

CC 06-06-2023

#4

Chamber Agreement

Desk Item



## CITY MANAGER'S OFFICE

CITY HALL  
10300 TORRE AVENUE • CUPERTINO, CA 95014-3255  
TELEPHONE: (408) 777-3223 • FAX: (408) 777-3366  
CUPERTINO.ORG

### CITY COUNCIL STAFF REPORT DESK ITEM

Meeting: June 6, 2023

#### Agenda Item #4

#### Subject

*Consider executing an Agreement between the City of Cupertino (City) and the Cupertino Chamber of Commerce (Chamber)*

#### Recommended Action

*Authorize the City Manager to execute an Agreement between the City of Cupertino and the Cupertino Chamber of Commerce for up to five years, at an annual amount not-to-exceed \$52,000*

#### Background:

**All questions and responses that were in the Supplemental Report are included here with the following corrections:**

- **Staff's Response to Question 2**
- **Question 9 from Councilmember Chao**
- **Staff's Response to Question 10**
- **Attachment D**

**Staff's responses to questions received from councilmembers are shown in italics.**

Q1: How come such item, which is a part of the FY2022-23 Budget, was not mentioned at all in any of the previous city council meeting on FY2022-23 budget? **(Chao)**

*This item is part of the proposed annual budget for FY 23-24. It was not the intent to discuss each program or item during the budget hearing process as Council level approval of individual contracts above the City Manager contract authority allow for a more in depth discussion.*

Q2: What's the justification to put this on last minute, the day when the final budget is to be approved, and especially when the city is cutting other services to a bone? **(Chao)**

*Award of contracts are separate actions from approval of the annual budget. Contracts are presented to the Council at all times of the year. This gives the Council the opportunity to review the contract details and make a decision based on greater information.*

*Staff believes the Chamber of Commerce is well-placed to support existing Cupertino business, and contracting with the Chamber will allow the Economic Development Division to focus on activities that will generate new business in the City and revenues that will support the provision of public services in a time of fiscal need. However, Council has full discretion to approve, modify, or deny staff's recommendation.*

Q3: What other cities are paying Chamber of Commerce, by the hour, to perform the services listed in the agreement? **(Chao)**

*Staff has not investigated the compensation structure of other cities' agreements with their Chambers of Commerce at the level of detail necessary to answer this question.*

Q4: What outreach has been done for this brand-new budget item? Which Councilmembers have provided input or have been consulted on? Which community members or business members have been consulted on? **(Chao)**

*The City has a long-standing relationship with the Chamber of Commerce. Certain Councilmembers have expressed concern about the lack of a written agreement governing that relationship. The proposed is responsive to those concerns and delineates the services that the Chamber would provide under the agreement. Approval of this item would authorize the City Manager to enter into a contract with the Chamber of Commerce to perform those services. The budget is a separate item that will be subject to a separate vote of Council. The proposed budget includes funding for the agreement and will be voted on separately by Council, in a separate public process. This is the standard process for approving appropriations and contracts for routine operational matters under the authority of the City Manager but having not-to-exceed amounts in excess of the City Manager's contracting authority.*

Q5: Most consultant contracts come with the resumes of personnels who will be providing the services and the rate to demonstrate they have the expertise to perform the task. Please provide the personnel and their resumes. **(Chao)**

*Chamber of Commerce personnel resumes and email can be found in Attachment C.*

Q6: Please provide the rationale why such services as outlined in the agreement should not be funded by the Chamber by its paying membership and its fundraising activities, already heavily subsidized by the city through fee waivers. **(Chao)**

*The City has not offered room rental waivers to the Chamber of Commerce. Prior to 2021, the Chamber did not pay for the facility rentals because these meetings were being reserved by staff and considered to be City meetings. Since that time, the Chamber has paid for room rentals at the nonprofit rate. As noted above, staff believes the Chamber is well-placed to support existing Cupertino businesses, thereby allowing the Economic Development Manager to focus more on the development of new business and new revenues for the City.*

Q7: An earlier staff report has listed all of the subsidies the city has been providing the

Chamber and is continuing to provide the Chamber of Commerce, including festival fee waivers, room rentals and other services. Please include such information so the Council has full scope of the subsidies when making decisions. **(Chao)**

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*The Small Business Development Center (SBDC) serves the entire County. Its primary mission is to help businesses develop business plans that provide access to capital. The Chamber is a local organization with an ability to provide customized attention to our local businesses and offer a much broader range of services, including access to capital, and to assist businesses with issues relevant in Cupertino.*

Q9: The Economic Development Manager, paid by the taxpayers, is already utilizing her time to help the Chamber of Commerce to collaborate with the Chamber in helping its members, in ribbon cutting, business permits and other services. Please provide the hours utilized by the Economic Development Manager to communicate with Chamber, including preparing and attending the Legislative Action Committee meeting. Please include the approximate hours other city staff spent attending the Legislative Action Committee meetings in the past. **(Chao)**

*The City does not generally track hours that staff devotes to providing services to Cupertino businesses. The Economic Development Manager has attended 2-3 Legislative Action Committee (LAC) meetings in the last year. In addition, other City staff have attended 2-3 LAC meetings.*

Q10: If the Chamber will charge the city, by the hour, for the services they are providing their current or prospective members, the City should charge the Chamber for every hour the City currently provide services to the Chamber members and prospective members, just to be fair. Please provide an estimate for an equal partnership where both parties are charging the other party for every hour of services. **(Chao)**

