items (In Progress)

2. Levi's Stadium Curfew and Violation Fee – City Council voted on Nov. 16 to direct City Manager to provide exemptions for up to five weeknight concerts per year with pyrotechnics ending no later than 11 p.m. Sunday – Thursday. Additional requests beyond the five per year, the City Manager will bring to Council for discussion. The program will need to be consistent with the Stadium permit.

3. Modernization of Business Employee Tax – Pursuing a business employee tax which is already before the Council. Council approved agreement with consultant to provide voter research, strategic consulting, and community outreach services which is currently underway.

4. Affordable Housing Opportunities – Affordable and, particularly, low-income housing, which has also been inclusive of homeless housing opportunities remain a priority. Council has taken action on various projects approved and homelessness services (short- and long-term). The City's Affordable Ordinance will produce nearly 1,000 additional affordable inclusionary units over the coming years to help meet the critical need.

2021 City Council Priorities

Already In Progress/Ongoing Items (Approx. \$2+M of need)

5. Homelessness – On Dec. 14, 2021, as part of the FY 2020/21 Budget Year-End Report, the City **appropriated \$75,000** to establish and support implementation activities with the Ad hoc Homelessness Task Force including monthly meetings, community education and engagement, and preparation of a Draft City Plan to End Homelessness. The Draft City Plan to End Homelessness may result in additional programmatic recommendations to Council for services and may require additional funding. On Jan. 25, 2022, Council approved an agreement with Homebase to work with staff to establish the Task Force. **(PARTIALLY FUNDED)**

6. Adopt Vision Zero Policy – On Nov. 16, 2021, Council voted to move this item to Priority Setting Session and directed staff to return to Council with a funding source in the amount of \$315,000 prior to the session. On Dec. 14, 2021, City staff presented the FY 2020/21 Budget Year-End Report that included \$400,000 for City Council initiatives. Of this amount, \$75,000 was allocated to support homelessness and the remaining balance of **\$325,000 is available**. Council has not yet appropriated the remainder of fund balance for this purpose. **(UNFUNDED)**

2021 City Council Priorities

Already In Progress/Ongoing Items

7. Facilitate Economic Recovery – Implemented grant programs for small businesses; temporary modification of City land use regulations; delivery service caps to protect restaurants; emergency rental assistance program; communication of potential resources to community; Worker Retention and Recall ordinances; efforts with TID and DMO to support hotel and convention center sales activity. The City has never had dedicated staff for economic development nor an Economic Development division. It is important to note that the City's two staff members, that served as subject matter experts while holding other duties, have departed the City. Current work is partially being completed and some has been suspended due to lack of capacity.

(PARTIALLY FUNDED/STAFFED)

8. Transportation “Quiet Zone” – City Council voted at Nov. 16, 2021 Council meeting to discuss at February Priority Session and staff researched funding sources, such as the infrastructure bill or grant programs. No grant opportunities were identified and the City's Legislative Advocacy consultant, Townsend Public Affairs were not aware of other opportunities at this time. The estimated cost for the study is **\$300,000**.

(UNFUNDED/UNRESOURCED)

2021 City Council Priorities

Already In Progress/Ongoing Items

9. Transportation Demand Management Study – Staff currently working on Request for Proposals (RFP) to get a third-party consultant as well as inclusion of a fee to fund work to include developing a TDM template and requirements for developers. At the Jan. 11, 2022 City Council meeting, the Council voted to note and file for the RFP to include support for online reporting of TDM reports. **Costs TBD (UNFUNDED)**

10. Station Area Plan – On Dec. 7, 2021 Council **approved the \$400,000** in grant funding from the MTC for the preparation of the Santa Clara Area Plan. The City will also have access to up to \$500,000 of consultant services funded by the Valley Transportation Authority. The **typical total cost is \$1-1.5M** which includes preparation of a Specific Plan and CEQA review. Additional funding will be necessary to complete and adopt the Specific Plan. Work on the Specific Plan is scheduled to begin in the summer of 2022 and extend through 2025. **(PARTIALLY FUNDED)**

2021 City Council Priorities

Already In Progress/Ongoing Items

11. Elections/Redistricting - The Independent Redistricting Commission is currently conducting a community engagement process with public hearings as part of the Redistricting process. The Commission will present to the Council an adopted map based on Census 2020 data. The Council will adopt an ordinance amending the current District Map with the newly adopted map in March 2022. The adopted Council map will be implemented starting with the November 2022 election.

12. Provide Core Services/Public Safety - \$1.7 million added to SCPD for operations.

13. Downtown Task Force/Precise Plan - Ongoing meetings continue to focus on best approaches for revitalizing downtown efforts. The schedule anticipates Council will consider adoption of the Precise Plan in Fall 2022/Winter 2023. The Task Force requested a scope and cost to analyze relocating City Hall downtown. The study conceptually analyzes moving City Hall downtown, including conceptual building form/space programming and an economic and financial analysis. **The estimated cost for conceptual land use and economic analysis is \$400,000**, which is not funded.

2021 City Council Priorities

Already In Progress/Ongoing Items

14. Pilot Program for eBikes & Scooters –On Dec. 7, Council approved an Ordinance to Establish Shared Mobility Permit and Impound Fees Program

15. Procurement Reform Recommendations – Council information session conducted with a targeted schedule for Council action in Spring 2022

16. Policy Discussion on Data Centers – Consider as part of Climate Action Plan update in Q2 2022. Staff is joining a Data Center working group, through existing data center national effort.

17. Economic Support from Large Businesses (voluntary) - City does not actively seek donations to ensure staff compliance with City Code and FPPC regulations & to adhere to the highest ethical standards. While the City does not actively seek donations, Policy 051 allows methods to accept donations. **(UNFUNDED/UNRESOURCED)**

18. Expand Councilmember District Communication Options – This new governance is implemented. The digital newsletter City Hall News will be developed for district-based on a monthly newsletter, provided to each City Councilmember to distribute to district constituencies

2021 City Council Policy Priorities

Already In Progress/Ongoing Items

19. Task Force on Diversity, Equity & Inclusion – Staff continues to support the Task Force which moves forward to identify key issues facing the historically disenfranchised communities and making recommendations to policies to achieve racial equity. Important to note staff that once supported this Task Force have departed the City and, to the extent possible, the staff person also assigned to ballot measures is also absorbing this work and working on development of a workplan to focus this work. **(UNRESOURCED)**

20. Councilmember Conflict of Interest – Staff conducts a review of agendas for addresses/properties for Councilmember-owned property. If the address is located within a radius (1,000 ft or less than 500 ft), the City Attorney’s Office makes determination of conflict of interest. For all other matters, the City Council self-reports on any potential conflicts of interest. However, under the law, Councilmembers are responsible for managing their potential conflicts.

State of the Organization



State of the Organization

- **COVID Impairs Full-Functionality and has Impacted City's Fiscal and Workforce Wellness** (e.g., workplace, staffing, and service delivery). COVID has revealed how shallow our "bench" is for sustaining services.
- **Prolonged City Attorney vacancy** has increased workload of existing staff and consumed significant capacity of non-CAO staff. Staff did not know that we would need to sustain COVID and CAO support services for this prolonged period: delays and backlog have increased. **This is an added burden and stressor in the workplace for sustaining day-to-day services.**
- **Recruitment and Retention Challenges:**
 - **4.5 million Americans quit their jobs in November according to U.S. Bureau of Labor Statistics*/Great Resignation**
 - Nation/region is experiencing a labor shortage
 - Silicon Valley has always been a competitive labor market for public sector and these growing trends add to the challenge
 - Known workplace conditions add to the retention/recruitment challenge

*[CNN Business, Jan. 4 2022](#)

Priorities Requires More Discipline & Strategy

In many ways, 2022 Priorities are self-evident:

1. Permanent City Attorney—legal needs far too voluminous/complex to be leaderless
2. Focus on successful revenue ballot measures (June and November)
3. Stabilize the organization from COVID impacts, recent reductions and threat of more reductions without resolved deficit, catch-up from prolonged absence of a City Attorney, and cure for imbalanced of workload > capacity (BURNOUT!)

What's Needed?

