

RESPONSE TO COUNCIL QUESTIONS RE: 12/4/18 CITY COUNCIL AGENDA

(Modified to add response to Item 1.E)

Agenda Item #: 1.C

Title: Approve the List(s) of Claims and Bills Approved for Payment by the City Manager

Council Question: Please provide more information about the payment of \$219,004.05 to PSOMAS for General Supplies.

Staff Response: This payment is for construction management services for the Sunnyvale Clean Water Program. Psomas acquired The Covello Group in June of this year. After initial award in 2015, Council awarded a contract amendment to Covello on July 17, 2018 (RTC 18-0560) for pre-construction management services for phase 2 of the project and increased the contract amount to \$8,665,632.

Agenda Item #: 1.E

Title: Adopt a Resolution Revising the Citywide Records Retention and Destruction Program Policy and Schedule

Council Question: What is the rationale for dropping the permanent retention of losing candidate statements, and why aren't election-related petitions recommended for permanent retention. It would seem like anything related to elections should be kept permanently. Losing candidates in one election can become winning candidates in a later election, making their records potentially important. Petitions and petition-related material would likewise seem highly relevant, particularly when the petitions are successful. For material like this, the City is the only historical record that exists, so failing to preserve them would seem somewhat short-sighted.

Staff Response: In regards to the retention period for petition-related materials, staff has reviewed the proposed Records Retention and Destruction Schedule and have determined that the listing of election related files can be refined and clarified. Consequently, staff will ask the Mayor to pull Agenda Item 1E from tonight's agenda and the item will be placed on the December 18 agenda for Council's consideration of a revised Records Retention and Destruction Schedule. The revised Schedule will address the question regarding the retention of petition-related materials.

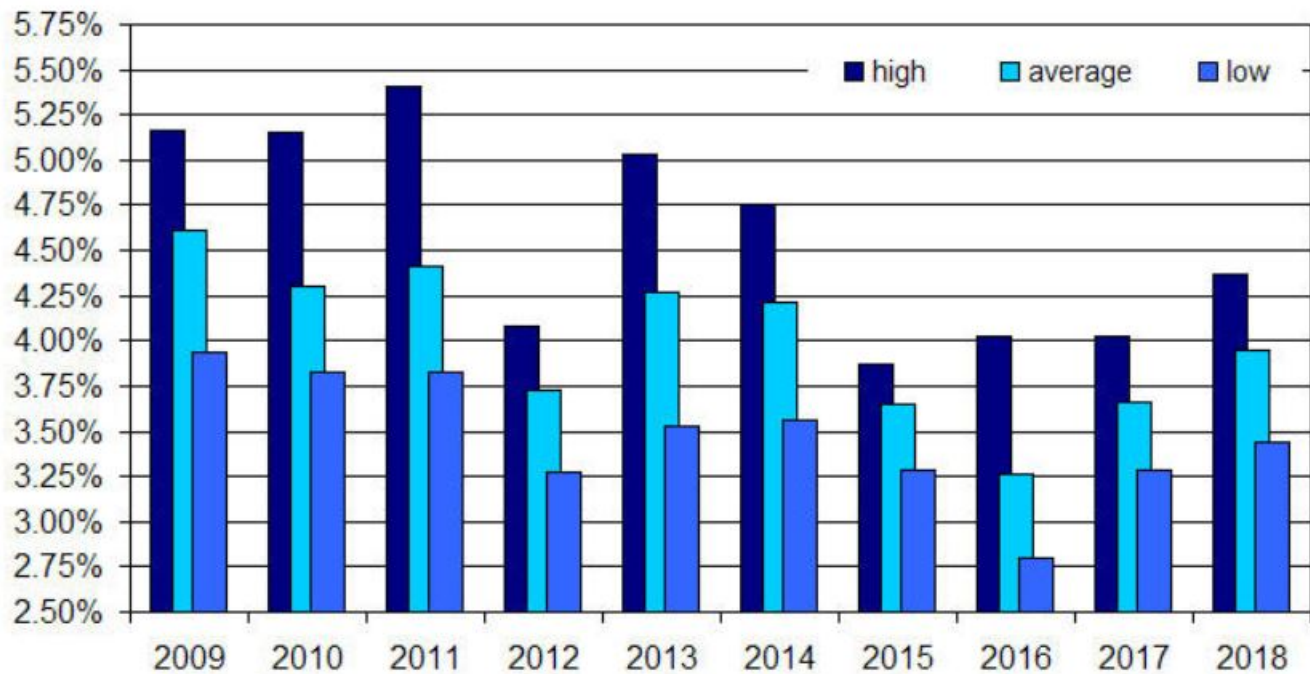
Agenda Item #: 2

Title: Award a Contract for Design and Construction Support Services to SmithGroup, Inc. for the Civic Center Phase 1 Project (F19-083)

Council Question: Attachment 2 contemplates potential revenues from borrowing \$40 million and \$85 million, each assuming a 4% interest rate. Please provide each of these two potential revenue numbers assuming interest rates of 5%, 6% and 7%.

Staff Response: Existing on-going non-enterprise revenues are approximately \$2.3M per year. At a 4% rate, this generates approximately \$40 million in bond proceeds. Increasing the interest assumption to 5%, 6%, and 7% yields approximately \$36M, \$32M, and \$28M respectively. Enterprise related revenues are anticipated to be approximately \$5M per year. At a 4% rate, this generates approximately \$85 million in bond proceeds. Increasing the interest assumption to 5%, 6%, and 7% yields approximately \$77M, \$69M, and \$61M respectively. It is important to note that average municipal general obligation bond rates have not exceeded 4.75% over the last ten years (see attached graph). Even with a rising interest rate environment, rates remain favorable for issuers and there is no indication that rates will rise significantly.

THE 20-BOND INDEX 2009-2018



* Rate as of November 29, 2018 is 4.22%