*The City has historically provided economic development services to Cupertino businesses free of charge. Council could direct staff to explore developing a fee-for-service model in which the City charges businesses for services. Staff does not recommend this approach because successful economic development programs lead to higher tax revenues that are beneficial to the City and its residents as well as businesses who take advantage of the programs.*

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understand why the City has to pay Chamber to perform the task our own Economic Development Department is already doing and is better equipped at doing? **(Chao)**

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*Small Business Development Center provides services countywide and may not be as able to support individual businesses in Cupertino as the local serving organization such as the Chamber of Commerce. See the answer to Question 8 above for more information.*

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*business license.*

Q18: Potential conflict of interest in advocacy. The Chamber is supported by its paid members and donations. How could we navigate this potential conflict of interest or perception of conflict of interest? **(Chao)**

*There is no conflict of interest that prevents the City from entering into the proposed contract with the Chamber of Commerce, and in fact the Chamber's interest in supporting its members aligns closely with the City's economic development goals. In addition, the proposed agreement ensures that all services outlined in the scope will be available to all businesses in Cupertino, regardless of Chamber membership status. Staff recommends that Council approve the proposed agreement to clarify the City's longstanding relationship with the Chamber and establish defined services that the Chamber will provide all City businesses. Any perception of a conflict of interest is likely related to political consideration that it would be inappropriate for staff to consider in making its professional recommendations to Council.*

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- A. *Scope of Work*
- B. *Pay Rate Comparison by Cupertino Chamber of Commerce*

Additional Attachments Provided with Supplemental 1:

- C. *Chamber of Commerce Personnel Info*

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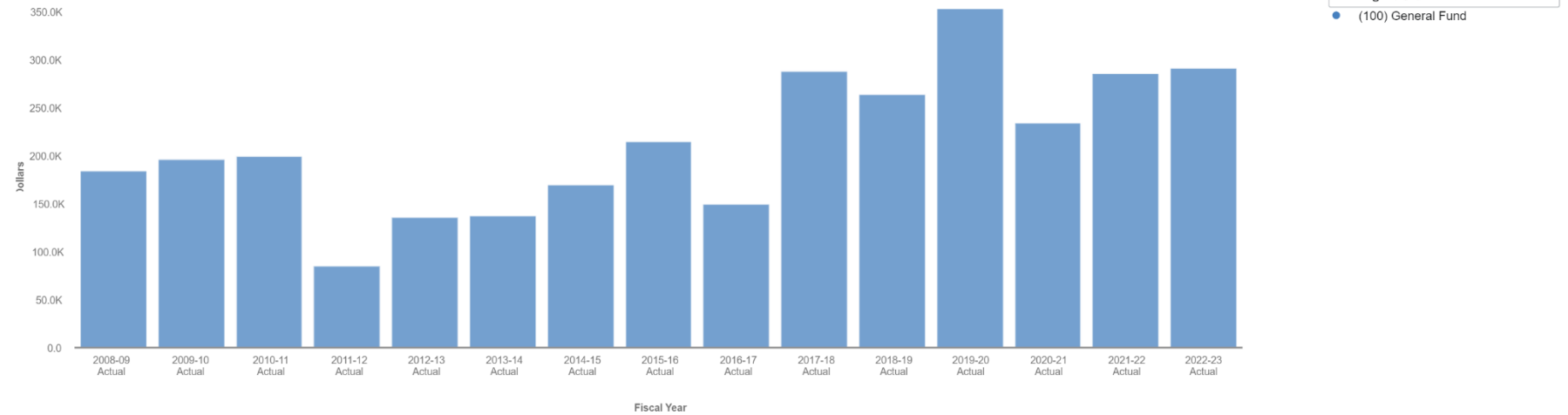
- D. *Screenshot of Economic Development Division budget actuals from FY 08-09 – present*

## Economic Development Division Budget Actuals FY 2008-09 to Present

## Annual Actuals

Cupertino's budgets: cupertino.org/budget

## Visualization



Data filtered by General Fund, Departments, Expenses and exported on June 5, 2023. Created with OpenGov

Source: [https://cupertino.opengov.com/transparency/#/28422/accountType=expenses&embed=n&breakdown=8775b50c-fca7-4517-9869-839bfac61c9a&currentYearAmount=cumulative&currentYearPeriod=years&graph=bar&legendSort=desc&proration=true&saved\\_view=83805&selection=53FB871C3A8573A64C25040A3CAD0171&projections=null&projectionType=null&highlighting=null&highlightingVariance=null&year=2023&selectedDataSetIndex=null&fiscal\\_start=earliest&fiscal\\_end=latest..](https://cupertino.opengov.com/transparency/#/28422/accountType=expenses&embed=n&breakdown=8775b50c-fca7-4517-9869-839bfac61c9a&currentYearAmount=cumulative&currentYearPeriod=years&graph=bar&legendSort=desc&proration=true&saved_view=83805&selection=53FB871C3A8573A64C25040A3CAD0171&projections=null&projectionType=null&highlighting=null&highlightingVariance=null&year=2023&selectedDataSetIndex=null&fiscal_start=earliest&fiscal_end=latest..)