1. Permanent City Attorney
2. Strategy with how we use very LIMITED capacity. Stay focused on fiscal and workforce wellness and “make” capacity by suspending work that is “nice to have” or can be completed later. For example, moratorium with task forces, committees, and extra workload requiring our very limited and already reduced capacity, etc.
3. Fiscal controls that have been in place over past 4 years, are no longer fiscal solutions that we can use because we have institutionalized them already. We need to create new solutions from February through November.

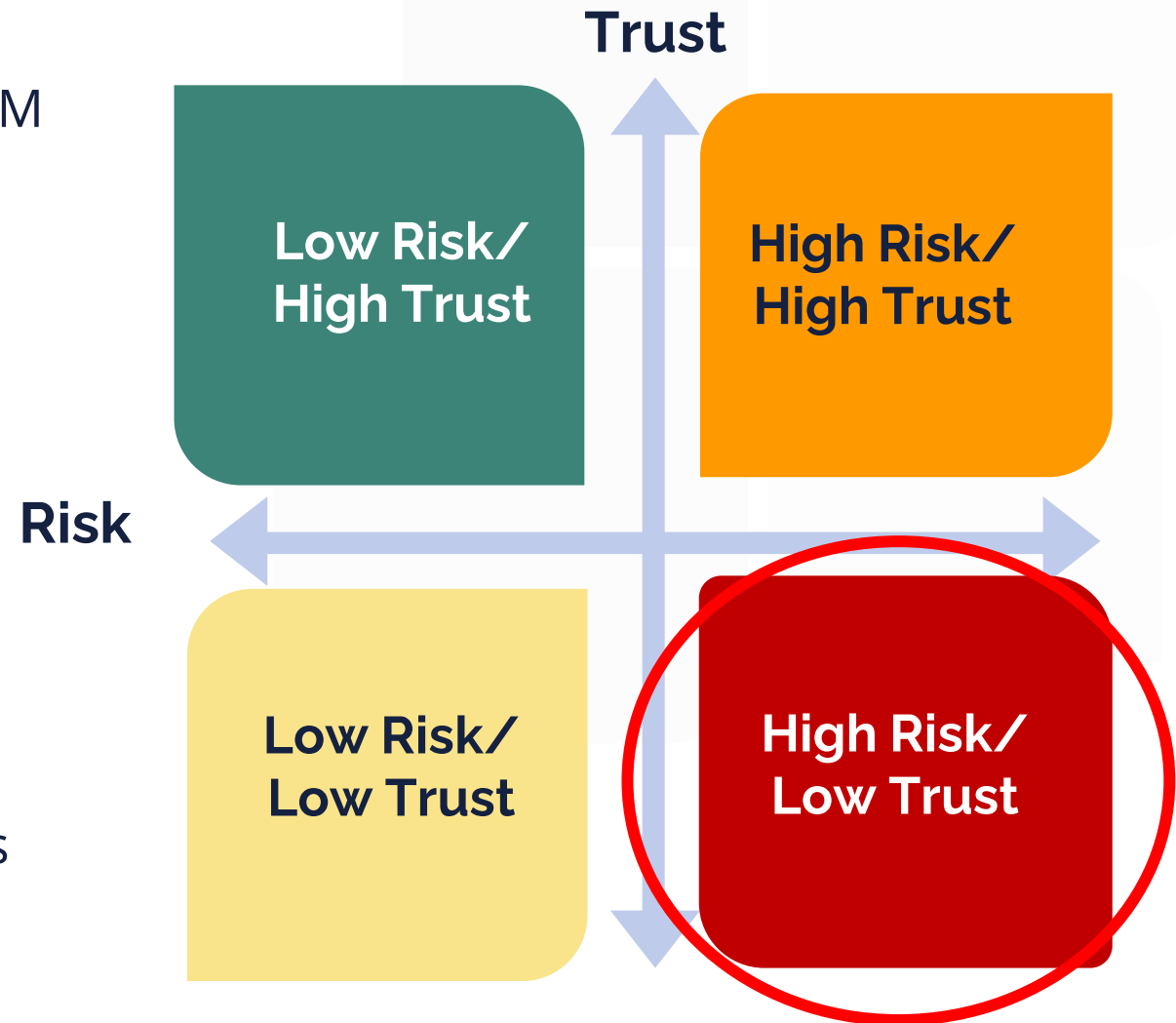
We Can Do This! Critical Path/Critical Priorities

When I started...

- Entered with \$116M projected deficit and \$47.5M in Budget Stabilization Reserve
- Deferred/delayed Council Priorities
- High risk and antiquated admin processes
- Council mandate for reform with discipline

What happened...

- Deficit reduced as low as \$3.3 M
- Reserves replenished to unprecedented levels
- Strategic investments in technology systems
- Discipline with workload, created capacity to obtain fiscal health and address policy priorities
- Addressed administrative improvements
- Built and earned trust!



Public Sector Employees Leaving Jobs

The Great Resignation

Public Sector Employees are Considering Leaving Their Jobs

52%



of state and local workers are considering leaving their jobs **voluntarily** due to COVID-19 to do **any or all** of the following: change jobs, retire, and/or leave the workforce entirely.

Working during the COVID-19 pandemic has made them consider:



36%
Changing jobs



33%
Retiring



28%
Leaving the workforce entirely for the foreseeable future

These individuals are significantly more likely to be:

Under age 40

African American

In K-12 education

At high risk of exposure to COVID-19 at work

Age 60+

Earning a household income of \$100,000+

At high risk of exposure to COVID-19 at work

Under age 40

African American

At high risk of exposure to COVID-19 at work

SOURCE:
[MissionSquare Research Institute](#)
polling,
February 2022

Why Employees Are Leaving?

Why Employees Are Leaving

Top 3 Reasons

Employees Are Considering Changing Jobs

52%

Want a higher salary or a better benefits package

47%

Feel burned out from stress of job during pandemic

36%

Need better work-life balance

Top 3 Reasons

Considering Retiring and/or Leaving the Workforce Entirely

42%

Feel burned out from stress of job during pandemic

37%

Want time to do things that bring joy

26%

Tension have faced working with the public (or students' parents)

