



AGENDA AND NOTICE

**CITIES ASSOCIATION OF SANTA CLARA COUNTY
EXECUTIVE BOARD MEETING**

Friday, June 2, 2017

10:30 am

Palo Alto City Hall

Community Meeting Room

250 Hamilton Avenue

Palo Alto, CA 95301

AGENDA

- 1. Call to Order (Scharff) – 1st VP Rod Sinks: Attendance by Conference call from Press Hotel Lobby Annex; 119 Exchange St., Portland, ME 04104**
- 2. Oral Communication**
(This time is reserved for public comment and is limited to topics not on the agenda; comment time not to exceed 3 minutes.)
- 3. Consent Calendar (Pepper)**
 - A. Draft Minutes of April 7, 2017
 - B. April and May 2017 Balance Sheets
 - C. April and May 2017 Budget Reports
 - D. April and May 2017 Transactions Reports
- 4. Old Business**
 - A. Review of General Membership Meeting, May 11, 2017 (Scharff)
- 5. New Business**
 - A. 2017-2018 Draft Budget & Budget Memo to Board (Pepper)
 - B. Hiring New Executive Director
 - B. City Managers' Report (Keene)
 - C. LAC Report: (Showalter)
 - D. June Board Meeting
 - a. Silicon Valley Community Foundation & Silicon Valley Leadership Group: SVCIP (Silicon Valley Competiveness & Innovation Project
 - b. VTA: Implementation of Measure B Transportation Projects
 - c. Citizen initiated Ballot Measures on Marijuana
- 5. Reports & Future Agenda Items**
 - A. Suggestions for future Board Meetings
 - B. 6th Annual Regional Economic Forum – Thursday, June 15; 7:15-12:00 pm at the Computer History Museum
- 6. Report of Executive Director**
- 7. Adjournment – To Friday, August 4, 2017, 10:30 am, Palo Alto City Hall**

DRAFT MINUTES
EXECUTIVE BOARD

Friday, April 7, 2017

Community Meeting Room, Palo Alto City Hall

Present:

Greg Scharff, President
Rod Sinks, 1st Vice President
Manny Cappello, 2nd Vice President
Jan Pepper, Secretary/Treasurer
Pat Showalter, LAC Chair
James Keene, City Managers' Association Liaison
Joanne Benjamin, Interim Executive Director

President Greg Scharff called the meeting to order at 10:15 am.

Consent Calendar

A. Draft Meeting Minutes of February 28, 2017, March 2017 Balance Sheet, Budget Report, Transactions Report approved. Motion (Pepper)/ Second (Scharff). Motion carried unanimously 4:0:1 (Cappello absent).

Old Business

A. **Review of General Membership Meeting, May 11 at the Institute for the Future** – Greg discussed the Institute and stated members would be able to tour the facility along with hearing from the Institute's Executive Director. Joanne will get a count of attendees at last year's event and will tour the facility for logistics. Joanne will contact Santa Clara University Law Professor Pratheepan Gulasekaram about speaking at the event on Constitutional and Immigration Law.

New Business

- A. **City Managers' Report** – James Keene reported on the challenge for cities to recruit staff. Discussion included considering a collaborative countywide plan for recruitment and how to attract people to want to work for local government.
- B. **Hiring New Executive Director**– Greg distributed the resumes received. Greg will set up a time for the Executive Board to hold interviews. Joanne will provide training and will prepare budget for overlap in wages.
- C. **LAC Report** – Pat discussed bills: AB 1089, AB 765, AB 1182, AB 1622, and ACA 10. It was suggested to also look at AB 920 (Bio Mass) and any legislation beneficial that cities should support and “dangerous” legislation to cities that cities should oppose. Joanne will ask cities for their legislative priorities. The next LAC Meeting will be held an hour prior to the General Membership Meeting on Thursday, May 11.
- D. **Requests to speak at Future Board Meeting** –
1. **April:** Equitable Communities: Manny and Jan will give a report on the Equitable Communities subcommittee work and present cities with a Draft Resolution for cities to consider adopting.
 2. **April** – Steve Preminger, Office of the County Executive, and Jane Le Fevre, Socially Responsible Partnerships, will make a presentation on the City of San Jose and the country's coordinated immigrant communications campaign.

3. **Speakers for Future Board Meetings:** Joanne will contact Evan Low and Marc Berman about speaking at the June 8, 2017 Board Meeting. The Affordable Housing & Homelessness subcommittee and Legislative Action Committee Guiding Principles subcommittee are scheduled to present in June. Joanne will ask each city for its legislative priorities and send to Exec. Committee. Joanne will also ask Laurel Prevetti about speaking in Sept. on an update on the RHNA Guiding Principles and tentative schedule.