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#4

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Supplemental Report



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### CITY COUNCIL STAFF REPORT SUPPLEMENTAL 1

Meeting: , 2023

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**From:** [Chamber](#)  
**To:** [Tina Kapoor](#)  
**Subject:** Additional information re June 6, Item 4  
**Date:** Monday, June 5, 2023 2:47:34 PM  
**Attachments:** [Edna Hernandez-Amezcu Resume 2023.pdf](#)  
[Rick Kitson Resume.pdf](#)  
[Manuel Valerio Resume.pdf](#)

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**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Tina,

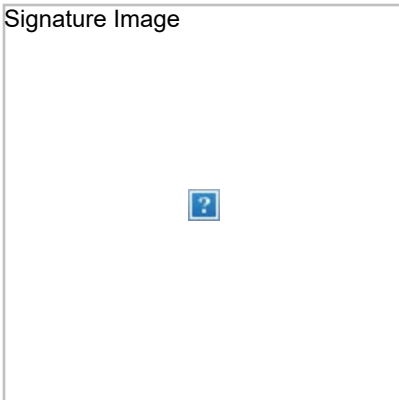
Per your request attached please find the resumes of current Cupertino Chamber of Commerce staff. As a point of clarification, the billable hours for the agreement will relay only to these three paid staff. Each year the Chamber uses volunteers and interns for a wide variety of business, chamber and other project-related activities. Volunteer and intern time is not counted towards the reported hours in the agreement.

## Rick Kitson

Executive Director, **Cupertino Chamber of Commerce**

[website](#) | [mail](#)

Signature Image



**a:** 20455 Silverado Avenue, Cupertino, CA 95014

**t:** 4082527054x11





## Contact

edna@duodigitalinc.com

www.linkedin.com/in/edna-  
hernandez-amezcua-672ba229

(LinkedIn)

duodigital.com.mx (Company)

duodigitalinc.com (Company)

## Top Skills

Graphic Design

Project Management

Sales Operations

Event Management

## Languages

English

Spanish

## Certifications

Bachelor Degree in Graphic Design

## Publications

Access

Cupertino Business Directory

# Edna Hernandez Amezcua

Strategic Creative Designer at the Cupertino Chamber of Commerce  
Cupertino, California

## Summary

A highly skilled, creative and professional graphic designer with more than 16 years of experience in the graphic arts including thirteen years as Chief Executive Officer of DUO Digital (DUODISA, S.A. de C.V.), Mexican graphic design bureau; and one and a half year as Chief Executive Officer and Graphic Design Company Manager of DUO Digital, Inc. in the United States. Her skills, knowledge and enthusiasm will be utilized in the development of the organization.

## Experience

Cupertino Chamber of Commerce

3 years 10 months

Strategic Creative Designer

April 2022 - Present (1 year 3 months)

20455 Silverado Avenue Cupertino, CA 95014

- Create and design the overall conception and production of graphic materials including, but not limited to; printed and interactive collaterals, offering flyers, logos, brochures, presentations, graphic/charts, banners, directories, e-blast, interactive forms, surveys, and visual design for web and social media, building and keeping the branding guidelines
- Apply professional graphic design principles and develop materials to support business development
- Create digital and print advertisement materials or any type of publication
- Realize or modify illustrations, backgrounds, icons, templates or any kind of graphics to work in different formats or applications
- Develop large and complex graphic projects from start to finish
- Elaborate graphics and printed materials for special events and fairs
- Create and maintain a catalogue of pictures and graphic materials
- Work independently and cooperatively on multiple projects, meeting deadlines and budget constraints, and scheduling project implementation based on workload, which may include five or more simultaneous projects
- Meeting or communicating to understand what is required out of a project, and helping get those ideas out in a workable way

- Stay informed on design software and marketing/design trending and innovations, and apply new concepts.

### Graphic Designer & Program Coordinator

September 2019 - April 2022 (2 años 8 meses)

20455 Silverado Av. Cupertino, CA, 95014

- Design the overall conception and production of graphic materials including, but not limited to; printed and interactive collaterals, offering flyers, logos, brochures, presentations, graphic/charts, banners, directories, e-blast, interactive forms, surveys, and visual design for web and social media, building and keeping the branding guidelines
- Apply professional graphic design principles and develop materials to support business development
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- Realize or modify illustrations, backgrounds, icons, templates or any kind of graphics to work in different formats or applications
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- Stay informed on design software and marketing/design trending and innovations, and apply new concepts.

### Enterprise Foundation

#### Graphic Designer

March 2018 - September 2019

San Jose, California, United States (1 year 7 months)

Responsible of ACCESS Magazine chart design and layout formation. Including the illustration of the concept by designing the rough layout of art and copy regarding an arrangement, size, type size and style, and related aesthetic concepts of articles in English and 3 additional languages.

Photoshoots for cover and interior pages of the magazine.

Responsible of maintaining the branding applied to the communications.

Responsible of the graphics, setup and delivery of the newsletter, social media

publications, and Eventbrite events.

Responsible of updating the content and events calendar on the website of SBDC Silicon Valley, Hispanic Satellite and Vietnamese American.

Design of flyers, signs, banners, and electronic materials for the promotion of events such as Summit 2019 and Fair Resources for Small Business 2018-2019

Design of printed and electronic materials for workshops promotion through social media.

Design of website for hccsv.com (Hispanic Chamber of Commerce).

Design of retractable banners, indoor signs, and screens design for TV screens.

Video animation for short promotional materials such as Fair Resources and SBDC Capital Program in 4 languages.

Formats design, certificates, business cards, brochures, and templates.

Creation of graphics for promotional materials for courses.

Events creation in social media, and graphics.

Events creation in Eventbrite, and graphics.

Design of electronic newsletter creating graphics sent through Constant Contact.

Creation of LinkedIn and Twitter accounts with graphics representing the brand.

Design of logotypes for events.

## Duodigital, Inc. Graphic Design

### Graphic Designer

January 2015 - June 2017 (2 years 6 months)

San Jose, California, United States

Managed, prioritized, supervised and distributed the company's projects from start to finish; meeting deadlines in an ambiguous fast-paced environment with minimal up-front information. Ensuring that the projects performed were according to the customers' intended communication, and handling the targets' characteristics by analyzing its profile and requirements.