Top 3 Reasons

Causing Increase In People Leaving Their Jobs Voluntarily

58%

Added stress due to the pandemic

52%

Concern about safety due to COVID-19

47%

People are rethinking what they want to do

✓ Pre-COVID 11-14%
Vacancy Rate,
Post COVID ~17%

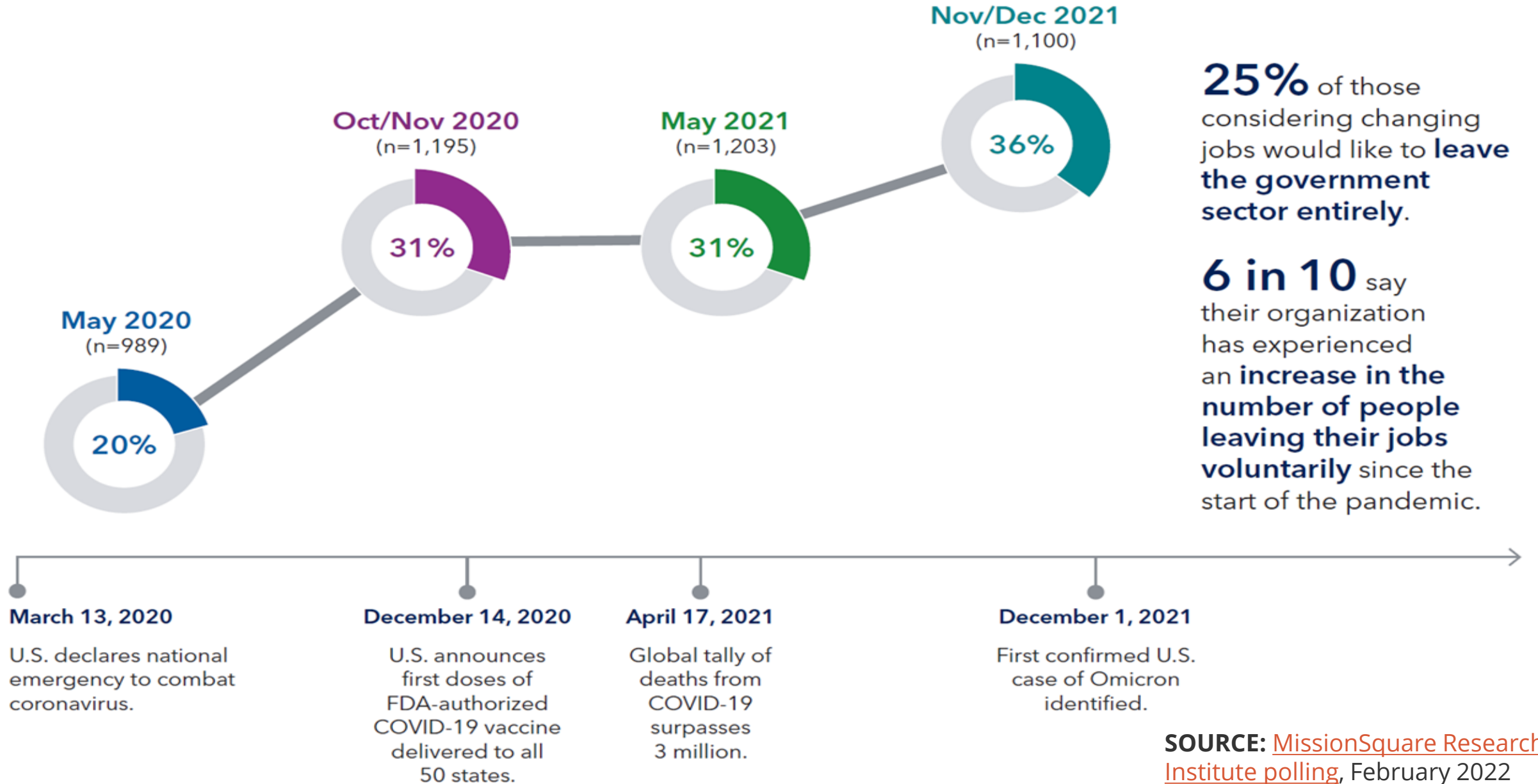
- ✓ High Cost of Living
- ✓ Council Dynamics/
Treatment of Staff
- ✓ Workload Stress
- ✓ Lack of Work Life
Balance
- ✓ Organizational
Complexity/Tough



8 in 10 say the increase in number of people leaving voluntarily has put a strain on their workload.

SOURCE: [MissionSquare Research](#)
[Institute polling](#), February 2022

Trends in Considering Job Changes



Growing Workload



FINITE CAPACITY
Pre-COVID

2,990,488 Capacity Hours

1,151.5 FTEs

927 As-Needed Employees

290,725 Capacity Hours Lost re Vacancies

Growing Workload



26% Staff Reduction

17% Vacancy Rate
(197 FTEs)

FINITE CAPACITY
Post-COVID

2,230,624 Capacity Hours

Lost Hours = 759,864

965.75 FTEs

500 As-Needed
Employees

353,024 Capacity Hours
Lost re Vacancies

Growing Workload



26% Staff Reduction
17% Vacancy Rate
(197 FTEs)



\$19.6M Budget Deficit

FINITE CAPACITY FY 2023/24

2,230,624 > Capacity Hours

Lost Hours > 759,864

965.75 > FTEs

500 > As-Needed Employees

Organizational Capacity – **Loss of 1+ million staff hours** **26% reductions in staff and ~17% vacancy rate***

Pre-COVID-19 Staff Capacity	Hours
1,151.5 FTEs x 1,792 hrs.**	2,063,488
927 as-needed x 1,000 hrs.***	927,000
Total full capacity productivity hours	2,990,488
Current Staff Capacity	Hours
965.75 Filled FTEs x 1,792 hrs.^	1,730,624
500 as-needed x 1,000 hrs.	500,000
Total current productivity hours (759,864 hours)	2,230,624
Total loss of productivity hours due to 17% vacancy rate (197 FTEs x 1,792 hrs.)	353,024

**17% vacancy rate – General Fund non-public safety positions total \$7M*

***Assumes time off for holidays, vacation, sick and personal days and furloughs*

****As-needed positions can work up to 1,000 hrs./year*

^Total budgeted positions is 1162.75

State of the Workforce

- **COVID-19 staff outbreaks:** impacts capacity/delivery of services
CY 2021 = 148 breakouts CY 2022 = 260 breakouts (*as of 1/25/22*)
- Departments experiencing a **higher demand** for services, service delays and hard to keep up with growing requests
- **Employee burnout and inability to respond** to all Council priorities or take time off, already exists
- City runs **high risk of being in violation of employee laws** regarding mandated workplace time off requirements (e.g., breaks, lunch, etc.) and inability to flex schedules for hours worked beyond 40 hrs/week. For some bargaining units, 40-60+ hrs/week is the norm.

State of the Workforce

While Staffing levels shrink--

- Workload that Council controls is growing
- Workload that is outside of City's ability to manage is also growing
 - State and federal laws, order, and/or mandates
 - Regional or other public agency work (Valley Water, SFPUC, County, VTA/BART, etc.)
 - On-demand services by residents/businesses/developers
 - Public Records Act, Development and Service Requests, etc.
- Ongoing services/staffing levels are based on assumption that staff will regularly work over 40+ hours in a week. **This has reached its limit with existing staff, not sustainable to float work on assumption of overtime while there is no flexing and little time to take off.**

Growing Workload

- Public Record Act (PRA) request continue to increase YTY by double digits over past two years: we can't recruit for these positions because of known workload.
- Outsourcing PRAs, but not seeing gain in staff capacity due to required support/coordination. All departments are impacted by requests!
- Board, Commission, Committees, Task Forces, and Ad Hoc bodies increasing without more resources to sustain and while staff that support them have left
- Staff departures and reduced ability to recruit because of known working conditions and Council dynamics (some recruitments have to be conducted more than once to get to an employment offer, some we have been unable to fill)

Public Record Act Requests		
	January 2021	January 2022
Total Requests	864 YTY 55% increase	1,336
Total Sub-requests	17,381 YTY 47% increase	25,618

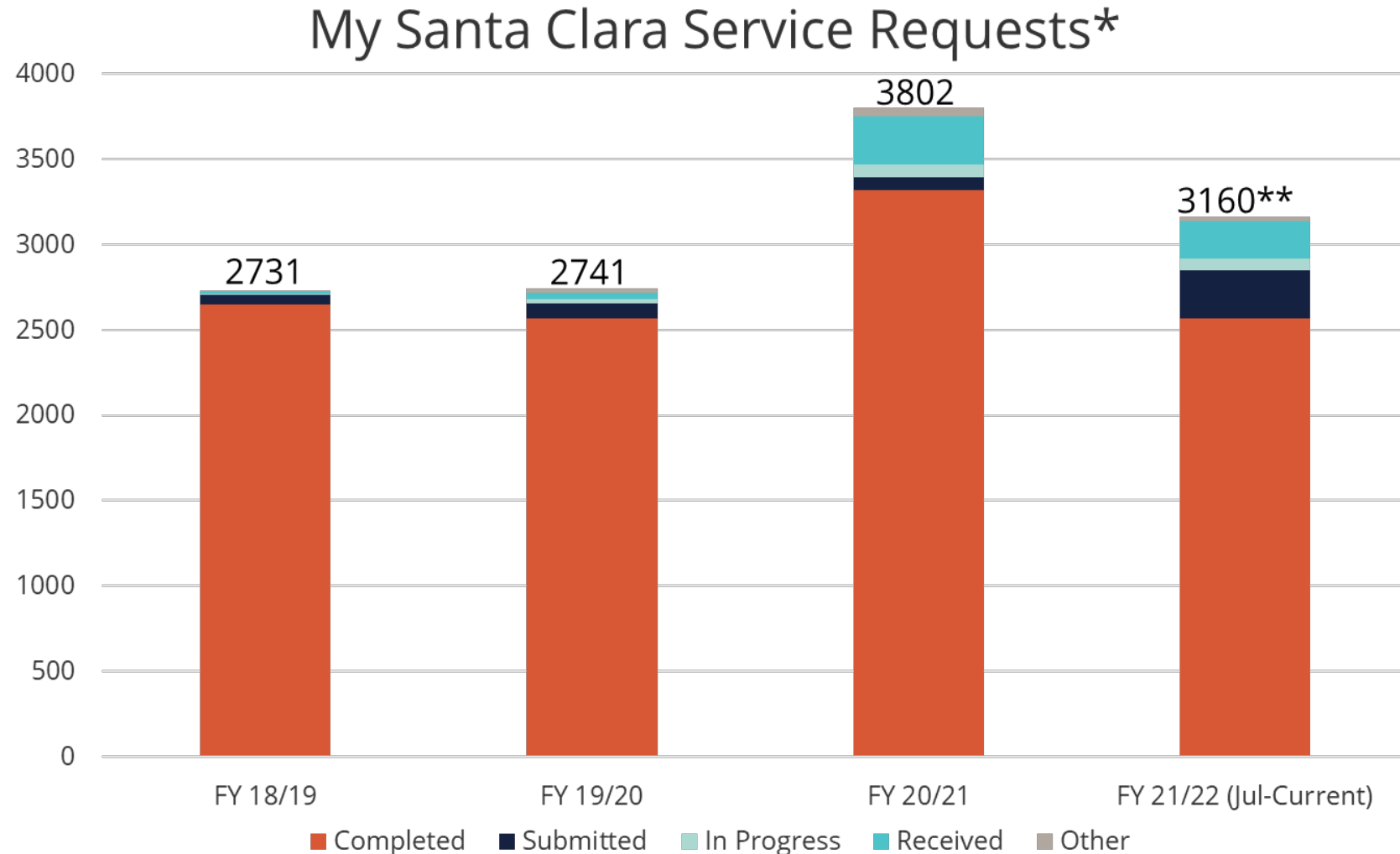
(Data range: Jan. 1, 2021– Jan. 31, 2022)

