



EXECUTIVE BOARD OF DIRECTORS AGENDA
MARCH 1, 2018 | 5PM
CUPERTINO CITY HALL | 10300 TORRE AVENUE | CUPERTINO, CA 95014

1. Call to order
2. Consent Agenda
 - a. Executive Board Meeting Minutes: February 2018
 - b. Financial Statements: January 2018
3. Old Business
 - a. Organizational status update – Pam Kaufman, Bridgett Hanson
 - b. 2018 Goal Setting/Workplan – timeline (Sinks)
4. Reports & Future Board Agenda Items:
 - a. Silicon Valley Joint Venture – Partnership Challenge
 - b. EMS (EMS Committee)
 - c. RHNA (March)
 - d. Ad Hoc Roundtable (March)
 - e. MTC Report (Jeannie Bruins)
 - f. Vehicle Dweller (Committee/Manny Cappello)
 - g. 2018 Legislative Guiding Principles (Sayoc/Legislative Action Committee)
 - h. Other recommendations
5. City Manager's Report
6. Executive Director Report
7. Public Comment
8. Adjournment



Executive Board of Directors Meeting – Agenda Report

Meeting Date: March 1, 2018

Subject: 2a & 2b Consent Agenda

- Executive Board Meeting Minutes: February 2018
- Financial Statements: January 2018



EXECUTIVE BOARD OF DIRECTORS DRAFT MINUTES
JANUARY 31, 2018 | 5PM PM
CUPERTINO CITY HALL | 10300 TORRE AVENUE | CUPERTINO, CA 95014

Call to order at 5:07 PM by President Rod Sinks. Also present was Larry Klein, Manny Cappello, Pat Showalter, Rod Sinks, David Brandt (SCCCMA), Andi Jordan (Executive Director). Greg Scharff arrived 5:15PM.

Motion to approve the Executive Board Meeting Minutes from January 2018 by Larry Klein, second from Manny Cappello. Approved unanimously.

Andi Jordan gave an update that she has begun working with Hanson Bridgett on the organizational status of the organization. She is scheduled to talk with Pam Kaufman, lead counsel, on Friday morning.

New Business

- a. The Executive Board reviewed the responses from the Board of Directors to the 2018 Priorities. The Board selected chairpersons. The Executive Board will present to the Board and ask the Committees to respond with their respective presentation month. The goal of each committee is to bring a model ordinance forward or action that all of the cities may take. Review status monthly. (committee assignments attached)
- b. SVLG Regional Economic Summit has requested Cities Association continue the partnership for the Regional Economic Forum on Friday, April 13th. The Executive Board agreed to continue this partnership. \$1000 is already budgeted for this event.
- a. Pat Showalter & Larry Klein, members of the Ad Hoc Committee to form an Aircraft Noise Roundtable, presented a proposal by members of the SFO Roundtable to add 2 seats, one representing Santa Clara County and one representing Santa Cruz County, to the SFO Roundtable. The Executive Board agreed by consensus to take this request to the Board of Directors with the objective to have someone serve and give the community confidence, that he/she will serve to represent the entire County and not just their city. Greg Scharff will contact the Executive Boards Supervisor Joe Simitian and inquire whether he would represent Santa Clara County.

Reports & Future Board Agenda Items:

- SPUR will provide a general introduction to their organization.
- TESLA will present information on EV Infrastructure.

- General overview of and introduction to Tesla
- Importance of EV infrastructure for multi-unit dwellings and workplaces
- EV readiness opportunities for new construction (model ordinance and potential local targets)
- RHNA Sub-Region Task force will present in March.
- Ad Hoc Roundtable will present an update in March
- Legislative Guiding Principles goes to LAC in February and to the Board of Directors in March.
- City Selection appointment updates will be requested:
 - February: ABAG (Greg Scharff), MTC (Jeanne Bruins), LAFCO.
 - March: BCDC

Adjournment at 6:16 PM. The Next meeting is Thursday, March 1st at 5PM at Cupertino City Hall.

CITIES ASSOCIATION OF SANTA CLARA COUNTY

Checking - Union Bank, Period Ending 01/31/2018

RECONCILIATION REPORT

Reconciled on: 02/28/2018

Reconciled by: Andi Jordan

Any changes made to transactions after this date aren't included in this report.

