



CITY MANAGER'S OFFICE

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CITY COUNCIL STAFF REPORT Meeting: June 7, 2022

Subject

Consider Accounts Payable report ending December 20, 2021 and approval of Accounts Payable report.

Recommended Action

Receive report and adopt Resolution No. 22-015 accepting Accounts Payable for the period ending December 20, 2021. (Attachment D)

Discussion

On March 15, 2022, City Council considered Accounts Payable report ending December 20, 2021 and directed staff to provide a report on all payments made by the City to the Cupertino Chamber of Commerce (Chamber) since 2015. Staff reviewed payments and support provided to the Chamber within the same timeframe and categorized them under payments, festivals, and meeting space. Details on payments in these categories are included as Attachments A, B, and C respectively.

A brief overview of the payments follows:

1. Payments

The City has paid the Chamber a total of \$218,197.91 for the period from January 1, 2015 to March 1, 2022. The table below shows the breakdown of costs per year in this timeframe.

Fiscal Year	Payment Amount	Payment Description
FY 14-15 (Starting Jan 1, 2015)	\$10,425.00	<ul style="list-style-type: none">\$8,000 annual partnership\$2,425 registrations for events (State Of The City (SOTC), Legislative Action Committee (LAC), Lunar New Year Luncheon, etc)
FY 15-16	\$20,485.00	<ul style="list-style-type: none">\$16,000 annual partnership\$1,305 membership fee\$1,680 event registrations (SOTC, LAC)\$1,500 Dining & Entertainment Guide
FY 16-17	\$25,215.00	<ul style="list-style-type: none">\$16,000 annual partnership

		<ul style="list-style-type: none"> • \$1,450 membership fee • \$1,275 event registrations (SOTC, LAC) • \$5,990 Full-Page ads in Business Directory • \$500 Food Truck Coordination
FY 17-18	\$22,445.00	<ul style="list-style-type: none"> • \$16,000 annual partnership • \$1,450 membership fee • \$2,995 Full-Page ads in Business Directory • \$2,000 QCC and Memorial Park rental refund
FY 18-19	\$50,720.47	<ul style="list-style-type: none"> • \$16,000 annual partnership • \$1,450 membership fee • \$30,215 I Love Cupertino (ILC) project • \$1,200 food truck coordination • \$555 permits for neighborhood events • \$500 for food permit consulting services • \$800 QCC and Community Hall rental refund
FY 19-20	\$51,904.31	<ul style="list-style-type: none"> • \$16,000 annual partnership • \$1,500 membership fee • \$560 registrations for event registrations (LAC, Food and Wine pre-sale bundle) • \$500 Bobatino • \$5,990 Business Directory • \$25,174.31 ILC project • \$2,180 QCC rental refund
FY 20-21	\$27,503.13	<ul style="list-style-type: none"> • \$16,000 annual partnership • \$1,500 membership fee • \$222.50 materials and registrations for events (Lunar New Year, Thai New Year) • \$9,780.63 ILC project
FY 21-22 (As of March 1, 2022)	\$9,500	<ul style="list-style-type: none"> • \$8,000 annual partnership • \$1,500 membership fee
TOTAL	\$218,197.91	

Payments made for invoices received from the Chamber in the above timeframe have ranged from \$9,500 to \$51,904.31 for the annual partnership, membership fee, meeting registrations, various coordination efforts, rental deposit refunds, and I Love Cupertino. A list of all invoices is included with this report as Attachment A.

2. Festivals

As part of the budget approval process each fiscal year, Council approves costs associated with third-party festivals that the City supports and waives related fees. Attachment B highlights the breakdown of Council-approved amounts for festivals for the period ranging from FY 15-16 to

FY 21-22. Amounts shown in table below represent what was approved by Council to support Chamber festivals, except in FY 20-21 when all festivals were cancelled.

Fiscal Year	Fees Waived	Cost to the City
FY 15-16	\$4,212.25	\$1,320.07
FY 16-17	\$4,212.25	\$1,320.07
FY 17-18	\$12,159	\$4,819
FY 18-19	\$15,069	\$6,135
FY 19-20	\$15,451	\$3,816
<i>FY 20-21*</i>	<i>N/A</i>	<i>N/A</i>
FY 21-22	\$15,111	\$7,770
TOTALS	\$66,214.50	\$25,180.14

GRAND TOTAL: **\$91,394.64**

* All events scheduled for FY 20-21 were cancelled due to the pandemic, hence there were no actual City fees waived or costs to the City for these events during that year.