Growing Workload Outside of Council Direction

- **Statewide Climate Issues** - Drought Emergency and Water Conservation Efforts. Separately, Water & Sewer have large capital projects to implement.
- **Unprecedented Development & Permits processed** – Staff processed record-breaking Plan Check and Permit fees **in FY 2020-21 for over \$15.5 million in revenue**, an all-time high for the City. In contrast, Community Development has **≈31% vacancy rate. Hard to fill profession!!!**
- **7,814 (30% increase YTY) building permits were issued in FY 2020-21**, compared to 6,005 in FY 2019-20 and 7,321 in FY 2018-19.
- **Ongoing Planning Projects** – total of 84 ongoing projects (FY20-21) that collectively propose **20,186 units** and **21.8 million square feet of non-residential development**.
- Projects are supported by multi-department City staff at every stage, from entitlement to construction, and require resources and capacity.
- **Traffic study requests are up 20% in 2021**. City receives about 400 traffic study requests per year.

Citywide Service Request Growing (MySantaClara)

- **39% increase** in use between FY 19/20 and FY 20/21 (*likely some are COVID related*)
- **40% increase** in last seven months compared to previous seven months** (*on trend to exceed prior year*)
- **Resources/staffing not increased to support increased service requests** (*staff absorbed as daily work and requests impacts all Departments*)
- Concern about our ability to maintain quality of service.



*does not include service requests received by the City through other systems

Active/Potential Workload Requiring Capacity*

- Long-term water security and related regional work with water providers
- Related Development - Phase 1 beginning Q1 2022
- Downtown Implementation
- BART to Santa Clara
- North San Jose development
- Development Support (large computer chip effort to stabilize global shortage)
- ADA Settlement Agreement project implementation
- Large SJ/SC Wastewater Treatment capital projects
- Ballot measures

Est. 6-month Impacts from City Attorney Vacancy

1. Litigation Workload – Cannot be Delayed

- Hard Deadlines exist on litigation work
- Litigation support impacts the whole organization

2. Transactional Workload - Delays Exist

- Initiatives, agenda reports, contract review, daily legal operational support, and work that keeps services moving
- SVP has about 100 contracts for next year

3. Admin. Legal Workload - Delays exist

- Risk management, personnel, City code, new or amended laws as they impact City, modernization, policies, COVID compliance, PRAs, etc.

Fragile Complex Legal Support

- 6000+ productivity hours removed from already short-staffed office pre-COVID, plus reductions/departures. Consultant report determined est. 8 attorneys were needed; current = 4
- Less staff are absorbing more work and must continuously prioritize to meet the critical/urgent needs of the organization
- Whack-a-mole doesn't work with our complex legal needs



Est. 6-month Impact from City Attorney Vacancy

Litigation Workload – Cannot Be Delayed

- Major impacts with hard deadlines create delays on other CAO workload (transactional and administrative) and our team is stepping up to help each other out (but it takes capacity)
- Litigation efforts now require much more involvement by key staff
 - City Manager and Finance Director now need to be more hands on and involved in legal matters/reviews, meet more deadlines, etc.
 - Adding to more burnout due to domino effect of delegating eligible work to other staff, some duties delayed, etc.
 - **“This is an impossible task!”**—*well said by a staff member*

Est. 6-month impact from City Attorney Vacancy

Transactional Workload – Delays Exist

- Complex legal requests take longer to complete, which impacts services and adds workplace stress for not getting timely responses to services needs. Staff steps in as much as it can and CAO staff is doing great considering the significant reduction in lost capacity.
- Contract review is continuous while workload is impacted in other areas, the City processes 100s of contracts per year.
- Public Record Act review requests are growing/more complex/outside legal support is burdensome and requires “hands on” support...not observing a gained efficiency. City Attorney’s Office does not have capacity to help with the volume of legal reviews.
- Agenda reports take longer for reviews, with some being delayed awaiting capacity to complete reviews, 70 total Council Reports since Jan. 5, 2022
- Voluminous weekly transactional legal reviews to sustain services are taking longer (services requests, new laws review/implementation/compliance, document review, Council report review, contracts review, etc.)

Est. 6-month impact from City Attorney Vacancy

Transactional Workload – Delays Exist

- Delay in Council Referral responses such as the Ethics Consultant, Confidentiality, outstanding Council Committee referrals, etc.
- Longer response time and turnaround on new residential housing Park Development and Park maintenance agreements review/approval (3-4 weeks)
- Delayed Library MOU development, revision, and contracts (e.g., Library Foundation & Friends and Genealogical Society)
- Finance procurement contract review and reduced support on general Finance legal questions.
- SVP has 300 contractual items, with over 80 pending procurement. SVP attorney and purchasing manager resigned. We need time to work on Plan B.
- **Anticipated ballot measures will require significant legal support!**

Est. 6-month Impact from City Attorney Vacancy

Administrative Workload – Delays Exist

- CMO/HR increasingly uses outside labor legal counsel due to reduced capacity/increased workload: legal interpretation of employment laws, review of policies, civil service rules, EEOC/DFEH responses, workforce legal needs, etc.
- Delayed decisions for Prop 218 regulations for Water, Sewer & Recycled Rates
- Existing capacity does not allow for CAO staff to participate in the development of the new Legal Case Management System
- Inability to support strategic procurement processes for outside support because of other workplace emergencies
- Delayed review of Building/Planning submittals and land use reviews

Est. 6-month Impact from City Attorney Vacancy

Administrative – Delays Exist

- Review of critical Police legal matters: document review, PRA guidance, personnel matters (investigations, internal affairs, discipline, etc.), general legal advice,
- Legal review and guidance on RV Clean-ups, towing contracts, issues relating to unhoused populations, noise concerns in the City, etc. *This requires legal support on all levels*
- Review of City Code regarding sidewalk vending still underway; multi-department work has not been able to get started due to lack of staff capacity (SB 946 passed which limits ability to enforce aspects of “sidewalk vending”). SCPD can no longer enforce/cite violations of sidewalk vending. (Parks, PD, SCSA, CMO, CAO)
- Delays in review and clarification of retention of Officer discipline files - Due to recent “Sunshine” changes in State law pertaining to personnel files, needed clarification on internal affairs findings.