## Duodigital, Inc. Graphic Design

### Graphic Designer Director

August 2013 - August 2014 (1 year 1 month)

San Jose California

Initiation of company, requirements and permits, develop a network of contacts and clients, presence in fairs, workshops and showrooms. Manage the project team, client relationships, budgets and deliverables, quality control. Ability to

manage multiple deadlines and work as a collaborative team member. Skilled design, strong sense of typography, conceptual thinking and attention to detail. Ability to prioritize and manage work to adhere to critical project timelines in a fast-paced environment. Solid understanding of user-centered design principles and interaction design patterns related to web and mobile design. Desire to learn new process or techniques.

Duodisa, S.A. de C.V.

Graphic Art Dept - Marketing

July 2001 - July 2013 (12 years 1 month)

Mexico City, CDMX

Manage the project team, client relationships, budgets and deliverables, quality control. Ability to manage multiple deadlines and work as a collaborative team member.

Skilled design, strong sense of typography, conceptual thinking and attention to detail. Ability to prioritize and manage work to adhere to critical project timelines in a fast-paced environment. Solid understanding of user-centered design principles and interaction design patterns related to web and mobile design. Desire to learn new process or techniques.

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## Education

Universidad Anáhuac

Bachelor Of Fine Arts In Graphic Design · (1992 - 1996)

## Contact

mvalerioPR2020@gmail.com

[www.linkedin.com/in/manuel-valerio2020](http://www.linkedin.com/in/manuel-valerio2020) (LinkedIn)

## Top Skills

Community Development

Public Affairs

Public Speaking

## Languages

Portuguese (Limited Working)

Spanish (Elementary)

# Manuel Valerio

Public Relations and Communications Professional

San Jose, California, United States

## Summary

Experienced Community Relations leader with both hands on and strategic skills, collaborating across all levels in both business and government and externally with community partners. Firm believer in “people and profits,” I create lasting programs that benefit society while building positive reputations for organizations and brands.

Accomplishments include:

Team Leader of Fry’s Golf Tournament - \$1M directly donated to charity

Implemented \$500K Fry’s tech donation to Computer History Museum

Enhanced Fry’s reputation with Media and local government entities

Team member that helped bring Bart service to Santa Clara County

Led group that secured funds for Senior Center and Olympic Size Community Swimming Pool.

Led campaign team for my two successful elections to City Council

Skills I bring include:

Creative and critical thinker with strong interpersonal skills; able to develop strategic vision and execute plans to further both business and corporate social responsibility objectives.

Where I can help: Corporate Communications, Community Relations, Government Relations, Customer Service and Customer Success, Social Media, Content Writing, Editing, Public Speaking.

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## Experience

Cupertino Chamber of Commerce  
Director of Membership  
February 2023 - Present (5 months)  
Cupertino, California, United States

Fry's Electronics, Inc.  
Community Relations Manager  
May 1998 - February 2021 (22 years 10 months)  
San Jose, California, United States

Sunnyvale Community Services  
Board Member  
2006 - 2011 (5 years)

City of Sunnyvale  
Mayor and Councilmember  
November 1995 - November 2003 (8 years 1 month)  
  
Served two terms on City Council, and also served as Vice Mayor and Mayor for one year in each role.

VTA Board  
Boardmember  
1995 - 2003 (8 years)  
  
Represented Sunnyvale and North County Cities, Board Chair, 2000.

Senator Alfred E. Alquist  
Senior Aide  
June 1986 - December 1996 (10 years 7 months)  
  
Senior Aide in San Jose District Office

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## Education

San Jose State University  
B.A. History, U.S. and European

Leadership Sunnyvale  
· (1995 - 1995)

San Jose State University  
M.A. History



## Contact

408-550-6158 (Work)  
rickgkitson@gmail.com

www.linkedin.com/in/rickkitson  
(LinkedIn)  
www.cupertino-chamber.org  
(Company)

## Top Skills

Community Relations Management  
Media Relations  
Internal Communications

## Certifications

Newhouse Hootsuite Advanced  
Social Media Strategy Certificate

# Rick Kitson

Executive Director of the Cupertino Chamber of Commerce  
San Francisco Bay Area

## Summary

Rick Kitson is the Cupertino Chamber of Commerce's Executive Director. During his career, programs under his direction consistently won national and international awards and competitions. He has worked for agencies and officials from Silicon Valley to Members of the European Parliament. Mr. Kitson has been instrumental in the development of local government alternative programs and has been at the forefront of municipal e-services. Mr. Kitson studied for his Bachelor of Arts in Political Science and Master of Science in Mass Communication at San Jose State University. He has also studied at the Monterey Institute of International Studies, the London School of Economics, and Harvard University.

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## Experience

### Cupertino Chamber of Commerce

7 years 1 month

#### Executive Director

May 2022 - Present (1 year 2 months)

Cupertino, California, United States

Oversee critical business operations for the Cupertino Chamber of Commerce

Promote a culture of continuous improvement in service delivery

Nurture and maintain positive relationships with the community, major stakeholders, agencies, and members

Work with committees and the board of directors to address issues that the organization faces

Act as the spokesperson of the organization

Create a culture of transparency and communications through the organization

Lead the business community's efforts to support and enhance Cupertino.

Spearhead campaigns to raise money for local charities and cultural organizations.

Organize and promote community events such as Holi, the Cupertino Food and Wine Stroll, and the Bay Area Diwali Festival.