3. Meeting Space

In addition, City staff reserved space in City facilities for Chamber meetings and therefore no fee was charged to the Chamber. Based on the reservation records, it appears that most of these meetings were for the Chamber's Legislative Action Committee (LAC) that often covered City-oriented topics and were regularly used by City staff as an outreach mechanism to connect with the business community. A list of these reservations is highlighted in Attachment C. Assuming that the City had chosen to apply the non-profit rate for these meetings, the imputed cost is between \$90 to \$495 per year as shown in the table below.

Year	Stated Purpose	Fee if Booked as Non-Profit
2015	City/Chamber event (1 meeting)	\$270
2016	City/Chamber event, LAC (6 meetings)	\$375
2017	LAC (11 meetings)	\$495
2018	LAC (7 meetings)	\$315
2019	LAC (11 meetings)	\$495
2020	LAC (2 meetings)	\$90
2021	N/A	\$0
2022	N/A	\$0
	TOTAL	\$2,040

I Love Cupertino

In 2018, the City partnered with the Chamber to launch the I Love Cupertino program. While intended to serve as a state-of-the-art digital portal for visitors and the community to support small businesses, the program has been underutilized and still has not reached its full potential.

Staff is considering proven models from other cities that can be replicated in order to revamp this program. The focus will be to benefit small businesses by serving as an online marketplace and showcase Cupertino as a destination for visitors and the community. Modifications to the existing platform will allow new customers to discover and support local and small businesses and visitors and the community to access information about Cupertino.

The pandemic has proven that it is important for organizations and businesses to amplify their digital presence to connect with broader audiences. Taking lessons from the existing program and applying known successful methodologies, the program can achieve better outcomes and be more widely utilized.

The amounts paid by the City for I Love Cupertino program are shown in table below. These costs include design and development of the platform and concept implementation during program launch, as well ongoing cost for database subscription, website hosting and website maintenance. There have not been any invoices submitted or payments made for the program since July 1, 2021.

Fiscal Year	Cost
FY 17-18	\$30,215 <ul style="list-style-type: none">- Logo concept and design (\$1,000)- Website hosting (\$1,081.85)- Database subscription (\$1,383.62)- Domains, Project Conceptualization, Building content for social media, Facebook pages, Website design and layout (\$5,000)- Website concept, design, layout, deployment (\$21,750)
FY 18-19	\$25,175 <ul style="list-style-type: none">- Data subscription (\$2,175)- Website hosting (\$1,700)- Website & Maintenance (\$21,300)
FY 19-20	\$5,557 <ul style="list-style-type: none">- Data subscription (\$593)- Website hosting (\$464)- Website Maintenance (\$4,500)
FY 20-21	\$4,224 <ul style="list-style-type: none">- Member management subscription for business directory (\$352/month)
FY 21-22	\$0
Total	\$65,170

Next Steps

With the objective of enhancing the review and tracking of invoicing, payments, and deliverables between the City and the Chamber, staff is negotiating a future scope of work with the Chamber of Commerce. This future agreement will delineate the terms of engagement including reporting requirements. The scope of work will include topics such as business assistance, marketing and promotions, and hosting events and meetings. The agreement will also outline proper payments for meeting space at City facilities and set parameters around City staff time to be utilized only when aligned with City priorities and related activities.

Finally, once the details of the modified I love Cupertino program are defined, the maintenance and operation could also be included as part of the future ongoing agreement with the Chamber.

Sustainability Impact

No sustainability impact.

Fiscal Impact

There is no fiscal impact from receiving this report. The first of two \$8,000 payments for this year has been made to the Chamber and is reflected in the Accounts Payable Report for the period ending December 20, 2021. The second payment will be made once an agreed upon MOU is established. The funds have already been budgeted so no further appropriations are needed at this time. Accepting the Accounts Payable for the period ending in December 20, 2021 will meet requirements set forth for the City Treasurer for check issuance (per Resolution No. 5939).

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Approved for Submission by: Jim Throop, City Manager

Attachments:

A – Payments to Chamber January 1, 2015 - March 1, 2022

B – Festivals: City Fees Waived & City Expenses

C – Reservations for Meeting Space at City Facilities

D – Draft Resolution

E – AP Report (Including Chamber Contract Payment)

F – I Love Cupertino Invoices