This is not a complete list, but combined, these make the organization unstable, create delay/backlog, add workplace stress for staff, and is not sustainable.

Existing City staff are doing a great job, but capacity is finite!

Legal Support for Implementation of New Laws

Over 200 new bills signed into law take effect in 2022 including highlighted legislation:

- **SB9 (Atkins) Housing Development Approvals:** Develop a zoning code amendment to address the addition of duplexes and urban land splits in single family lots which are now required to be ministerial approvals by the State
- **AB 215 (Chiu) Planning and Zoning Law. Housing Element. Violations:** Requires local governments to make the first draft revision of a housing element available for public comment for at least 30 days; if comments are received, the local government must take at least 10 days beyond the 30-day comment period to consider and incorporate public comment.
- **SB 2 (Bradford) Peace Officers. Certification. Civil Rights:** Beginning January 1, 2022, peace officers, custodial officers, and their employing agencies will no longer be able to claim immunity from Bane Act claims the bill modifies.
- **SB 16 (Skinner) Peace Officers. Release of Records** Local agencies subject to comply with the bill's provisions and disclosing records of incidents that occurred after January 1, 2022. However, the bill phases in implementation so that records relating to incidents that relate to the new categories of offenses added by this bill that occurred before January 1, 2022, are not required to be disclosed until January 1, 2023.
- **SB 278 (Leyva) Public Employee' Retirement System. Disallowed Compensation. Benefit Adjustments.** Public agencies should review all their collective bargaining agreements covering CalPERS' members and scrutinize each item of compensation that is reported to CalPERS to ensure that the item is indeed reportable under applicable statutes, regulations, and administrative guidance.
- **SB 619 (Laird) Organic Waste. Reduction Regulations.** Jurisdictions facing continuing violations of 1383 regulations during the 2022 calendar year must act to receive civil penalty fine relief
- **Other Labor related bills**

30 Current Boards, Commissions & Committees

**Unresourced*

1. ADA Committee
2. Audit Committee
3. Bicycle and Pedestrian Advisory Committee
4. Board of Library Trustees
5. Charter Review Committee – As Needed*
6. City/Mission College Liaison Committee
7. City/School Liaison Committee
8. Civil Service Commission
9. Cultural Commission
10. Deferred Compensation Committee
11. Development Review Hearing
12. Downtown Community Task Force
13. Economic Development, Communications, & Marketing Committee*
14. Governance and Ethics Committee*
15. Historical and Landmarks Commission
16. Housing Commission*
17. Independent Redistricting Commission (as needed)
18. International Exchange Commission*
19. Oversight Board Committee
20. Parks and Recreation Commission
21. Planning Commission
22. Salary Setting Commission
23. Senior Advisory Commission
24. Task Force on Diversity, Equity, and Inclusion*
25. Youth Commission
26. Ad Hoc Committees on 2021/22 City Council Committee Assignment (as needed)*
27. Ad Hoc Facilities Naming and Honorary Recognition Committee (as needed)
28. Ad Hoc Stadium Audit Committee (as needed)
29. Ad Hoc Committee * – CVRA Apology Letter
30. Ad Hoc Homelessness Task Force * (Contracted Out)

REQUESTED/TBD:

- Stadium Neighborhood Relations Committee*
- Film Commission*



Council Discussion

- What does Council see as the top City Accomplishments in 2021?
- Given the Fiscal Outlook and State of the Organization, what are the key challenges that keep you up at night for the City?
- As a Council, what must you do to address the fiscal situation and workforce wellness?

Public Comment



Governance Check-In: Meeting Efficiency and Civility and Collegiality

Dr. Shawn Spano, Facilitator



Review Current Meeting Protocol

1. Council receives the staff report/presentation
2. The Mayor asks each Councilmember, one at a time, to ask their questions. All questions are asked before being answered
3. Staff answers Council's questions and any items that might have surfaced during public comment
4. The Mayor elicits public comment
5. Each Councilmember explains how they are going to vote and why, if they choose to
6. Motion and vote



Assess Protocol to Improve Meeting Efficiency

- How is the protocol working?
- What revisions or changes, if any, does Council want to make to the protocol?
- Review protocol

Other Meeting Management Techniques

- City Manager notes during beginning which items are critical to keep City continuity
- Meetings generally end by midnight and items deferred
- Items with many public speakers may be shifted
- For routine, non-controversial items, go to vote without staff presentation or discussion

Conclude Meeting Efficiency

- Are there any other changes Council wants to consider to improve meeting efficiency?
- Adopt the proposed Resolution establishing meeting procedures

City Council Referrals & Inquiries

- **Better management and tracking** of information and responses, increased Council's awareness of resolution of items
- **Monthly reports** provided to Council on status of inquiries available through MySantaClara
- Developed a **centralized process/repository** for all Council questions, inquiries, and resident issues, which can be assigned to staff based on capacity and existing priorities
- Developed new GIS data point to include City Council Districts boundaries in MySantaClara application

Mayor & Council Referral Requests (July 1, 2021 – Jan. 31, 2021)

Completed	122
In Progress	9
Total Requests	131

Governance Norms to Address Civility & Collegiality -- Examples

1. Demonstrate respect—Council must hold each other accountable to the City's Ethics and Values
2. Build collegial and professional relationships
3. Do not assume negative motives or make it “personal”
4. Manage differences productively
5. Vote and move on
6. Do what's best for the City
7. Be prepared for meetings
8. Monitor and adjust your behaviors for meeting efficiency

City's Code of Ethics and Values: Behavioral Standards

As a Representative of the City of Santa Clara, I will be

1. Ethical
2. Professional
3. Service-oriented
4. Fiscally responsible
5. Organized
6. Communicative
7. Collaborative
8. Progressive

Governance Norms Discussion

1. How is Council doing in adhering and following these norms and behavioral standards?
2. Are you holding each other accountable to them?
3. What impact does this have on how you are perceived as a Council by the community?
4. What impact do you think this has on City staff?
5. Are there any norms and behavioral standards that Council wants to single out to adopt and affirm?

Public Comment



2022 Council Priorities Strategy: Critical Priorities

*Dr. Shawn Spano, Facilitator
Deanna J. Santana, City Manager*



2021 Council Priorities

*From a Strong Foundation,
All Things Are Possible*

CITY OF SANTA CLARA

PRIORITIES REQUIRE DISCIPLINE & STRATEGY

50+ Additional Referrals, 030s

Transportation Quiet Zone, Rainbow Crosswalk, Flashing Beacons Stadium Neighborhood Relations Committee, Film Commission, Sanitary Sewer Laterals, New City Hall Downtown, Vision Zero Policy, Youth Soccer Park parking, Senior Transportation, Elected Police Chief & City Clerk, etc.

2021 Council Policy Priorities

Levi's Stadium Curfew and Violation Fee, Homelessness, Affordable Housing, COVID Recovery & Relief, Transportation Demand Management Study, Downtown Task Force, Shared Mobility Program, Business Employee Tax, Transportation Quiet Zone, Station Area Plan, Elections/Redistricting, Policy Discussion on Data Centers, etc.