### Director of Communications



June 2016 - May 2022 (6 years)

Cupertino, CA

Implemented the Chamber's first event, web, and customer reporting processes.

- Tracked and responded to legislation at the local, county, and state levels.
- Implemented an online project management system.
- Created reports to direct marketing and communications strategies and set goals.
- Developed and implemented digital communications initiatives.
- Initiated and administered a comprehensive event and service assessment program.
- Designed, implemented, and managed communication programs, including integration of social media into all digital and print communications, web, and newsletter.
- Organized and coordinated monthly issue-based community forums.
- Served as the liaison with the city of Cupertino staff, executive staff, and council members.
- Supported and advised CEO and board of directors.

## City of Cupertino

15 years

Public Affairs Director and CIO

July 2014 - June 2016 (2 years)

Cupertino, CA

Public & Environmental Affairs Director

January 2008 - July 2014 (6 years 7 months)

Public Communication Manager

2001 - 2008 (7 years)

Santa Clara County Department of Correction

Public Information Officer, Management Analyst

January 1995 - January 1999 (4 years 1 month)

180 West Hedding Street San Jose, CA 95110

Serve as principal media liaison for Santa Clara County Department of Correction. Analyze crime and jail population trends.

## County of Santa Clara

Policy Aide

1987 - 1994 (7 years)

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## Education

### Harvard Kennedy School

certificate of completion, Senior Executives in State and Local Government Program · (2009 - 2009)

### Middlebury Institute of International Studies at Monterey

International Policy Studies · (1987 - 1988)

### Boston University

International Policy Studies · (1987 - 1987)

### San Jose State University

BS, Political Science · (1980 - 1986)

### Leadership Sunnyvale

CC 06-06-2023

#10

FY 2021-22 Annual  
Comprehensive Financial  
Report (ACFR)

Supplemental Report



## ADMINISTRATIVE SERVICES DEPARTMENT

CITY HALL  
10300 TORRE AVENUE • CUPERTINO, CA 95014-3255  
TELEPHONE: (408) 777-3220 • FAX: (408) 777-3109  
CUPERTINO.ORG

### CITY COUNCIL STAFF REPORT

#### SUPPLEMENTAL 1

Meeting: June 6, 2023

#### Agenda Item #10

##### Subject

*Receive the FY 2021-22 Annual Comprehensive Financial Report (ACFR) and related supplemental reports.*

##### Recommended Action

*Receive the FY 2021-22 Annual Comprehensive Financial Report (ACFR) and related supplemental reports*

##### Background:

**Staff's responses to questions received from councilmember are shown in italics.**

Q1: I think Director Alfaro said that the ACFR for FY 21-22 was delayed because the auditors were unable to get some timely information from the County. For the next audit period (FY 22-23), is it reasonable to expect the final report at least by January 2024?  
**(Vice Mayor Mohan)**

##### *Staff response:*

*When the City adopted the provisions of GASB 75 in 2017, the City elected a measurement date of 6/30/2017. This was because the City had elected to show its PARS trust as a fiduciary fund, following then applicable guidance regarding the presentations of component units. As the PARS trust was audited by other auditors (and still is today) and is substantially all of the accounting activity for that fiduciary fund, that audit report was required to be completed before Crowe could complete its audit of that fiduciary fund, as well as being required for the fiduciary net position calculations by the City's actuary under GASB 75. That PARS F/S normally wasn't released until later in the calendar year, so Crowe and the City had to wait for these documents from the outside parties before the City could move to finalize the amounts in the fiduciary fund and Crowe could complete our audit procedures.*

*With the adoption of GASB 84 in 2021, the City no longer presented the PARS trust as it no longer met the accounting definitions of a fiduciary fund per GASB 84, but the information from*

*the PARS audit was still needed for the City's actuarial valuation and the auditing of the OPEB's plan's fiduciary net position, which is used to calculate the City's Net OPEB Asset/Liability that is shown on the financial statements (and has been since the adoption of GASB 75). This is why the audit report has not been issued sooner.*

*Additionally, in 2022 with the City's adoption of GASB 87 (Leases), the City received the final calculations from its provider in December 2022, which meant that the City had to review the information received, make adoption AJEs (adjusting journal entries) to its general ledger and then provide the final balances to Crowe so that the information could be audited.*

**Attachments Provided with Original Staff Report:**

- A. *FY 2021-22 ACFR*
- B. *FY 2021-22 Management Letter*
- C. *FY 2021-22 SAS 114*
- D. *FY 2021-22 Single Audit*
- E. *FY 2021-22 GANN AUP Report*
- F. *FY 2021-22 Investment AUP Report*
- G. *FY 2021-22 Storm Drain AUP Report*
- H. *Responses to ACFR Questions*

CC 06-06-2023

# 11

Storm Drain Fees

Supplemental Report



## PUBLIC WORKS DEPARTMENT

CITY HALL  
10300 TORRE AVENUE • CUPERTINO, CA 95014-3255  
TELEPHONE: (408) 777-3354 • FAX: (408) 777-3333  
CUPERTINO.ORG

### CITY COUNCIL STAFF REPORT SUPPLEMENTAL

Meeting: June 6, 2023

#### Agenda Item #11

##### Subject

Consider approval of the renewal (with no increase) of the 1992 Storm Drain Fee and renewal of the 2019 Clean Water and Storm Protection Fee with a 3% increase.

