

RESPONSE TO COUNCIL QUESTIONS RE: 5/5/15 AGENDA

PUBLIC HEARING/GENERAL BUSINESS:

Item #3

Attachment 6 (Scenario A&B Grant) Healthier Kids Foundation – There is no recommendations to give this group Grant funds, but it says \$13,700 (Different program, same applicant). What is the other? Or is this just a different funding source for the same program?

Staff Response: The \$13,700 figure provided in that table reflects the City grant amount that was provided to this applicant (Healthier Kids) in FY 14/15 for their insurance program (known as "Healthy Kids") that provided health insurance for uninsured, low-income children who did not qualify for Medi-Cal for various reasons. The applicant was involved in a county-wide coalition to pass Measure A on the county ballot in 2012 which, by 2015, had generated a large amount of funding that was adequate for the County to fully fund the applicant's Healthy Kids program in FY 15/16. Since the applicant no longer needed any funding from the City for Healthy Kids, they developed a new program (the Vision screening proposal) and proposed that program for funding by the City in the current funding round.

How many staff do we fund with \$233,891?

Staff Response: The \$233,891 allocation include approximately \$181,000 for staffing (about 1.0 FTE for salaries and benefits), a \$20,000 contract for fair housing services, and the remainder for non-personnel expenses (goods, services, overhead and miscellaneous expenses). The staffing cost is split over several positions and covers only a certain number of staff hours within each of those positions. The remainder of the staff hours for those positions are funded by various other sources (HOME admin, other housing funds).

Have we taken a close look at the cost of administration of these funds? I recognize that there are a number of responsibilities listed but I can not believe that we have that much administrative work!

Staff Response: There is quite a lot of administrative work required to administer and implement the CDBG and HOME grants and to comply with detailed HUD reporting requirements. A very small number of CDBG-eligible cities have decided not to accept these grants because of the high administrative burden, or contract out the staff support required. Contracting can cost more in the end, and the quality of work product or customer service can often decrease, as contractors are often working remotely and do not have a high degree of familiarity with local issues.

Limiting CDBG grants to minimum \$10,000 per agency helps address administrative costs, but to further reduce this cost, the number of human service agencies receiving CDBG grants could be significantly reduced. However, this could also reduce the ability for the City to leverage its funds to obtain other funding sources for human services.

Attachment 3 shows \$10,000 for West Valley Community Services for case management for the homeless. Doesn't Sunnyvale Community Services also do that?

Staff Response: Sunnyvale Community Services does not provide case management programs for the homeless. They provide food assistance and some other services, and they have case workers who serve all of their clients, but they do not provide case management. There is a specific distinction between case workers and case managers in the social services sector. West Valley has developed a homeless case management program and it is the only one that focuses on and does year-round, frequent outreach in the Sunnyvale/Cupertino area.

Item #4

If hypothetically one were to apply the standards to fields similar in condition to the TKA playing fields, would the standards say yes, no or maybe to dedication as a park.

Staff Response: We have not reviewed any environmental analysis for the The King's Academy playing fields (Phase I or Phase II), so we can't determine how the site would align with the standards. The School District and King's Academy have an agreement that addresses responsibility for any possible concerns, the groundwater plume, and possible hazards in the buildings.

Under Properties with Restrictions/Superfund Sites why would a land owner sell the site with the understanding that they would be on the hook for toxic liability into the future?

Staff Response: Each property owner would need to review their site and make an individual determination. However one key reason could be because it may be the only way they can sell the property.

If I voted to purchase a contaminated site could I be held personally liable in the future?

Staff Response: You would not be personally liable for voting to purchase a contaminated site. Theoretically, you could be named in a future lawsuit in your capacity as a Councilmember; the City would provide a defense.

If we add all of this environmental clearances on the land why would a developer dedicate land when they could simply pay the park dedication fees and not have to worry about the headache of a park?

Staff Response: Properties with restrictions/superfund sites would have additional concerns for the developer and City and a developer might rather pay fees.

What if a developer came forward and was willing to give us land but it had buildings on it? Consider that the buildings would be useable and desirable for use.