Summary

USD

Statement beginning balance.....	12,153.26
Checks and payments cleared (9).....	-9,888.00
Deposits and other credits cleared (1).....	570.00
Statement ending balance.....	<u>2,835.26</u>

Uncleared transactions as of 01/31/2018.....	1,082.00
Register balance as of 01/31/2018.....	3,917.26
Cleared transactions after 01/31/2018.....	0.00
Uncleared transactions after 01/31/2018.....	4,300.77
Register balance as of 02/28/2018.....	8,218.03

Details

Checks and payments cleared (9)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
12/20/2017	Check	2764	Los Altos Stage Company	-500.00
12/20/2017	Check	2766		-350.00
01/03/2018	Expense		Gusto	-45.00
01/04/2018	Check			-853.49
01/08/2018	Expense		AP Intego	-43.00
01/22/2018	Transfer			-1,685.60
01/25/2018	Journal	Gusto		-2,452.79
01/25/2018	Journal	Gusto		-3,955.12
01/31/2018	Expense		Union Bank	-3.00

Total -9,888.00

Deposits and other credits cleared (1)

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
01/17/2018	Deposit			570.00

Total 570.00

Additional Information

Uncleared checks and payments as of 01/31/2018

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
05/26/2017	Check		SCC Managers' Association	-40.00
10/31/2017	Expense		Union Bank	-3.00
11/08/2017	Check		SCC Managers' Association	-40.00

Total -83.00

Uncleared deposits and other credits as of 01/31/2018

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
05/22/2017	Deposit			165.00
07/11/2017	Journal			0.00
08/20/2017	Check	2751	Void	0.00
12/18/2017	Deposit			1,000.00

Total 1,165.00

Uncleared checks and payments after 01/31/2018

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
02/01/2018	Check	2757		-40.00
02/02/2018	Expense		Gusto	-45.00
02/12/2018	Expense		AP Intego	-43.00
02/16/2018	Transfer			-265.98
02/23/2018	Expense		Gusto	-4,133.31
02/23/2018	Expense		Gusto	-2,171.94

Total -6,699.23

Uncleared deposits and other credits after 01/31/2018

DATE	TYPE	REF NO.	PAYEE	AMOUNT (USD)
02/14/2018	Deposit		LAIF	11,000.00

Total 11,000.00

Management Report

CITIES ASSOCIATION OF SANTA CLARA COUNTY

For the period ended December 31, 2018



Prepared on

February 28, 2018

Table of Contents

Profit and Loss3

Balance Sheet.....4

Profit and Loss

January - December 2018

	Total
INCOME	
Gusto/Payroll	-6,395.25
Total Income	-6,395.25
GROSS PROFIT	
	-6,395.25
EXPENSES	
Insurance	86.00
Office	
Conferences/Director's Expenses	893.49
Hospitality	38.04
Miscellaneous	
Bank Service Charges	3.00
Total Miscellaneous	3.00
Total Office	934.53
Professional Services	
Employee Expenses	
Payroll Taxes	574.58
Payroll Wages/Salary	5,833.33
Total Employee Expenses	6,407.91
Total Professional Services	6,407.91
Total Expenses	7,428.44
NET OPERATING INCOME	-13,823.69
OTHER INCOME	
Membership Dinners - Proceeds	70.00
Total Other Income	70.00
OTHER EXPENSES	
Membership Dinners - Cost	-500.00
Total Other Expenses	-500.00
NET OTHER INCOME	570.00
NET INCOME	\$ -13,253.69

Balance Sheet

As of December 31, 2018

	Total
ASSETS	
Current Assets	
Bank Accounts	
Checking - Union Bank	8,218.03
Total Bank Accounts	8,218.03
Other Current Assets	
Accrued Interest	44.60
LAIF Funds	82,699.33
Total Other Current Assets	82,743.93
Total Current Assets	90,961.96
Fixed Assets	
Accumulated Depreciation	-1,372.97
Machinery and Equipment	2,203.41
Total Fixed Assets	830.44
TOTAL ASSETS	\$91,792.40
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
First National Bank of Omaha	-2,509.48
Total Credit Cards	-2,509.48
Other Current Liabilities	
Payroll Liabilities	590.20
Total Other Current Liabilities	590.20
Total Current Liabilities	-1,919.28
Total Liabilities	-1,919.28
Equity	
Reserves	
Reserve for New Equip.	5,000.00
Reserve for Operations	35,000.00
Total Reserves	40,000.00
Unrestricted Fund Balance	53,711.68
Net Income	
Total Equity	93,711.68
TOTAL LIABILITIES AND EQUITY	\$91,792.40



Executive Board of Directors Meeting – Agenda Report

Meeting Date: March 1, 2018

Subject: 3a

Initiated by: Pamela Kaufman, Attorney, Bridget Hanson

Previous Consideration: none

Fiscal Impact:

Policy questions:

Summary:

Goals of the Cities Association:

1. Obtain insurance: D&O, CGL, WC, Auto, Other
2. Limit liability
3. Open new bank account (FBNS issue)
4. Potentially attract grants

Options:

1. Preserve status quo: remain unincorporated association.
2. Incorporate as a stock corporation.
3. Form an LLC.
4. Incorporate as a nonprofit public benefit corporation; do not seek tax exemption.
5. Incorporate as a nonprofit public benefit corporation and seek recognition of exemption under
 - a. IRS Section 501(c)(3); or
 - b. IRC Section 501(c)(4).
6. Incorporate as a nonprofit mutual benefit corporation and seek exemption under IRC Section 501(c)(6).