##### Recommended Action

Adopt and approve:

1. Resolution No. 23-XXX (Attachment A) approving the renewal and collection of the 1992 Storm Drain Fee with no increase in rates for Fiscal Year (FY) 2023-24;
2. Resolution No. 23-XXX (Attachment B) approving the renewal and collection of the 2019 Clean Water and Storm Protection Fee with a 3% increase in rates for FY 2023-24;
3. Adjust the annual budget allocation for the cost-share program from \$14,000 to \$2,000 to better fit the realistic need for new applicants receiving 20% refunds in a single year;
4. Adjust the re-certification period to be four years for all approved participants with an attestation protocol to affirm continued cost-share eligibility; and
5. Discontinue the \$12,500 per year pervious pavement rebate program for lack of participation and use the funds for support of required activities.

##### Correction needed to the table on page eight of the staff report

The table on page eight shows an incorrect projected General Fund subsidy. The table below shows the correct amount in red. The original amount shown in the staff report was the shortfall before use of the estimated remaining balance in Fund 230 and without the additional revenue that would be generated from the proposed 3% increase.

|  | <b>FY 2022-23</b>  | <b>FY 2023-24 (proposed)</b> |
|--|--------------------|------------------------------|
| Fund Balance (previous FY)                 | \$917,878          | \$369,464                    |
| Revenue 1992 Fee                           | \$375,569          | \$375,569                    |
| Revenue 2019 Fee                           | \$1,101,239        | \$1,101,239                  |
| 3% increase to 2019 Fee                    | \$ -               | \$33,037                     |
| General Fund                               | \$ -               | <b>\$188,900</b>             |
| <b>Total Program Funding</b>               | <b>\$2,394,686</b> | <b>\$2,068,209</b>           |
| Program Expenses*                          | \$2,025,222        | \$2,068,209                  |
| <b>Remaining Fund Balance at end of FY</b> | <b>\$369,464</b>   | <b>\$ -</b>                  |

The following questions were received from Councilmembers:

Q1: Storm Drain Fee - The staff report states, "For this cycle, the 2022 (AUP) report was not made available in time for Audit Committee review". What is the impact, if any, of reviewing it only in 2024? If any issues are raised at that time, how will it impact the ACFR for 21-22? **(Mohan)**

*There are no anticipated issues from the delayed review.*

Q2: Under Recommended Action # 3: Can you explain the adjustment to the cost-share program? **(Mohan)**

*There is no adjustment to the program itself. The recommended action will just free up general fund dollars that are not needed. When the cost-share program was approved by Council in 2019, it came with an approved annual budget of \$14,000. The \$14,000 originally budgeted for the cost-share program would have covered 20% refunds for all applicable residents in one year, but the reality is that applications are incremental. We have promoted the program in various ways, including partnering with Silicon Valley Clean Energy to send a mailed notice to any customer receiving a low-income CARE discount from PG&E, but to date we have never had more than 100 applicants in one year. The rebate sent to approved owners is 20% of their annual fee. For a typical home paying \$44.42/year, that 20% rebate is \$8.88, so a \$2000 budget allows us to provide rebates to all who are likely to apply in one year and get approved for rebate checks.*

Attachments Provided with Original Staff Report:

- A – Draft Resolution 1992 Fee from published agenda
- B – Draft Resolution 2019 Fee from published agenda
- C - Clean Water and Storm Protection Fee Ordinance with Fee Report from published agenda
- D – Calendar Year 2021 Storm Drain AUP Reports from published agenda



CC 06-06-2023

#12

Fiscal Year 2023-24

Budget Adoption

Supplemental Report



## ADMINISTRATIVE SERVICES DEPARTMENT

CITY HALL  
10300 TORRE AVENUE • CUPERTINO, CA 95014-3255  
TELEPHONE: (408) 777-3220 • FAX: (408) 777-3109  
CUPERTINO.ORG

### CITY COUNCIL STAFF REPORT

#### SUPPLEMENTAL 1

Meeting: June 6, 2023

#### Agenda Item #12

##### Subject

*Consider the Recommended Operating and Capital Improvement Program Budgets for Fiscal Year (FY) 2023-24, adoption of the Operating and Capital Improvement Program Budgets for FY 2023-24, establishment of the Appropriation Limit, and related actions.*

##### Recommended Action

1. *Adopt Resolution No. 23-XXX establishing an Operating Budget of \$117,645,365 for FY 2023-24, which includes the following changes to the FY 2023-24 Proposed Budget, published on May 5, 2023:*
  - a. *Approve the operating budget of \$117,762,980 outlined in the FY 2023-24 Proposed Budget.*
  - b. *Approve additional appropriations of \$8,000 for the Community Funding Grant Program as included in Attachment D.*
  - c. *Approve additional appropriations of \$8,380 for Movies in the Park as included in Attachment D.*
  - d. *Approve additional appropriations of \$28,784 for the reclassification of the Emergency Services Coordinator as included in Attachment D.*
  - e. *Approve additional appropriations of \$4,720 and additional revenue of \$175 for County of Santa Clara Environmental Health Permit Fees as included in Attachment D.*
  - f. *Approve additional appropriations of \$146,650 for Golf Course Turf Management as included in Attachment D.*
  - g. *Approve a reduction of \$154,149 in appropriations resulting from the prepayment of the CalPERS pension plan's Unfunded Accrued Liability as included in Attachment D.*
  - h. *Approve a reduction of \$160,000 in appropriations resulting from the elimination of library extra hours funding as included in Attachment D.*
  - i. *Approve additional estimated revenue of \$84,218 resulting from the elimination of festival fee waivers as included in Attachment D.*