5. Reports and Future Agenda Items

- A. Joanne to send list of subcommittees to Exec. Board and when they are scheduled to present.
- B. Agendize for April meeting: Approval to co-partner with SVLG – 6th Annual Regional Economic Forum on Thursday, June 15; 7:15 am -12:00 pm.

Report of Interim Executive Director

Joanne announced the Membership Directory has been published and sent to all cities, state and federal legislators and local partnering agencies. The cost is higher this year due to including headshots of each elected council member. Now that design work has been done, it should be less expensive next year. The Executive Board decided not to offer an electronic version of the Membership Directory.

President Greg Scharff adjourned the meeting at 11:30 am to Friday, May 5, 10:30 am at Palo Alto City Hall.

Respectfully submitted,
Joanne Benjamin, Interim Executive Director

CITIES ASSOCIATION OF SANTA CLARA COUNTY
Balance Sheet
As of April 30, 2017

	Apr 30, 17
ASSETS	
Current Assets	
Checking/Savings	
Checking - Union Bank	6,341.75
Total Checking/Savings	6,341.75
Other Current Assets	
LAIF Funds	60,374.17
Accrued Interest	44.60
Total Other Current Ass...	60,418.77
Total Current Assets	66,760.52
Fixed Assets	
Machinery and Equipme...	2,203.41
Accumulated Depreciati...	-1,372.97
Total Fixed Assets	830.44
TOTAL ASSETS	67,590.96
LIABILITIES & EQUITY	
Equity	
Reserves	
Reserve for New Equip.	5,000.00
Reserve for Operations	35,000.00
Total Reserves	40,000.00
Unrestricted Fund Bala...	11,391.60
Net Income	16,199.36
Total Equity	67,590.96
TOTAL LIABILITIES & EQUI...	67,590.96

CITIES ASSOCIATION OF SANTA CLARA COUNTY
Balance Sheet
As of May 31, 2017

	May 31, 17
ASSETS	
Current Assets	
Checking/Savings	
Checking - Union Bank	2,522.71
Total Checking/Savings	2,522.71
Other Current Assets	
LAIF Funds	60,374.17
Accrued Interest	44.60
Total Other Current Ass...	60,418.77
Total Current Assets	62,941.48
Fixed Assets	
Machinery and Equipme...	2,203.41
Accumulated Depreciati...	-1,372.97
Total Fixed Assets	830.44
TOTAL ASSETS	63,771.92
LIABILITIES & EQUITY	
Equity	
Reserves	
Reserve for New Equip.	5,000.00
Reserve for Operations	35,000.00
Total Reserves	40,000.00
Unrestricted Fund Bala...	11,391.60
Net Income	12,380.32
Total Equity	63,771.92
TOTAL LIABILITIES & EQUI...	63,771.92

CITIES ASSOCIATION OF SANTA CLARA COUNTY
Report on Budget vs. Actual
July 2016 through April 2017

	<u>Jul '16 - ...</u>	<u>Budget</u>	<u>% of Bud...</u>
Ordinary Income/Expense			
Income			
Directory Income	87.00	1,000.00	8.7%
Dues Income	87,868.00	87,868.00	100.0%
Interest	464.98	431.00	107.9%
Total Income	<u>88,419.98</u>	<u>89,299.00</u>	<u>99.0%</u>
Gross Profit	88,419.98	89,299.00	99.0%
Expense			
Office			
Conferences/Director's Expen...	0.00	125.00	0.0%
Directory Production	1,083.92	1,000.00	108.4%
Dues and Subscriptions	335.00	325.00	103.1%
Hospitality	307.27	420.00	73.2%
Internet - Web Hosting Services	59.85	250.00	23.9%
Miscellaneous			
Bank Service Charges	30.00	36.00	83.3%
Total Miscellaneous	<u>30.00</u>	<u>36.00</u>	<u>83.3%</u>
Post Office Box	43.00	82.00	52.4%
Postage and Delivery	11.57	227.00	5.1%
Printing and Copying	0.00	25.00	0.0%
Recognition	175.02	200.00	87.5%
Repairs and Maintenance	59.85	125.00	47.9%
Software Licenses	351.45	289.00	121.6%
Supplies and Equipment	325.77	375.00	86.9%
Telephone	491.72	1,000.00	49.2%
Total Office	<u>3,274.42</u>	<u>4,479.00</u>	<u>73.1%</u>
Professional Services			
Employee Expenses			
Payroll Service Fees	715.20	1,000.00	71.5%
Payroll Taxes	5,267.03	6,200.00	85.0%
Payroll Wages/Salary	62,225.26	76,620.00	81.2%
Total Employee Expenses	<u>68,207.49</u>	<u>83,820.00</u>	<u>81.4%</u>
Total Professional Services	68,207.49	83,820.00	81.4%
Programs and Initiatives	<u>1,000.00</u>	<u>1,000.00</u>	<u>100.0%</u>
Total Expense	<u>72,481.91</u>	<u>89,299.00</u>	<u>81.2%</u>
Net Ordinary Income	15,938.07	0.00	100.0%
Other Income/Expense			
Other Income			
Membership Dinners - Proceeds	3,265.00	12,000.00	27.2%
Total Other Income	<u>9,965.00</u>	<u>12,000.00</u>	<u>83.0%</u>
Other Expense			
Membership Dinners - Cost	10,033.71	12,000.00	83.6%
Total Other Expense	<u>10,033.71</u>	<u>12,000.00</u>	<u>83.6%</u>
Net Other Income	<u>-68.71</u>	<u>0.00</u>	<u>100.0%</u>
Net Income	<u>15,869.36</u>	<u>0.00</u>	<u>100.0%</u>