Questions for Cities Association:

1. How much revenue do we expect to have in the next year? 5 years? 10 years?
2. Do we have the time and skill set to comply with IRS tax rules and filings governing tax-exempt orgs and CA Attorney General requirements? To satisfy corporate formalities?

3. What new activities do we anticipate engaging in in the future?
4. How many employees do we anticipate having in the next year? 5 years? 10 years?

Recommended:

To: Executive Board of Directors, Cities Association of Santa Clara County
From: Pamela S. Kaufman, Bridgett Hanson
Date: March 1, 2018
Subject: 3a Organizational Status

Task: Identify best entity type for Cities Association, currently an unincorporated association, based on goals below.

Goals:

1. Obtain insurance: D&O, CGL, WC, Auto, Other
2. Limit liability
3. Open new bank account (FBNS issue)
4. Potentially attract grants

Options:

1. Preserve status quo: remain unincorporated association.
2. Incorporate as a stock corporation.
3. Form an LLC.
4. Incorporate as a nonprofit public benefit corporation; do not seek tax exemption.
5. Incorporate as a nonprofit public benefit corporation and seek recognition of exemption under
 - a. IRS Section 501(c)(3); or
 - b. IRC Section 501(c)(4).
6. Incorporate as a nonprofit mutual benefit corporation and seek exemption under IRC Section 501(c)(6).

Comparison Chart:

OPTIONS	ADVANTAGES	DISADVANTAGES	COMMENTS
Remain an unincorporated association (UA)	Will incur little expense; don't need to change. Under federal law, UA may be treated as a partnership of governmental entities exempt from taxes under IRC Section 115.	Will not afford clear limited liability; will not automatically address banking issue and may fail to address insurance goals.	Need to investigate insurance issue further; can open bank account by filing a fictitious business name statement with the county.
Incorporate as a stock corporation	Will have limited liability and easy access to insurance. Can pay little to no tax by spending most revenue each year. Inexpensive option; no need to comply with filing obligations of Section 501(c) entities; no Attorney General oversight.	Need to identify shareholders (cities?); need to satisfy corporate formalities, such as board & shareholder meetings. Question exists whether corporation can deduct expenses of a trade or business under IRC Section 162. Not a nonprofit corporation if grantors care. [Need to drill down into identity and motivation of grantors. Do they care about status of entity? Are they content to rely on business expense deduction?]	Simple model; must address grants, identity of shareholders.
Form an LLC	Same benefits as stock corporation plus more	Need to identify members (cities) and managing	Simpler model than corporation.

	stream-lined governance (no board requirement, fewer formalities). Under federal law, LLC can elect to be treated as a partnership of governmental entities which may, in turn, be exempt from taxes under IRC Section 115.	member(s). Minimum franchise tax and LLC fee will likely be owed each year. Could interfere with efforts to obtain grants.	
Incorporate as a public benefit corporation but do not seek tax exemption	Same benefits as stock corporation; may have halo effect if grantors want to give to a nonprofit corporation; may theoretically simplify obtaining recognition as exempt entity in future.	Subjects corporation to jurisdiction of Attorney General and to requirements of Nonprofit Integrity Act. Only worth doing if it will make a material difference in attracting grantors. Seeking exemption in future could create problems discussed under Section 501(c)(4) below.	Taxable nonprofit status is sometimes considered the “worst of both worlds” because corporation is taxable and yet subject to AG scrutiny.
Incorporate as a public benefit corporation and seek tax exemption under Section 501(c)(3).	Same benefits as stock corporation but also tax-exempt, able to attract deductible donations.	Subject to both AG scrutiny and the most rigorous IRS scrutiny, must file IRS Form 990 and FTB Form 199; must file forms with AG; if get large enough, must obtain audited financial statements. Exemption would be prospective.	Current activities of Cities Association do not qualify it for 501(c)(3) status, with possible exception of education, which is only one of many activities.
Incorporate as a public benefit corporation and seek tax exemption under Section 501(c)(4).	Same benefits as stock corporation but also tax-exempt; best fit, based on activities, of all tax-exempt categories.	Subject to both AG scrutiny and IRS scrutiny; must file IRS Form 990 and FTB Form 199; must file forms with AG. Contributions are not deductible as	Might be worth pursuing in the future, as a non-successor housing new activities or after current tax issue is resolve.

		charitable. Cities Association missed deadline to file IRS Form 8976 to give notice of intent to operate 501(c)(4) entity, triggering penalties (\$5k). New entity would likely be deemed a successor to old entity.	
Incorporate as a mutual benefit corporation and seek tax exemption under Section 501(c)(6).	Same benefits as stock corporation but tax-exempt; not subject to AG scrutiny.	Must file IRS Form 990 and FTB Form 199; must comply with complex tax rules regarding dues and activities.	Current activities of Cities Association do not qualify it for 501(c)(6) status.