- j. *Approve additional revenue of \$313,218 resulting from an updated SB 1 (Gas Tax) revenue estimate as included in Attachment D.*
- k. *Approve Community Funding Grants for the following organizations, allocating a total of \$32,500:*
  - i. *Cupertino Symphonic Band: \$4,000*
  - ii. *No Time to Waste: \$5,000*
  - iii. *West Valley Community Services: \$10,000*
  - iv. *STEMBoost Corporation: \$4,000*
  - v. *AINAK: \$2,500*
  - vi. *Omniware Networks: \$4,000*
  - vii. *Asian American Parents Association: \$3,000*
- 2. *Adopt Resolution No. 23-XXX establishing a Capital Improvement Program Budget of \$4,054,000 for FY 2023-24*
  - a. *Approve appropriations of \$420,000 in the Capital Improvement Program Capital Projects Fund for the Stevens Creek Blvd./Calabazas Creek Storm Drain Repair (infrastructure)*
  - b. *Approve appropriations of \$172,000 in the Capital Improvement Program Capital Projects Fund for the Stevens Creek Bridge Repair (infrastructure)*
  - c. *Approve appropriations of \$35,000 in the Capital Improvement Program Capital Projects Fund for the Street Light Installation – Annual Infill (infrastructure)*
  - d. *Approve appropriations of \$300,000 in the Capital Improvement Program Capital Projects Fund for the Annual Playground Replacement (parks)*
  - e. *Approve appropriations of \$100,000 in the Capital Improvement Program Capital Projects Fund for the ADA Improvements (facilities)*
  - f. *Approve appropriations of \$1,000,000 in the Capital Improvement Program Capital Projects Fund for the Citywide Building Condition Assessment Implementation (facilities)*
  - g. *Approve \$2,027,000 of transfers from the Capital Reserve Capital Projects Fund to fund the Capital Improvement Program*
- 3. *Adopt Resolution No. 23-XXX establishing an Appropriation Limit of \$127,886,394 for FY 2023-24*

Background:

**Staff's responses to questions received from councilmembers are shown in italics.**

Q1: Teen programs we continue to fund versus the ones we cut (**Councilmember Chao**)

*Staff response:*

**Continuing Programs:** *contractual classes, Job Fair (includes a volunteer component), Leader in Training, Youth Activity Board, Teen Commission, Helping Hands, <Hack> Cupertino, Cupertino Café, Teen Movie Night, Pizza and Politics, Teen Summer Kick-Off, Teen Mental Health pop up events with resources, working with Youth Led Organizations, coordinating with school based teen organizations for volunteering opportunities at city run events.*

**Items being cut:** *Volunteer Fair (added volunteer section to the job fair), Bobateeno, and the Teen Center.*

Q2: Senior programs we continue to fund versus the ones we cut (**Councilmember Chao**)

*Staff response:*

**Continuing programs:** contractual and volunteer run classes, monthly social luncheons, Mah Jong, Card Playing and Bridge, Bingo, Chess and Checkers, Board Games, 50+ Bocce Ball, Golf for Seniors, 50+ Tennis, 50+ Softball, Ping Pong, Drop-in Archery, Karaoke, Ballroom Dance, day trips, Hidden Treasures, 50+ Golf Tournament, Intergenerational Programs/Events, 50+ Pickleball, Needlecraft, monthly movies at the Senior Center, Senior Center Open House, Volunteer Recognition Lunch, Live Well Age Well Health Expo, Lectures and Workshops, Senior Resources, Cupertino TV Production volunteer group.

**Items being cut:** 50+ Scene (only the mailing version, still available online, through email, and incorporated into the Recreation Brochure).

Q3: Part-time staffing needed for festivals (**Councilmember Chao**)

*Staff response: In the festival costs spreadsheet, the funding under recreation costs is the budgeted amount for staffing.*

- *Day and Night Fun Fest: two full-time and two part-time staff*
- *Bhubaneswar: two full-time and two part-time staff*
- *Diwali: two full-time and two part-time staff*
- *Veteran's Day: two full-time staff (at time and a half due to holiday) and one part-time staff*
- *Egg hunt: one full-time and one part-time staff*
- *Holi: two full-time and one part-time staff*
- *Cherry Blossom (Friday, Saturday, & Sunday): two full time and 12 part-time staff (two Friday, five Saturday, five Sunday)*
- *Dilli Haat: two full-time and four part-time staff*
- *Relay for Life: one full-time and one part-time staff*

Q4: Thomas mentioned a report for council questions last year on staffing level, which he will find out (**Councilmember Chao**)

*Staff response: Information on staffing levels are provided in Question 5. Information on turnover was provided on Page 277 of the June 7, 2022 City Council meeting's Written Communications.*

Q5: The number of FTEs who left and joined each year (by department if possible) - The data should be readily available from HR (**Councilmember Chao**)

*Staff response: The following tables and charts were provided to City Council as part of the labor negotiations material on April 13, 2023.*