CITIES ASSOCIATION OF SANTA CLARA COUNTY
Report on Budget vs. Actual
July 2016 through May 2017

	<u>Jul '16 - ...</u>	<u>Budget</u>	<u>% of Bud...</u>
Ordinary Income/Expense			
Income			
Directory Income	822.00	1,000.00	82.2%
Dues Income	87,868.00	87,868.00	100.0%
Interest	464.98	431.00	107.9%
Total Income	<u>89,154.98</u>	<u>89,299.00</u>	<u>99.8%</u>
Gross Profit	89,154.98	89,299.00	99.8%
Expense			
Office			
Conferences/Director's Expen...	0.00	125.00	0.0%
Directory Production	1,083.92	1,000.00	108.4%
Dues and Subscriptions	335.00	325.00	103.1%
Hospitality	344.73	420.00	82.1%
Internet - Web Hosting Services	59.85	250.00	23.9%
Miscellaneous			
Bank Service Charges	30.00	36.00	83.3%
Total Miscellaneous	<u>30.00</u>	<u>36.00</u>	<u>83.3%</u>
Post Office Box	43.00	82.00	52.4%
Postage and Delivery	223.80	227.00	98.6%
Printing and Copying	0.00	25.00	0.0%
Recognition	175.02	200.00	87.5%
Repairs and Maintenance	59.85	125.00	47.9%
Software Licenses	366.44	289.00	126.8%
Supplies and Equipment	414.65	375.00	110.6%
Telephone	544.62	1,000.00	54.5%
Total Office	<u>3,680.88</u>	<u>4,479.00</u>	<u>82.2%</u>
Professional Services			
Employee Expenses			
Payroll Service Fees	788.00	1,000.00	78.8%
Payroll Taxes	5,693.33	6,200.00	91.8%
Payroll Wages/Salary	67,797.85	76,620.00	88.5%
Total Employee Expenses	<u>74,279.18</u>	<u>83,820.00</u>	<u>88.6%</u>
Total Professional Services	<u>74,279.18</u>	<u>83,820.00</u>	<u>88.6%</u>
Programs and Initiatives	<u>1,000.00</u>	<u>1,000.00</u>	<u>100.0%</u>
Total Expense	<u>78,960.06</u>	<u>89,299.00</u>	<u>88.4%</u>
Net Ordinary Income	10,194.92	0.00	100.0%
Other Income/Expense			
Other Income			
Membership Dinners - Proceeds	3,265.00	12,000.00	27.2%
Total Other Income	<u>13,349.08</u>	<u>12,000.00</u>	<u>111.2%</u>
Other Expense			
Membership Dinners - Cost	11,493.68	12,000.00	95.8%
Total Other Expense	<u>11,493.68</u>	<u>12,000.00</u>	<u>95.8%</u>
Net Other Income	<u>1,855.40</u>	<u>0.00</u>	<u>100.0%</u>
Net Income	<u><u>12,050.32</u></u>	<u><u>0.00</u></u>	<u><u>100.0%</u></u>

CITIES ASSOCIATION OF SANTA CLARA COUNTY
Transaction Detail by Account
April 2017