Questions for Cities Association:

1. How much revenue do we expect to have in the next year? 5 years? 10 years?
2. Do we have the time and skill set to comply with IRS tax rules and filings governing tax-exempt orgs and CA Attorney General requirements? To satisfy corporate formalities?
3. What new activities do we anticipate engaging in in the future?
4. How many employees do we anticipate having in the next year? 5 years? 10 years?

Pamela S. Kaufmann

Partner

Hanson Bridgett LLP

(415) 995-5043 Direct

(415) 995-3449 Fax

pkaufmann@hansonbridgett.com





Executive Board of Directors Meeting – Agenda Report

Meeting Date: March 1, 2018

Subject: 3b - Workplan

Initiated by: Rod Sinks

Previous Consideration: January/February

Fiscal Impact: \$0

Summary: Committee Chairs will update the workplan with the presentation time and the Executive Board will approve.

Cities Association of Santa Clara County – 2018 Workplan

Topic	Subtopic	Committee members	Presentation scheduled
Transportation & Funding	Collaboration between cities & major employers on transit solutions to serve all	Rod Sinks, Pat Showalter, Rob Rennie, Debbie Davis, Greg Scharff	
	New models to fund mass transit given new federal tax & funding realities such as public private partnerships or headcount/payroll tax	Rod Sinks, Greg Scharff	
	Local &/or regional transit agency governance reform	Rod Sinks, Pat Showalter, Greg Scharff	
	Leverage requests to support RM3 or mega measures	Rod Sinks, Greg Scharff	
Housing & Homelessness	ADUs	Rod Sinks, Marsha Grilli, Pat Showalter, Larry Klein	
	Vehicle dwellers	Steve Tate, Marsha Grilli, Pat Showalter, Manny Cappello	
	Measure A Housing Bond	Rod Sinks, Marsha Grilli, Pat Showalter	
	Ongoing analysis of state legislation	Marsha Grilli, Pat Showalter, Rob Rennie, Larry Klein, Greg Scharff	
Sustainability	Greenhouse emissions	Steve Tate, Rod Sinks, Gary Waldeck, Marsha Grilli, Pat Showalter	
	EV infrastructure	Rod Sinks, Rob Rennie, Larry Klein, Jan Pepper, Greg Scharff	
Other topics			
	Smart Cities	Rod Sinks, Chappie Jones, Gary Waldeck, Jeff Cristina, Greg Scharff, Peter Leroy-Munoz	
	Age-Friendly Implementation	Gary Waldeck, Manny Cappello, Rob Rennie, Debbie Davis	
	EMS Option	Chappie Jones,	



REQUEST TO PRESENT
TO THE
BOARD OF DIRECTORS

NAME OF ORGANIZATION: JOINT VENTURE SILICON VALLEY
SILICON VALLEY TALENT PARTNERSHIP INITIATIVE

Name of Contact Person: Jenny Weiss

Phone: 412-915-2329

Email: jenny@jointventure.org

Presenters: Jenny Weiss

BACKGROUND INFORMATION:

Silicon Valley Talent Partnership is one of Joint Venture's newest initiatives – our goal is to leverage the abundance of human capital in Silicon Valley's private sector to help tackle the region's most pressing challenges. (Pressing challenges include housing, transportation, education, environment, homelessness, etc.). We work with public sector leaders to scope high-impact projects and then match them to highly skilled pro bono teams from distinguished Silicon Valley corporations. Skillsets of teams in our partner network include strategy, long-range planning, marketing, communications/PR, UX/UI, law, design thinking, and many others.

REQUEST (WHAT WILL BE PRESENTED?):

I'd like to give a 10-15 minute presentation about our initiative that will include examples of projects other cities/public agencies have done. The goal is to make the Cities Association aware of this platform and inspire city leaders to see it as a valuable resource that can help them accelerate impact in a variety of important issue areas.

RELEVANCE TO THE CITIES ASSOCIATION:

The Cities Association's member cities will find this model to be very relevant in helping them craft solutions to their pressing priorities. Cities are always looking for ways to be more innovative and to forge partnerships with the private sector, and this is a great way to get access to fresh ideas without straining taxpayer dollars!

WHAT ACTION IS REQUESTED OF THE CITIES ASSOCIATION?

The only action requested is for the city leaders to consider participation on a future project. Any interested parties can reach out to me to schedule a follow-up meeting so I can learn more about their specific needs.

MATERIALS TO BE SENT TO SUPPORT PRESENTATION: Powerpoint slide deck