



# CITY OF SANTA CLARA

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## SANTA CLARA STADIUM AUTHORITY

### AGENDA

A complete agenda packet with back-up reports is available at either City Library beginning Saturday before the Tuesday meeting or at the City Clerk's Office on weekdays. A complete agenda packet is also available at the City Council meeting and on the City's website.

**January 20, 2015**

**6:00 pm**

**Closed Session**

**Council Conference Room**

Conference with Legal Counsel - Existing Litigation  
Pursuant to Government Code Section 54956.9(d)(1)  
*Vinod K. Sharma, et al. v. Successor Agency to the  
Redevelopment Agency of the City of Santa Clara, et al.*  
Sacramento County Superior Court Case No. 34-2013-80001396

### REGULAR MEETING

**7:00 PM in the City Hall Council Chambers**

APPEAL OF HEARING DECISIONS OF THE STADIUM AUTHORITY MUST BE MADE TO THE SUPERIOR COURT WITHIN 90 CALENDAR DAYS OF FINAL ACTION. BECAUSE OF THE AGENDA PROVISION FOR RECONSIDERATION, FINAL ACTION IS DEEMED TO OCCUR AT THE END OF THE NEXT REGULAR MEETING PURSUANT TO CITY COUNCIL POLICY (P&P 042). (CODE OF CIVIL PROCEDURE SECTION 1094.6)

AB23 ANNOUNCEMENT: MEMBERS OF THE SANTA CLARA STADIUM AUTHORITY BOARD ARE ENTITLED TO RECEIVE \$30 FOR EACH ATTENDED MEETING.

- 1. ROLL CALL:**
- 2. CONTINUANCE/EXCEPTIONS:**
- 3. UNFINISHED BUSINESS:**
  - A.** Possible Reconsideration of Actions Taken at Immediately Preceding Meeting. (See Summary of Actions for potential reconsideration, which is attached to the posted Agenda and is in the Agenda Packet Binder in the Council Chambers.)

**4. NEW BUSINESS:**

- A. Note and file the Outstanding Debt Schedule as of December 31, 2014 for the City of Santa Clara, its Agencies and Corporations, including the City's share of various Joint Power Agency debt.
- B. Approval of the Annual Investment Policy for the City of Santa Clara, its agencies and corporations.
- C. Set April 21 as a Public Hearing to consider the approval of the Municipal Fee Schedule; May 19 as a Joint Study Session to review the proposed Fiscal Year 2015-16 Capital Improvement Project Budget and proposed Fiscal Year 2015-16 Operating Budget; and June 16 as a Public Hearing to consider the approval of the Fiscal Year 2015-16 Annual Budgets, including Successor Agency to the Redevelopment Agency, Stadium Authority, Sports and Open Space Authority, Housing Authority, Community Block Development Block Grant and Federal Home Program.
- D. Approval of travel to Glendale, Arizona for the Visiting Public Safety Officials Program and various other Super Bowl XLIX related meetings over the period between January 26 through February 2, 2015.

**5. PUBLIC PRESENTATIONS:**

This item is reserved for persons to address the Stadium Authority on any matter not on the agenda that is within the subject matter jurisdiction of the City. The law does not permit Stadium Authority action on, or extended discussion of, any item not on the agenda except under special circumstances. The Stadium Authority, or staff, may briefly respond to statements made or questions posed, and the Stadium Authority may request staff to report back at a subsequent meeting. Although not required, please submit to the Stadium Authority Secretary your name and subject matter on forms available by the door in the Council Chambers.

**6. REPORTS OF STADIUM AUTHORITY MEMBERS AND SPECIAL STADIUM AUTHORITY COMMITTEES:**

- A. Reports regarding conference attendance, if any.

**7. CLOSED SESSION MATTERS:**

- A. Stadium Authority Counsel Reports:

**8. ADJOURNMENT:**

- A. To Tuesday evening, **February 10, 2015** at 7:00 pm for the regular scheduled meeting in the City Hall Council Chambers.

1/20/15



# CLOSED SESSION NOTICE

Santa Clara Stadium Authority



6:00 PM  
SA

The **GOVERNING BOARD OF THE STADIUM AUTHORITY** will meet in closed session on **Tuesday, January 20, 2015**, at **6:00 p.m.**, or as soon thereafter as the matter can be discussed, in the Council Conference Room located in the East Wing of City Hall at 1500 Warburton Avenue, Santa Clara, California, to consider the following matter(s) and to potentially take action with respect to it/them:

**CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION**

Pursuant to Gov. Code § 54956.9(d)(1)

*Vinod K. Sharma, et al. v. Successor Agency to the Redevelopment Agency of the City of Santa Clara, et al.*, Sacramento County Superior Court Case No. 34-2013-80001396

Date: January 16, 2015

A handwritten signature in black ink, appearing to read "R. Nosky".

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RICHARD E. NOSKY, JR.  
Stadium Authority Counsel

Meeting Date: 1/20/15

# AGENDA REPORT

City of Santa Clara, California

Agenda Item # CA-1/4A

Santa Clara



SA  
SOSA



**Date:** January 6, 2015

**To:** City Manager/Executive Officer to Successor Agency for Council Action  
Contract Administrator for Sports and Open Space Authority (SOSA) Action  
Executive Director for Stadium Authority Action

**From:** Director of Finance/Assistant City Manager, City & Successor Agency  
Director of Finance for SOSA  
Finance Director/Treasurer/Auditor for Stadium Authority

**Subject:** Note and File: Outstanding Debt Schedule for the City of Santa Clara, its Agencies and Corporations as of December 31, 2014

## EXECUTIVE SUMMARY:

Attached for your information and review is the semiannual update of the outstanding debt schedule for the City of Santa Clara, its Agencies and Corporations. This report is presented as a standard management practice. As of December 31, 2014, the total amount of debt outstanding was \$1,920,532,272. This represents a net decrease of \$51,344,517 in total debt outstanding since June 30, 2014. The decrease is due to debt service payments in General Fund debt, Electric debt, and Electric Joint Powers Agency debt offset by additional Stadium Authority debt.