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Split</u>	<u>Amount</u>
Checking - Union Bank					
4/4/2017	2708	Alpha G...		Directory Prod...	-1,083.92
4/12/2017	2709	SCC Ma...	April Meeting	Dues and Sub...	-40.00
4/14/2017	2710	Silicon ...	contribution to c...	Project Support	-1,000.00
4/14/2017		Union B...	Deposit	-SPLIT-	85.00
4/24/2017			Confirmation #1...	LAIF Funds	11,000.00
4/28/2017	2711	Westfre...	May 11 General...	Membership D...	-1,459.97
4/28/2017	2713	Western...	Renewal of 1 y...	Dues and Sub...	-39.00
4/30/2017		Time+Pl...		Payroll Wages...	-4,356.11
4/30/2017		Time+Pl...		-SPLIT-	-1,674.19
4/30/2017		Time+Pl...		Payroll Service...	-77.80
4/30/2017				Bank Service ...	-3.00
Total Checking - Union Bank					1,351.01
LAIF Funds					
4/24/2017			Confirmation #1...	Checking - Uni...	-11,000.00
Total LAIF Funds					-11,000.00
Directory Income					
4/14/2017		Union B...	Deposit	Checking - Uni...	-15.00
Total Directory Income					-15.00
Office					
Directory Production					
4/4/2017	2708	Alpha G...		Checking - Uni...	1,083.92
Total Directory Production					1,083.92
Dues and Subscriptions					
4/12/2017	2709	SCC Ma...	April Meeting	Checking - Uni...	40.00
4/28/2017	2713	Western...	Renewal of 1 y...	Checking - Uni...	39.00
Total Dues and Subscriptions					79.00
Miscellaneous					
Bank Service Charges					
4/30/2017				Checking - Uni...	3.00
Total Bank Service Charges					3.00
Total Miscellaneous					3.00
Total Office					1,165.92
Professional Services					
Employee Expenses					
Payroll Service Fees					
4/30/2017		Time+Pl...		Checking - Uni...	77.80
Total Payroll Service Fees					77.80
Payroll Taxes					
4/30/2017		Time+Pl...		Checking - Uni...	457.71
Total Payroll Taxes					457.71
Payroll Wages/Salary					
4/30/2017		Time+Pl...		Checking - Uni...	4,356.11
4/30/2017		Time+Pl...		Checking - Uni...	1,216.48
Total Payroll Wages/Salary					5,572.59
Total Employee Expenses					6,108.10
Total Professional Services					6,108.10
Programs and Initiatives					
Project Support					
4/14/2017	2710	Silicon ...	contribution to c...	Checking - Uni...	1,000.00
Total Project Support					1,000.00
Total Programs and Initiatives					1,000.00

CITIES ASSOCIATION OF SANTA CLARA COUNTY
Transaction Detail by Account
April 2017

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Split</u>	<u>Amount</u>
Membership Dinners - Proceeds					
4/14/2017		Union B...	Deposit	Checking - Uni...	-70.00
Total Membership Dinners - Proceeds					-70.00
Membership Dinners - Cost					
4/28/2017	2711	Westfre...	May 11 General...	Checking - Uni...	1,459.97
Total Membership Dinners - Cost					1,459.97
TOTAL					0.00

CITIES ASSOCIATION OF SANTA CLARA COUNTY
Transaction Detail by Account
May 2017

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Split</u>	<u>Amount</u>
Checking - Union Bank					
5/3/2017	2714	First Nat...		-SPLIT-	-67.89
5/3/2017	2715	First Nat...		-SPLIT-	-338.57
5/4/2017		Union B...	Deposit	Directory Inco...	570.00
5/6/2017	2712	Westfre...	May 11 General...	Membership D...	-1,459.97
5/17/2017		Union B...	Deposit	General Memb...	3,384.08
5/22/2017		Union B...	Deposit	Directory Inco...	165.00
5/31/2017		Time+Pl...		Payroll Service...	-72.80
5/31/2017		Time+Pl...		Payroll Wages...	-4,356.13
5/31/2017		Time+Pl...		-SPLIT-	-1,642.76
Total Checking - Union Bank					-3,819.04
Directory Income					
5/4/2017		Union B...	Deposit	Checking - Uni...	-570.00
5/22/2017		Union B...	Deposit	Checking - Uni...	-165.00
Total Directory Income					-735.00
Office					
Hospitality					
5/3/2017	2715	First Nat...	April Board Mee...	Checking - Uni...	37.46
Total Hospitality					37.46
Postage and Delivery					
5/3/2017	2715	First Nat...	Directory Mailing	Checking - Uni...	212.23
Total Postage and Delivery					212.23
Software Licenses					
5/3/2017	2714	First Nat...	Adobe Acrobat ...	Checking - Uni...	14.99
Total Software Licenses					14.99
Supplies and Equipment					
5/3/2017	2715	First Nat...		Checking - Uni...	88.88
Total Supplies and Equipment					88.88
Telephone					
5/3/2017	2714	First Nat...	AT & T	Checking - Uni...	52.90
Total Telephone					52.90
Total Office					406.46
Professional Services					
Employee Expenses					
Payroll Service Fees					
5/31/2017		Time+Pl...		Checking - Uni...	72.80
Total Payroll Service Fees					72.80
Payroll Taxes					
5/31/2017		Time+Pl...		Checking - Uni...	426.30
Total Payroll Taxes					426.30
Payroll Wages/Salary					
5/31/2017		Time+Pl...		Checking - Uni...	4,356.13
5/31/2017		Time+Pl...		Checking - Uni...	1,216.46
Total Payroll Wages/Salary					5,572.59
Total Employee Expenses					6,071.69
Total Professional Services					6,071.69
General Membership Meeting					
5/17/2017		Union B...	Deposit	Checking - Uni...	-3,384.08
Total General Membership Meeting					-3,384.08