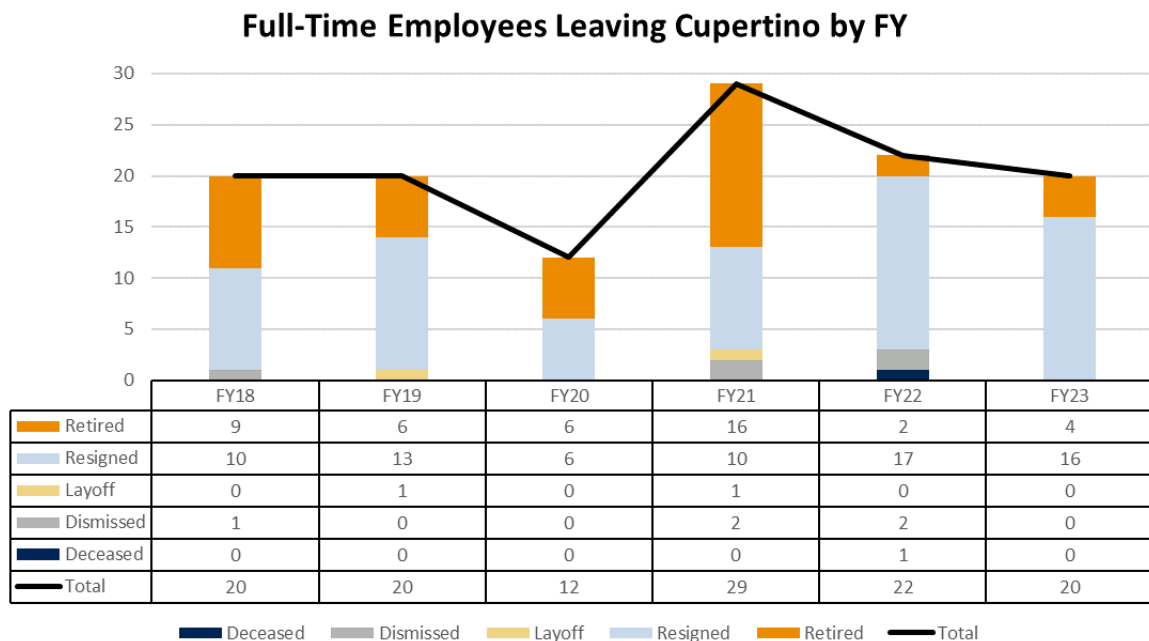
*The following table shows the number of full-time recruitments and new hires each year.*

|              | FY 16/17 | FY 17/18 | FY 18/19 | FY 19/20 | FY 20/21 | FY 21/22 | FY 22/23 |
|--------------|----------|----------|----------|----------|----------|----------|----------|
| Recruitments | 21       | 22       | 20       | 18       | 24       | 20       | 19       |
| Hires        | 35       | 23       | 38       | 19       | 32       | 24       | 24       |

*The following table shows the classifications with the most recruitment in the last five years.*

| Classification                   | Number of Recruitments | Department  | Budgeted FTE's (2023) |
|----------------------------------|------------------------|-------------|-----------------------|
| Maintenance Worker I/II/III      | 11                     | PW          | 52                    |
| Office Assistant (incl. Sr.)     | 7                      | All         | 11                    |
| Administrative Assistant         | 5                      | All         | 8                     |
| Planner (Asst/Assoc/Sr.)         | 10                     | CDD         | 12                    |
| Building Inspector (Sr.)         | 3                      | CDD         | 5                     |
| Management Analyst (incl. Sr.)   | 5                      | All         | 12                    |
| Project Manager                  | 7                      | DPW         | 7                     |
| Environmental Programs Assistant | 2                      | DPW         | 4                     |
| Recreation Coordinator           | 4                      | Parks & Rec | 10                    |
| Engineer (Asst/Assoc/Sr.)        | 4                      | DPW         | 4                     |
| Exec Asst. to CM/Council         | 2                      | CMO         | 1                     |

*The following chart shows the number of full-time employees leaving Cupertino each year.*



Q6: I would like to get more info on the grants to the Cupertino Historic Society (CHS) over the years to provide perspectives, given that the City is reducing the total community grant by almost half this year.

I would like to request the funding amount for both the community grants and for CHS (in whatever format) in the past 10 years. It's important to put things in perspective of the history as we are considering budget reduction.

If there are other organizations, the city is providing grants in the form of MOU, agreements or other formats, I would like to have a list and the amount of funding. I understand this information might take more time to provide and I trust the City Manager to decide whether such information could be provided by Tuesday or later.  
**(Councilmember Chao)**

*Staff response: The information that was provided at the October 4, 2022 Council Meeting on the subject of the Historical Society Agreement provides a significant amount of the requested information (see Item 14 from that agenda). That report provides background, including funding since 2015. As a result of the item on that agenda, the City entered into a multi-year agreement with the Historical Society. The staff recommendation remains approval of funding for the Historical Society given this past direction from the Council. If the Council wishes to change that direction, it should take the appropriate action at a Council Meeting.*

Q7: Under recommended action (h) re: library extra hours funding: this is one-time funding only, right? Not on-going.  
**(Vice Mayor Mohan)**

*Correct, the reduction in library extra hours funding is one-time.*

Q8: Recommended Action (i) fee waivers: I don't recall Council approving fee waivers for festival events. Was this included in the staff report just to point out to Council another cost savings option?

**(Vice Mayor Mohan)**

*Staff response: Correct, the elimination of fee waivers was included as a potential option for reducing unassigned fund balance use. However, with the savings from the prepayment of the CalPERS UAL and the reduction in library extra hours funding, sufficient savings have been realized.*

Attachments Provided with Original Staff Report:

- A. *Draft Resolution – Operating Budget for Fiscal Year 2023-24*
- B. *Draft Resolution – Capital Budget for Fiscal Year 2023-24*
- C. *Draft Resolution – Appropriations Limit for Fiscal Year 2023-24*
- D. *Budget Adjustments Summary and Detail*
- E. *Appropriations Limit for Fiscal Year 2023-24*
- F. *Appropriations Limit Price and Population Factors for Fiscal Year 2023-24*
- G. *Responses to Proposed Budget Study Session Questions*
- H. *Planning Commission Adopted Resolution*