Critical Path & 2022 Priorities

Appoint City Attorney

Solving Current Deficit / Revenue Ballot Measures

COVID Impacts & Uncertainty

Maintain Day to Day Operations

Staff Workload, Safety & Wellness

Foundation



GOOD GOVERNANCE



OPERATIONS & STAFFING



BALANCE THE BUDGET

Critical Path and Critical Priorities

Critical Path:

- Feb – Nov. 2022** Revenue Ballot Measures/Continue GF Revenue Work & Cost Containment
- Nov. – May 2023** FY 2023/24 Proposed Budget Must Resolve \$19.6M projected deficit and Address Utility Transfer to GF

Critical Priorities:

- **Governance: Permanent City Attorney**
 - Legal leadership desperately needed for our organization's very complex legal service needs
 - Allows for City to catch up on delayed legal services and Charter governance
- **Budget/Ballot Measures: Allow us to Prioritize Solving the Current Deficit**
 - Revenue Ballot Measures to Stabilize General Fund and Services
 - Some key staff assisting with ballot measure research have left the organization
 - Reluctance to fill some General Funded positions because they may be needed to balance the budget in November 2022
- **Workforce: Create Capacity (Resource Management & Remove Impairments)**
 - Discipline with COVID impacts, current Council directives, and priorities/CAPACITY IS FINITE
 - Right Sizing the Workload for organizational capacity
 - Reduce dependence of assumed overtime by staff for completion of Council priorities



5:00 p.m. Ballot Measure Strategy



Potential Ballot Measures

Election	Type	Potential Measures
June 2022	Special Election	<ol style="list-style-type: none">1. District Council Elections (May 25, 2021)2. To be determined
November 2022	General Election	<ol style="list-style-type: none">1. Utilities Fund Charter Amendment2. <i>Business License Tax (TBD)</i>

Potential Measures Not Included in Potential Ballot Measure Strategy:

- Infrastructure Bond
- Elected Police Chief
- Elected City Clerk
- Campaign Reform

Budget Balancing

Potential New Revenue Sources

Business Tax

- Santa Clara Business Tax last updated in 1992
- Business Tax ranges from \$15 to \$500 per company
- No cost escalator
- Current annual revenue of approx. \$0.9 M annually



Budget Balancing

Potential New Revenue Sources

Business Tax

- City has approx. 8,500 businesses with active licenses
- About 6,100 businesses are subject to the employee-based business license tax
 - This equates to approximately 137,000 employees
- The remaining 2,400 businesses are exempt or pay alternate-based fees (e.g., pawn shops, taxicabs, theaters, apartments and hotel/motel rental units)



Recent Business License Tax Ballot Measures

Agency	Nov 2018 Ballot Measure	Pass/Fail
Cudahy	Casinos	Pass
Daly City	Business Tax	Pass
Mountain View	Business Tax	Pass
Sausalito	Business Tax	Pass
Grover Beach	Business Tax	Pass
San Francisco	Citizen Initiative – Business Tax	Pass
County of San Benito	Business Tax	Pass

Agency	Nov 2020 Ballot Measure	Pass/Fail
San Jose	Cardroom Tax	Pass
Richmond	Business Tax	Pass
San Francisco	Business Tax – various changes	Pass
San Francisco	Business Tax – employee pay	Pass
Berkeley	Transportation Network Companies	Pass
Long Beach	Oil Production Tax	Pass
Lynwood	For-Profit Hospitals	Fail



Budget Balancing

Potential New Revenue Sources

Santa Clara Business Taxes are Comparable to Smaller Cities

City	Annual Rate	FY 21/22 Budget	% of GF Budget
Cupertino	\$155 - \$306 plus per unit costs in limited cases	\$0.6 M	0.7%
Gilroy	\$40 - \$2,000	\$0.6 M	0.9%
Los Altos	\$75 - \$335 plus addtl. amt. per employee/unit; \$3,200 max.	\$0.5 M	1.1%
Mountain View	\$75 - \$584K + \$150/employee (tiered by no. employees)	\$6.0 M	4.1%
San Jose	\$207 - \$166K (tiered by no. employees/units)	\$25.7 M	2.1%
Santa Clara	\$15 - \$500 (tiered by no. employees/units)	\$0.9 M	0.4%
Sunnyvale	\$41 - \$13K (tiered by no. employees/units)	\$1.9 M	0.9%

Note: Palo Alto, which currently does not have a business tax, is exploring a potential ballot measure

Addressing Unfunded Infrastructure

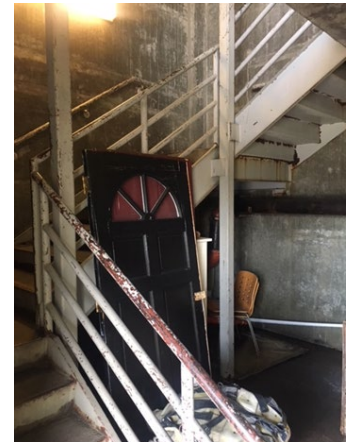
Potential New Revenue Sources

General Obligation (GO) Infrastructure Bond Key Features

- Used for long-term capital project financing
- Requires two-thirds supermajority vote
- One-time revenue, up front
- Secured by levying ad valorem property taxes in addition to the 1% general ad valorem property tax



Swim Center Boiler



Fire Training Tower



Addressing Unfunded Infrastructure

Potential New Revenue Sources

Recent General Obligation Bond Measures Approved

City/County	Approved	Amount	Purpose
San Francisco	November 2020	\$487.5 M	Housing, Homeless
Alameda County Fire	November 2020	\$90 M	Fire/EMS
San Francisco	November 2019	\$600 M	Affordable Housing
San Jose	November 2018	\$650 M	Public safety, infrastructure, and roads
San Francisco	November 2018	\$425 M	Earthquake/flooding facilities and infrastructure
Berkeley	November 2018	\$135 M	Affordable housing
Campbell	November 2018	\$50 M	Police Emergency Operations Center and library facility
Foster City	June 2018	\$90 M	Levee improvements for flooding
Emeryville	June 2018	\$50 M	Affordable housing
Santal Clara County	November 2016	\$950 M	Affordable housing

* Does not include school district measures



Registrar of Voter (ROV) Deadlines

June 2022 Election

Action Required	June Election Cycle
Council Adopts Resolution to Place Measure on Ballot and Call for Election	
Deadline to submit resolution to ROV by 5 p.m.	3/11/22
Arguments due to the City Clerk up to 14 days after Council Resolution is adopted but not later than ROV deadline	
Deadline to submit Arguments to ROV by 5 p.m.	3/15/22
Rebuttal and Impartial Analysis due up to 10 days after Arguments but no later than ROV deadline	
Deadline to submit Rebuttals & Impartial Analysis to ROV by 5 p.m.	3/22/22

Registrar of Voter (ROV) Deadlines

November 2022 Election

Action Required	November Election Cycle
Council Adopts Resolution to Place Measure on Ballot and Call for Election	
Deadline to submit resolution to ROV by 5 p.m.	8/12/2022
Arguments due to the City Clerk up to 14 days after Council Resolution is adopted but not later than ROV deadline	
Deadline to submit Arguments to ROV by 5 p.m.	8/16/2022
Rebuttal and Impartial Analysis due up to 10 days after Arguments but not later than ROV deadline	
Deadline to submit Rebuttals & Impartial Analysis to ROV by 5 p.m.	8/23/2022

Voter Research

- City retained the Lew Edwards Group to conduct quantitative and qualitative voter research
- Voter research conducted the week of January 18 regarding:
 - utility revenue transfer to General Fund Charter language amendment
 - modernization of business tax
 - infrastructure bond
- Targeted focus groups with business community held on February 3 to solicit initial feedback on modernization of business tax
- Additional outreach would be conducted as needed based on Council direction

Voter Research Results & Focus Group Summary

Low Edwards Group will share presentation

Next Steps

- Per CVRA Settlement Agreement, City must request a consolidated special election in June for consideration of the District Election measure.
- Council direction on any additional measure to be placed on the June ballot (infrastructure, elected police chief/clerk, etc.)
- Staff will prepare Council resolutions for June 2022 ballot measures for consideration at the **3/8/22 Council meeting**.
Note: Authors of the arguments will need to move quickly in order to meet 3/15 ROV submission deadline.
- Council direction to continue community engagement regarding Utilities Charter Amendment and modernization of Business License Tax as part of November 2022 election cycle

2022 Council Strategy: Additional Items Referred & Unfunded Council Initiatives

*Dr. Shawn Spano, Facilitator
Deanna J. Santana, City Manager*



Other Directives / Initiatives / 030 - Referred to Priority Session

1. Elected Police Chief and City Clerk
Ballot Measure - *August check-in*
(Unresourced/Unfunded)

2. Election Reform /Campaign
Contribution Cap - *August check-in*
(Unresourced/Unfunded)

3. Internet Equity & WiFi - *August check-in* **(Unresourced/Unfunded)**

4. Ballot Measure Infrastructure Bond/Tax **(Partially Funded/Staffed)**

Dec. 2020 – Jan. 2022
- **15 items** referred to
Priority Setting Session
- **35** Additional Items
submitted by Council
Policy (030)
= **50 Total Items**

Other Directives /Initiatives / 030 - Referred to Priority Session

5. **Sanitary Sewer Laterals (Unresourced/Unfunded)**

6. Discussion of **New City Hall in New Santa Clara Downtown Plan (Unresourced/Unfunded)** Estimated cost for conceptual land use and econ. analysis is \$400,000 (construction costs est. \$300-450M).