CITIES ASSOCIATION OF SANTA CLARA COUNTY
Transaction Detail by Account
May 2017

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Split</u>	<u>Amount</u>
Membership Dinners - Cost					
5/6/2017	2712	Westfre...	May 11 General...	Checking - Uni...	1,459.97
Total Membership Dinners - Cost					1,459.97
TOTAL					0.00

Draft Cities Association Budget FY 2017-18

Budget Element	Comments	Budget 2016-2017	Actuals thru 5/24	Projection 5/1-6/30	Projected Actuals 2015-2016	Actual vs. Budget Variance	Proposed Budget 2017-2018
Revenues							
Directory Sales	\$15/per copy to others outside Cities Association	1,000	\$ 822	\$ 180	\$ 1,002	0%	\$ 1,000
Member Dues	Per large/medium/small/very small schedule; FY 2014-2015 resumed original dues schedule after a 3-year reduced dues schedule. FY 2016-17' includes 5% increase in dues in order to cover expenses.	87,868	\$ 87,868	\$ -	\$ 87,868	0%	\$ 87,866
Interest	From LAIF account. Currently at .88%; calculated at .75%.	431	\$ 465	\$ 44	\$ 509	18%	\$ 500
Total Revenues		\$ 89,299	\$ 89,155	\$ 224	\$ 89,379	0.1%	\$ 89,366
Expenses							
Office							
Director's Expenses	Cities Association Director's expense acct. for attending conferences - registration fees, dinners, parking, hotel, out of area travel.	\$ 125	\$ -	\$ -	\$ -	-100%	\$ 125
Directory Production	Printing of Cities Association Annual Directory	\$ 1,000	\$ 1,084	\$ -	\$ 1,084	8%	\$ 1,000
Dues and Subscriptions	SCC Mgr's Association (charged monthly), Western City magazine	\$ 325	\$ 335	\$ 120	\$ 455	40%	\$ 460
Hospitality (Meetings)	Snacks and beverages for board, leadership, & CSC meetings.	\$ 420	\$ 345	\$ 60	\$ 405	-4%	\$ 420
Internet Services	CMS for CASC website (\$10/mo); email/web host 1 and 1 (\$460/year).	\$ 250	\$ 60	\$ 60	\$ 120	-52%	\$ 560
Miscellaneous	Bank service charges etc (\$3/mo)	\$ 36	\$ 30	\$ 6	\$ 36	0%	\$ 36
Post Office Box	to receive mail	\$ 82	\$ 43	\$ 43	\$ 86	5%	\$ 86
Postage	Stamps & postage. Mostly for directory distribution & event invitations & CSC Appointment Letters.	\$ 227	\$ 224	\$ 10	\$ 234	3%	\$ 230
Printing and Copying	Kinko's copying, stationary, business cards	\$ 25	\$ -		\$ -	-100%	\$ 25