Staff Response: Any land a developer gives the City pursuant to the parkland dedication ordinances as a condition of development is to be used for park and recreational purposes. If there were serviceable buildings on it that the City would want to keep and use for park purposes, we would explore that possibility with the developer.

Item #6

How many in total were received back after distribution 35 packages?

Staff Response: The City received three total proposals, all of which were responsive. During the evaluation process, Harris and Associates withdrew as one of their key team members left the company.

Are we hiring the Covello Group in 5 year terms so that adjustments in cost can be met as economic conditions change?

Staff Response: Yes, the contract term covers the first major piece of the plant renovation, which is well scoped and in design at this time. Once the next phase has been more fully defined, new scope and cost will be negotiated and a contract amendment will be necessary, assuming pricing and service remain acceptable to the City.

Why are we spending \$95,000 this year when we are just 2 months away from a new budget year?

Staff Response: Funding is needed with the approval of the contract so that work can begin. As this is a multi-year project, staff estimates the expenditures per fiscal year and budgets accordingly. In this case, the budget modification is simply segregating out of the construction management costs from the overall larger project budget, with the \$95,000 accounting for work to be completed in the current fiscal year.

In the report you note that the expenditure is to handle management for the first 3 phases of the project. You say that is going to take 5 years. Then you say that costs will be covered over 5 or 6 years? Is this a 5 year contract or a 6 year contract?

Staff Response: The term is a little over five years, ending on August 31, 2020 or at the conclusion of the Primary Treatment Facility Project.

Item #7

How much does the golf course operation pay for water each year?

Staff Response: The planned budget for water this year is \$270,000, although staff plans to use less.

What are the annual city personnel costs for golf course operations.

Staff Response: The planned budget for personnel this year is \$2.2 million and we will use approximately \$2 million this year.

My understanding is that the Mountain View golf course is in the black by \$100k/year and i would like to know what is different in their financials, do they:

- a) generate more revenue per user
- b) have more users
- c) have lower personnel costs
- d) other

Staff Response: Shoreline Golf Course in Mountain View is projected to return a modest profit to their General Operating Fund of \$135,000 this year. It is difficult to

get detailed information on personnel costs because both pro shop and maintenance services are contracted. They are very similar to Sunnyvale regarding number of rounds and green fees for 18-hole courses. For this year they project 8.4% less rounds than the previous year. It should be noted that before the operations were contracted out in 2011/12, the golf program paid an in-lieu fee of approximately \$250,000 annually that was absorbed by their General Operating Fund after golf services were contracted.

Where other courses allow games involving frisbees and soccer do they do that because it boosts revenue? How much of a revenue boost could we expect from that?

Staff Response: There is very limited demand for disc or foot golf. One of the best courses for disc golf in the country is DeLaveaga is in Santa Cruz, they charge \$2 for parking and take donations. The course is basically natural terrain like you would find at a county park. Disc golf is finding some traction at 9-hole courses including nearby Pruneridge. They provide disc golf from noon to 3 p.m. seven days a week for \$12 while we charge \$17 for golf during the week and \$19 on the weekends.

We have not been approached by any individuals or groups who want to play those games on our courses.

What is the price elasticity of demand for golf play. ie if fees go up by 1%, by what % does fee revenue change in our model of price vs demand.

Staff Response: There is no set answer for the question of how pricing changes affect revenue because there are too many factors influencing revenue, for example, the quality of food and beverage service.

If we cover the deficit this year and pay for golf next year what are the long term plans for turning the operation around and making it profitable?

Staff Response: We believe one of the key issues affecting profitability this year was the food operator. With the food operator not being successful we lost funds in direct rent and an undetermined amount in green fees by tournaments and individual players that played golf elsewhere due to the lack of food and beverage services. We are currently negotiating with two operators that will provide better and consistent service. In addition, if one or more local courses close as planned including Santa Clara and Palo Alto (temporary closure for one year), it should add additional golf patrons to Sunnyvale. That said, we have only programmed one year of a subsidy beyond this request to use the next fiscal year to evaluate policy options for the Council to consider and to monitor how the new concessions/food operator(s) perform.

Will we also have to invest capital in the facilities to upgrade them and make them viable?

Staff Response: A capital investment to upgrade the facilities will be necessary to insure long-term viability. We are reviewing options with the new proposed operators.