7. Proposal of New City **Film Commission (Unresourced/Unfunded)**

8. **Construction of Lawn Bowl Facility** for Consideration - The City allocated \$175,000 for the repair and maintenance of the Lawn Bowl facility clubhouse. No funding allocated for construction/Cost unknown. **(Unresourced/Partially funded)**

9. Installation of **Rainbow Crosswalk(s)** Painting in Santa Clara **(Unresourced/Unfunded)**

Other Directives /Initiatives / 030 - Referred to Priority Session

10. Installation of Rectangular **Rapid Flashing Beacon Crosswalk** at Kiely/Mauricia – The City has over 200 uncontrolled crosswalks. There is an unfunded project in the budget for additional work for a study and analysis of uncontrolled crosswalks citywide **estimated at \$7M.**
(Unfunded)

11. Establish **Stadium Neighborhood Relations Committee**
(Unresourced/Unfunded)

12. **Feasibility Study for constructing a roadway undercrossing** at the RR tracks separating Benton Street and Brokaw Road near the Santa Clara Caltrain Station and Future BART Station. The estimated cost for a study is \$500,000. No funding allocated for construction/Cost unknown.**(Unresourced/Unfunded)**

Other Directives /Initiatives / 030 - Referred to Priority Session

13. Approve the review of the **Senior Advisory Commission Transportation Interest Letter** and refer the issue of a transportation needs analysis **(Unresourced/Unfunded)**

14. **Swim Club Presentation on the remedial condition of the facility.** No funding allocated for study or construction/Cost unknown and based on final scope. **(Partially Resourced/Unfunded)**

15. New RFP for **Janitorial services contract** based on public comment experiences with vendor. One year to engage in this significant procurement, where COVID/workplace safety and safe transition is required.

Other Directives /Initiatives / 030 - **COMPLETED**

16. Action on Written Petition submitted by Councilmember Chahal **Requesting a Discussion on the CVRA Appeal Case** (Closed session 12/15/20)

17. Action on a Written Petition **Submitted by Councilmember Hardy Requesting a Discussion on Council Policy 047** (Admonition and Censure) (5/4/21)

18. Action on a Written Petition submitted by Gabriela Gupta **Requesting the Censure of Councilmember Watanabe and Admonishment of Mayor Gillmor - Council Policy 047** (5/4/21)

Other Directives /Initiatives / 030 - **COMPLETED**

19. Action on a Written Petition submitted by Ana Vargas-Smith on June 28, 2021 to add an agenda item to consider **financial and in-kind support for the Santa Clara Parade of Champions Plan A (Live Parade) or Plan B (Virtual Parade)** (7/6/21)

20. Action on a Written Petition Submitted by Councilmember Jain **Requesting Future Meeting to Discuss the Rules for who can serve on Boards, Commissions and Committees** (9/28/21)

21. Action on a Written Petition Submitted by Councilmember Watanabe Requesting to Place an Agenda Item at a Future Meeting to **Discuss Preparation of a Letter from Mayor and Council to the California Citizens Redistricting Commission** (7/6/21)

Other Directives /Initiatives / 030 - COMPLETED

22. Action on a Written Petition Submitted by Councilmember Becker **Requesting a Consideration on Adjusting the Start Times for Council, Stadium Authority, and Closed Session Meetings** (3/10/21)

23. Action on a Written Petition submitted by Councilmember Jain to discuss the **Debt Acquisition Company of America applying for a Conditional Use Permit to build and operate 320-acre sand and gravel quarry at Sargent Ranch** (Completed and adopted resolution)

24. Action on a Written Petition Submitted by Councilmember Jain Requesting a **Discussion and Vote of Revising the Terms of Franklin Mall Maintenance District Number 122** (Note and Filed on Jan. 25, 2022)

Other Directives /Initiatives / 030 - REFERRED or UNDERWAY Unfunded or Unresourced

25. Action on a Written Petition submitted by Sam Liu Requesting a **Discussion and Reconsideration of a 10' CMU Wall with the Project at 3200 Scott Blvd.** (12/16/20) (City provided a response to written petition on Jan. 26, 2021, referred back to Building City official to review)

26. Action on a Written Petition Submitted by Councilmember Jain Requesting a **Discussion on the Vote on the Sale of the Loyalton Ranch Property** (Scheduled to be heard TBD)

Other Directives /Initiatives / 030 - REFERRED or UNDERWAY Unfunded or Unresourced

27. Action on a Written Petition submitted by Aryeh Korthamar Requesting **Discussion and Consideration of Encroachment of APN 290-35-048** (2/23/21). Staff contacted property owner with next steps for permit application. Permit application not yet received.

28. Action on Written Petition by Councilmember Becker Requesting a **Public Apology to the Residents of Santa Clara for the CVRA Lawsuit** (ad Hoc Committee established to address item)

Other Directives /Initiatives / 030 - REFERRED or UNDERWAY Unfunded or Unresourced

29. Action on a Written Petition submitted by Gabriela Landaveri Requesting the City of Santa Clara **Adopt a “Vision Zero” Policy (UNFUNDED)**

30. Action on a Written Petition Submitted by Councilmember Jain Requesting Item at a Future Meeting to have a **Policy Discussion on Data Centers**. Consider as part of Climate Action Plan update in April / May 2022.

Other Directives /Initiatives / 030 - REFERRED or UNDERWAY Unfunded or Unresourced

31. Action on a Written Petition Submitted by Councilmember Jain Requesting to Place an Agenda Item to Discuss Creating a **Special Ad Hoc Committee Consisting of Residents and Representatives of Housing Advocacy Groups to Discuss only the issues Concerning the Unhoused Population. PAUSED:** Council approved Homebase to establish Homelessness Task Force on 1/25/22

32. Action on Written Petition submitted by Councilmember Jain for Aug. 17, 2021 goal setting meeting to consider staffing and resources, consultants, budget, Council Direction on densities, car parking strategy, coordination with VTA and San Jose, and timeline for implementing a **Station Area Plan (Partially Funded)**

Other Directives /Initiatives / 030 - REFERRED or UNDERWAY Unfunded or Unresourced

33. Action on a Written Petition submitted by David Donaldson on August 14, 2021 to add an Agenda Item to a future Council Agenda to Consider **Placing a Ballot Measure on the 2022 Ballot for Charter Amendments** calling for the voters to consider (1) Establishing Mayor and City Council positions as full-time and with an annual salary of \$96,000 and \$80,000, respectively, plus commensurate benefits and COLA adjustments and (2) Campaign Reform actions relative to donations from Santa Clara businesses and residents, City matching funds for donations, funding caps, and disclosures of funding raising activities. (To be Agendized to future meeting to consider Council/Mayor as full-time positions without salary component and return with comps with other cities, deferred #2 to elected City Clerk)

Other Directives /Initiatives / 030 - REFERRED or UNDERWAY Unfunded or Unresourced

34. Action on a Written Petition submitted by Councilmember Jain requesting Agenda item to consider **hiring an Ethics Consultant for Upcoming Elections** (Referred to Governance & Ethics Committee and Elected City Clerk)

35. Action on a Written Petition submitted by Councilmember Jain requesting agenda item to **discuss the use of Written Petition (Policy 030) by members of the public** (Referred to Governance & Ethics Committee)

Other Directives /Initiatives / 030 - REFERRED or UNDERWAY Unfunded or Unresourced

36. Action on a Written Petition submitted by Councilmember Jain Requesting an Agenda Item to Consider a **Quarterly Report to Council of Legal Expenses to Outside Law Firms and any Settlement Costs** (that can be disclosed) Once Cases are Settled (Referred to Governance & Ethics Committee)

37. Action on a Written Petition submitted by Morteza Shafiei, as representative of HOAs on October 7, 2021, to add an Agenda Item to **Consider the Purchase of lot at 1601 Civic Center Drive** (Target scheduled for Spring 2022)