Recognition	Certificates, plaques, pin boxes and nominal gifts for past president and others.	\$ 200	\$ 175		\$ 175	-12%	\$ 200
Repairs, Equipment Maint	Copier and printers; copier repair (or replacement) needed.	\$ 125	\$ 60		\$ 60	-52%	\$ 125
Software Licenses	Adobe @ \$15/mo.; Microsoft Office (\$70); Parallels (\$35)	\$ 289	\$ 366	\$ 30	\$ 396	37%	\$ 400
Supplies and Equipment	Computer, fax, toner, ink cartridges, computer when needed (last computer purchased in July 2014.)	\$ 375	\$ 415	\$ -	\$ 415	11%	\$ 425
Telephone	Cell phone line for new office (\$53/month) purchased July 2014.	\$ 1,000	\$ 545	\$ 105	\$ 650	-35%	\$ 650
Website Update	Update CitiesAssociation.org to more mobile-friendly site	\$ -					\$ 700
Total Office		\$ 4,479	\$ 3,681		\$ 4,115	-8%	\$ 5,442
Professional Services							
Payroll: Service Fees	TimePlus, \$77.80/mo + extra for qtr and year-end	\$ 1,000	\$ 715	\$ 156	\$ 871	-13%	\$ 1,000
Payroll: Taxes		\$ 6,200	\$ 5,267	\$ 1,674	\$ 6,941	12%	\$ 7,000
Payroll: Wages	New ED's salary for 2017-2018 = \$70,000	\$ 76,620	\$ 62,225	\$ 8,700	\$ 70,925	-7%	\$ 70,000
Consulting Wages	Provides extra training for new ED	\$ -					\$ 10,000
Total Professional Services		\$ 83,820	\$ 68,207	\$ 10,530	\$ 78,737	-6%	\$ 88,000
Programs and Initiatives							
Contributions (partnering)	Support of regional projects, initiatives, e.g. Participation in Reg. Economic Summit for \$1000	\$ 1,000	\$ 1,000		\$ -	N/A	\$ 1,000
Project Support	Consulting	\$ -					
Workshop Support	Placeholders for Green Building, Solar Permits, Disaster Prep, Housing Allotment workshops, and Other						
Total Programs and Initiatives		\$ 1,000	\$ 1,000	\$ -	\$ -	-100%	\$ 1,000
Total Expenses		\$ 89,299	\$ 72,888	\$ 10,530	\$ 82,852	-7%	\$ 94,442
Other Income and Expense							
Membership Meetings - Proceed	Total revenue from attendees and sponsors	\$ 12,000	\$ 9,765	\$ 3,774	\$ 13,539	13%	\$ 14,000

Membership Meetings - Costs	Total costs of dinners (paid to restaurants and caterers), entertainment, event insurance, etc.	\$ 12,000	\$ 3,384	\$ 3,487	\$ 6,871	-43%	\$ 14,000
Total Other Income	Projected other income/loss from Membership Events	\$ -	\$ 6,381	\$ 287	\$6,668	N/A	\$ -
Net Income/Loss (Surplus/Deficit from Reserves)		\$ -			\$ 13,194		\$ (5,076)
Projected reserves, end of budget year		54,678			\$ 54,312		\$ 54,578
Cash Reserves							
	Checking Account Balance				\$ 3,591		\$ 3,591
	Savings Account (LAIF) Balance				\$ 50,721		\$ 50,987
	Total Reserves				\$54,312		\$54,578



To: Cities Association Board of Directors
From: Jan Pepper/Secretary Treasurer and
Joanne Benjamin, Interim Executive Director
Subject: Cities Association 2017-18 Draft Budget Proposal for Review and
Approval
Date: May 26, 2017

Submitted for your consideration is the proposed Fiscal Year Budget 2017-18 of the Cities Association of Santa Clara County. The Executive Board of Directors is to review and approve the Budget at its June 2, 2017 and then it will be distributed to all City Managers prior to the June 8 Board Meeting when the Budget will be considered for adoption by the Board.

Background/Highlights of the Proposed 2017-18 Budget:

1. In 2010, it was observed that Reserves had grown over the previous four fiscal years and exceeded the Cities Association Financial Policy of six to nine months of projected operating expenses.
2. The Subcommittee on Use of Reserves recommended a decrease in dues by 4.77% for three fiscal years in order to attain a level of Reserves consistent with the organization's financial policy.
3. FY 2013-14 marked the end of the 3-year budget with reduced dues. FY 2014-15 Budget resumed the original dues schedule, which was an increase of 4.77% of the prior year's dues schedule.
4. New for FY 2014-15, the Cities Association started utilizing a virtual office as an effort to reduce expenses; office expenses were reduced by 19% from the expected budget.
5. For FY 2015-16, with the continued dues schedule, it was proposed and approved to use Reserves to meet operating expenses. It is Cities Association policy to maintain a Reserves fund that covers 6 – 9 months of operating expenses (\$42,000 – \$63,000). Projected Reserves at the end of the 2017-18-budget year is now \$53,771.32. This is assuming the New Executive Director is not hired until July 1, 2017. The income from the May 11 General Membership Meeting covered expenses. Income from sponsorships for the Holiday Party, 2017, will be utilized to cover the Holiday event expenses.
6. For FY 2016-17, the dues were increased by 5% in order to resume operations without using Reserves to meet expenses. Today, 6-9 months of operating expenses is approximately \$43,800 - \$65,700. The proposed budget is projected to maintain the level of Reserves at \$54,578.