Other Directives /Initiatives / 030 - REFERRED or UNDERWAY Unfunded or Unresourced

38. Place Item on a Future Council Meeting to **Consider a Resolution to Support the Bid to FIFA for the 2026 World Cup and Related Events** (February 22, 2022)

39. Action on a Written Petition (Council Policy 030) Submitted by Jared Peters Requesting an Agenda Item to **Consider making a Policy Decision Regarding the City Assuming Responsibility of an Unstable and Dangerous Sound Wall in the Laurel Park East Neighborhood** (March 2022)

Other Directives /Initiatives / 030 - REFERRED or UNDERWAY Unfunded or Unresourced

40. Action on a Written Petition submitted by Travis L. Flora Requesting an Agenda Item to **Consider Admonition or Censure of Councilmember Becker for his Retaliation Against a Member of the Public** on Nov.16, 2021 (CM Becker & CM Hardy met with Mr. Flora and need to report back to Council)

Other Directives /Initiatives / 030 - REFERRED or UNDERWAY Unfunded or Unresourced

41. Action on a Council Written Request (Council Policy 030) Submitted by Councilmember Jain Requesting to Place an Agenda Item at a at the **Youth Soccer Park** (soccer gets absolute priority) in order to Generate Revenue for the City

42. Submitted by Keith Stattenfield Requesting an Agenda Item to Discuss requirements from the Office of the City Attorney on Approving an **Update to the CC&Rs of the Casa del Rey Homeowner's Association Bylaws** (To be agendized for future meeting)

Other Directives /Initiatives / 030

MOTION FAILED / NO ACTION / DROPPED ITEMS

43. Action on a Written Petition Submitted by Councilmember Becker Requesting a Discussion on **Amending of Section 18.102.010 (“Commercial Marijuana Activity Prohibited”) of Chapter 18.102 (“Regulation of Marijuana”)** of Title 18 (“Zoning”) of “The Code of the City of Santa Clara, California” on removing the ban on all Commercial Cannabis Activity (No action, motion failed)

44. Action on a Written Petition submitted by Kirk Vartan **Requesting Elected City Councilmembers be Required to Turn on Video during Virtual Council Meetings** (Motion failed on 4/20/21 to be agendized)

Other Directives /Initiatives / 030

MOTION FAILED / NO ACTION / DROPPED ITEMS

45. Action on a Written Petition submitted by Robert Mezzetti, II Requesting to Discuss **Amendment No. 3 to the Exclusive Negotiation Agreement by and between the City, VTA and Republic Metropolitan** an LLC for the proposed project located at 500 S. Benton Street (Voted to no action on 6/22/21)
46. Action on Written Petition by Leonne Broughman heard on Aug. 24, 2021 to Censure / Admonishment of Councilmember Kevin Park (No action was taken)

Other Directives /Initiatives / 030

MOTION FAILED / NO ACTION / DROPPED ITEMS

47. Action on Written Petition Submitted by Councilmember Becker Requesting to an Agenda Item at a Future Council Meeting for **Discussion to Propose a stricter and more Regulated Ordinance for AirBNB Operations** (City completed item already and item dropped by Councilmember)

48. Submitted by Councilmember Becker Requesting an Agenda Item at a Future Council Meeting for **Discussion to Change the Name of the City of Santa Clara Observed Holiday from Columbus Day to Indigenous People's Day** (City completed action through Task Force DEI recommendation and item dropped by Councilmember)

Other Directives /Initiatives / 030

MOTION FAILED / NO ACTION / DROPPED ITEMS

49. Action on Written Petition Submitted by Councilmember Becker Requesting to Place an Agenda Item at a Future Council Meeting for Discussion to **Propose an Ordinance to make it a Crime to Promote or Encourage Sideshows on Social Media** (City completed item already and item dropped by Councilmember)

50. Action on a Written Petition Submitted by Brian Doyle Requesting to Place an Agenda Item at a Future Council Meeting to **Discuss FIFA Negotiations** (Petition denied)

Sanitary Sewer Laterals

To Be Considered
Unfunded/Unresourced

Gary Welling, Director of Water & Sewer Utilities



Sewer Lateral Policy Alternatives—

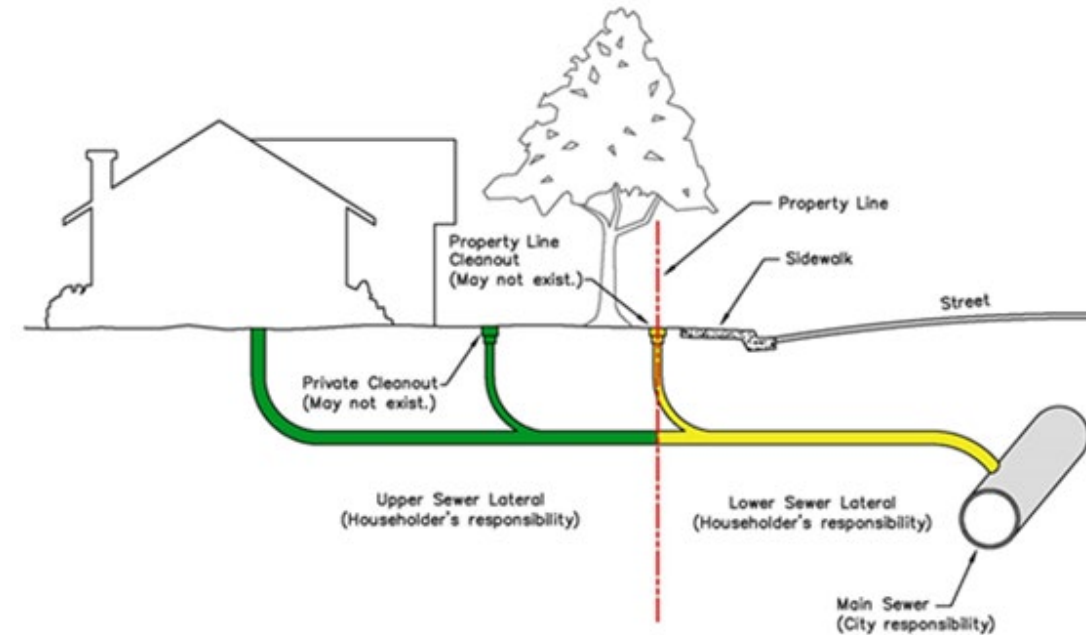
Referred in January 2021

- Focus on assessment / repair with largest consequence of failure
- Finding innovative approaches
- Meeting with neighboring cities
- Asset ownership challenges
- Possible pilot program(s)
- Insurance



Insurance Model for Laterals

- National League of Cities
- Low cost to residents
- Individual and citywide options
- Ownership does not change
- No need to assess laterals citywide
- More feasible from regulatory, fiscal, and workforce resources standpoints



Potential Costs & Implementation Options

- Assessment of Laterals to Cost Over **\$2 Million Dollars** and Take Two to Five Years or More
- Individual Insurance Model is approx. \$9.00 Per Month Per Household
- Citywide Insurance Option is approx. \$4.00 Per Month Included In Rates
- Pilot Project Partially Funded with Cell Tower Lease Revenue
 - Cell Tower Lease Revenue Currently Funds Low Income Rate Assistance Approved by Council

Discussion on 2022 Priorities

1. Top/Urgent Priority: COVID-19 Recovery
2. Permanent City Attorney and let us catch up on backlogged work
3. Allow us to Prioritize Solving the Current Deficit and Create Capacity for Heavy Lift with Revenue Ballot Measures
4. Resource Management (Staff Can't Sustain Current Workload and Needs to Restore Better Workload balance)

Public Comment



Recommendations for Council

- a. Adopt the proposed Resolution establishing meeting procedures
- b. Note and File the Budget Update and 10-Year General Fund Forecast; and
- c. Adopt FY 2022-2023 Budget Principles
- d. Provide direction and approval of decisions to move forward with potential ballot measures
- e. Validate 2022 Priorities and approve any amendments

Wrap up/Council Questions & Comments





City of Santa Clara

The Center of What's Possible