7. Article VII, Section 2 of the Cities Association Bylaws states “the dues schedule shall be revised every three (3) to four (4) years.” There is no projected dues increase for the 2017-18 Proposed Budget.

Attached are two spreadsheets

1. FY 2017-18 Dues Proposal with no increase for the upcoming Fiscal Year
2. FY 2017-18 Budget Proposal. This shows each budget element, comments, previous budget for comparisons, current actuals and projections through June 30, 2017 (the end of the current fiscal year), the variance between actuals and budget, the proposed FY 2017-18 budget, and a LAIF Interest Calculation which was completed last year and the calculations are similar for this year.

Cities Association Membership Dues Schedule 2017-2018

	Portion	Cities	Proposed* 2017-2018 Dues - Each City	Proposed 2017- 2018 Income
Large Cities	26.1%	(3) San Jose, Santa Clara, Sunnyvale	\$ 7,641	\$ 22,923
Medium Cities	36.2%	(5) Cupertino, Gilroy, Milpitas, Mountain View, Palo Alto	\$ 6,367	\$ 31,836
Small Cities	29.0%	(5) Campbell, Los Altos, Los Gatos, Morgan Hill, Saratoga	\$ 5,094	\$ 25,468
Very Small Cities	8.7%	(2) Los Altos Hills, Monte Sereno	\$ 3,820	\$ 7,640
Total Dues Income				\$ 87,866

*Dues Calculated with 5% increase of dues in FY 2015-16

Call In Cities Association Meeting

Purpose: To respond to recommendations from the May 11th Legislative Action Committee, so that letters of support and/or opposition can be sent out in a timely manner

Background: A LAC meeting was held on May 11th right before the General Membership Meeting. Since the General Membership Meeting is really an event & party, no regular business was conducted. Normally, the LAC recommendations are discussed and acted on at the meeting that comes immediately after it. In this case the next Cities Association Meeting will not be until June 8th. Given how quickly bills move through the legislative process, we felt our input would be more valuable sooner. This phone meeting has been set up to allow the legislative action to be accomplished before the June 8th meeting.

The recommended actions are below:

Bill Number & Name	Brief description	Action Requested
AB1250 De facto ban on local government contracts	Requires full economic evaluation & CEQA before letting a contract. Must list contact and salary info for all workers paid by the contract.	Oppose & send letter STRONGLY Opposed by CLC Policy Committee LAC 8/0
SB649 (Huesco) Wireless Telecommunications Facilities	Limits local control & revenue from installation of "small cell" equipment. Small is 6 cubic ft for antennas and 21 cubic ft for associated equipment.	Oppose unless the dimensions are fixed. LAC 6/2
AB1089 Local elective offices: contribution limitations (Mullin)	Establishes a campaign contribution limit for local offices of \$4,400 per candidate per election. Supported by LWV, Common Cause and many others	Support and send letter LAC 8/0
AB920 California Renewables Portfolio Standard Program	Supported by RWRC before it was dramatically revised.	Watch and follow RWRC's lead on new version
AB1479 (Bonta) Supervisor of Public Records Request Requirement.	Requires each agency to establish a "supervisor" of public records requests. Adds other requirements and sets fines. Opposed by CLC	Oppose and send letter LAC8/0
SB618 (Bradford) Load-serving entities: requires integrated resource plans	Requires each electrical load-serving entity like our SVCE prepare a plan to show that it was using a balanced portfolio for a reliable energy supply with optimal use of renewable energy. Problem is it give the PUC the review & approval authority.	SVCEA & CLC urge opposition. Betsy, did we vote to oppose this? My notes aren't clear.
AB184 (Berman) Planning for	Provides funding for continuing and	Watch

Seal Level Rise Database	strengthening SLR database by State. Generally sounds good, but lacked info for action.	
AB574 (Quirk) Potable Water		Watch
AB733 (Berman) Allowing enhanced finance district		Watch
AB15-6	Repeal Costa-Hawkins	Watch
AB1222 Emergency Response	Designed to fix issues with ham radio while driving	Watch
SB35 By Right Housing (Weiner)	Makes many affordable housing projects "by right" which would stream-line the process, but reduce local control	Lots of controversy with this one. Watch
AB1506	Repeal Costa Hawkins	Watch
AB733 (Berman)	Allows enhanced finance districts. Generally sounds good, but lacked info for action.	Watch



REQUEST TO MAKE A PRESENTATION TO THE CITIES ASSOCIATION BOARD OF DIRECTORS

NAME OF ORGANIZATION:

Silicon Valley Community Foundation and Silicon Valley Leadership Group

BACKGROUND INFORMATION:

Organization Information

Silicon Valley Community Foundation advances innovative philanthropic solutions to challenging problems. As the largest community foundation in the world, we engage donors and corporations from Silicon Valley, across the country and around the globe to make our region and world better for all. Our passion for helping people and organizations achieve their philanthropic dreams has created a global philanthropic enterprise committed to the belief that possibilities start here.

Silicon Valley Leadership Group is a public policy trade association. The Leadership Group was founded in 1978 by David Packard of Hewlett-Packard and represents more than 400 of Silicon Valley's most respected employers on issues, programs and campaigns that affect the economic health and quality of life in Silicon Valley, including education, energy, environment, health, housing, tax policies, tech and innovation and transportation. Leadership Group members collectively provide nearly one of every three private sector jobs in Silicon Valley and contribute more than \$3 trillion to the worldwide economy.

Project Information

Developed by the Silicon Valley Leadership Group and Silicon Valley Community Foundation in 2014, the SVCIP seeks to proactively identify a data-driven economic strategy to reinforce the region's competitive advantages in innovation and ensure continued job growth. Study details, including a downloadable PDF of the study can be found at SVCIP.com.

Guided by an advisory council and a series of discussions with legislators, business and civic leaders, the SVCIP team developed an Indicator Dashboard and public policy agenda to evaluate and promote the health of Silicon Valley's innovation ecosystem. The SVCIP represents a first step in identifying key public policy issues to address in the near term.

REQUEST (WHAT WILL BE PRESENTED?):

We request 15 minutes during your board meeting to present findings from this year's SVCIP Report. The last five minutes of our presentation will be devoted to Q&A. A sample of key findings from the report include:

- **Silicon Valley is the world's leading innovation region based on a composite measure.** At the same time, other regions like Berlin, London, Tel Aviv, Chicago, and Boston scored higher on the Compass Report's Growth Index, meaning they are gaining ground on Silicon Valley by measures such as venture capital investment, talent pools and entrepreneurial networks.
- **Silicon Valley also has a much higher concentration of STEM talent than other innovation regions.** The concentration of STEM talent measures the proportion of STEM workers in the overall workforce relative to the national average. Silicon Valley is almost three times more concentrated in STEM workers than is the nation as a whole, nearly twice as concentrated as the Boston region, and over one and one half times more concentrated than

both Seattle and Austin.

- **For the first time, the report included a measure regarding women entrepreneurs in innovation regions.** In 2015, women made up 42 percent of new entrepreneurs in Silicon Valley, placing the region second to Seattle, with 51 percent. But between 2013 and 2015, Silicon Valley had the biggest drop in the share of new female entrepreneurship, from 46 percent to 42 percent.
- **Between Q3 2015 and Q3 2016, total venture capital investment in Silicon Valley companies fell 46 percent.** Moreover, venture capital funding levels dropped in four of the five quarters leading up to Q3 2016. The number of venture capital deals in Silicon Valley declined too, but by a much smaller 4.6 percent between Q3 2015 and Q3 2016.
- **Using the San Jose Metropolitan Statistical Area to represent Silicon Valley home and apartment prices, we see that median home values continued to increase quickly in the first half of 2016.** In fact, median home values rose to \$935,180, according to Zillow, exceeding home values in San Francisco (\$799,150), and all innovation regions by a substantial margin.
- **The average Silicon Valley worker spends an hour and 10 minutes commuting per day (both ways),** second only to New York City workers, who spend an hour and 14 minutes commuting.

RELEVANCE TO THE CITIES ASSOCIATION:

This presentation is relevant to the Cities' Association because it provides a thorough evaluation of indicators that measure the quality of life and business competitiveness of each board member's community, identifying areas of strength as well as opportunities for further improvement.

Our region's economy is strong by any measure and this presentation will provide some key action items that stakeholders--including the leaders of cities within Santa Clara—may take to further the region's vitality and increase prosperity.

WHAT ACTION IS REQUESTED OF THE CITIES ASSOCIATION?

We request your attention for a 10-15 minute presentation at your next board meeting. No actions beyond that will be requested.

MATERIALS TO BE SENT TO SUPPORT PRESENTATION

We plan to use a slide deck to give our presentation. If you would like us to send the slides ahead of time, we are happy to do so. We do ask that we have access to a projector and screen for our presentation.