The following is a breakdown of debt by various City funds:

	<u>PAR AMOUNT OUTSTANDING</u>	<u>PERCENTAGE</u>
General Fund	\$ 24,833,000	1.29%
SOSA	-	0.00%
Successor Agency	116,013,984	6.04%
Stadium Authority	661,686,059	34.45%
Electric - Direct Issue	212,800,000	11.08%
Electric - Share of JPA Bonds	<u>905,199,229</u>	<u>47.14%</u>
<b>TOTAL</b>	<b><u>\$1,920,532,272</u></b>	<b><u>100.00%</u></b>

## ADVANTAGES AND DISADVANTAGES OF ISSUE:

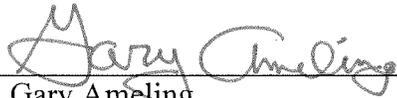
The Outstanding Debt Schedule provides a valuable overview of the current status of the City's long-term debt obligations.

## ECONOMIC/FISCAL IMPACT:

There is no cost to the City other than administrative staff time and expense.

**RECOMMENDATION:**

That the Council and Authorities note and file the Outstanding Debt Schedule as of December 31, 2014, for the City of Santa Clara, its Agencies and Corporations including the City's share of various Joint Power Agency debt.



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Gary Ameling  
Director of Finance/Assistant City Manager for  
City and Successor Agency  
Finance Director/Treasurer/Auditor for Stadium  
Authority

APPROVED:



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Julio D Fuentes  
City Manager/Executive Officer to Successor  
Agency  
Contract Administrator for Sports and Open  
Space Authority  
Executive Director for Stadium Authority

***Documents Related to this Report:***  
***1) Outstanding Debt Schedule***

**DISCUSSION:**

**OUTSTANDING DEBT SCHEDULE**

The schedule provides a detailed listing of the debt outstanding by entity and type, plus relevant interest rates, maturity dates, and bond-ratings where available. The report also identifies the Electric Department's share of debt issued by the three joint powers agencies (M-S-R, TANC and NCPA).

**SIGNIFICANT EVENTS**

On June 11, 2013, the Stadium Authority approved Permanent Financing Documents to provide the Stadium Authority with the financing needed to complete the Stadium and protect the Stadium Authority from interest rate risk. Under the new financing, the Stadium Funding Trust will advance up to \$450 million to the Stadium Authority to repay the outstanding balance under the Initial Funding Trust Loan and to fund development costs related to the Stadium. The \$450 million will consist of approximately \$283 million from a private placement bond offering repaid over 26 years at a fixed 5% interest rate (Term A Loan) and approximately \$167 million from a bank loan with a variable interest rate (Term B Loan).

The Stadium Authority debt showing on this report lists the outstanding debt balance as of the Stadium Authority's previous quarter, September 30, 2014.

City of Santa Clara  
 Outstanding Debt Schedule  
 As of Dec 31, 2014

Description of Debt	Year of Issue	Maturity	Interest Rate (%)	Amount of Issue	Principal Outstanding	No. of Years to Maturity	Bond Rating (a)	
							Moody's/Fitch	S&P
<b>CITY OF SANTA CLARA</b>								
<b>Certificates of Participation</b>								
2013 Refunding 2002 A - Library Project (1)	2013	2014-2032	2.00-5.00	18,540,000	17,705,000	17.5	Aa3	AA
Total Certificates of Participation				18,540,000	17,705,000			
<b>Lease Financing</b>								
2010 Lease Financing with Bank of America/Capital One (2)	2010	2011-2022	3.65	10,207,000	7,128,000	7.5	N/A	N/A
<b>Revenue Bonds</b>								
2008B Electric Rev. Bonds (3)	2008	2011-2027	Variable	86,600,000	71,880,000	13.0	A+	A+
2011A Electric Refunding Bonds (4)	2011	2029-2032	5.25-6.00	54,830,000	54,830,000	18.0	A+	A+
2013A Electric Refunding Bonds (5)	2013	2014-2028	3.0-5.0	64,380,000	61,655,000	14.0		
2014 Elec. Rev. Bond - Loan Agreement with Banc of America (6)	2014	2016-2024	2.67	24,435,000	24,435,000	9.0	A+	A+
Total Revenue Bonds				230,245,000	212,800,000			
<b>SUCCESSOR AGENCY OF THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA CLARA (SA)</b>								
1999 Tax Allocation Bonds Series A	1999	2017-2023	5.25-5.50	31,550,000	31,550,000	8.5	N/A	A
1999 Tax Allocation Bonds Series B	1999	2011-2017	5.25-5.50	16,905,000	10,240,000	2.5	N/A	A
2003 Tax Allocation Bonds	2003	2011-2023	5.00	43,960,000	43,960,000	8.5	N/A	A
2011 Tax Allocation Bonds	2011	2011-2026	4.35-7.86	31,411,295	30,263,984	11.5	N/A	A
Total Redevelopment Agency Debt (excluding 2002B COP, see Note 1)				123,826,295	116,013,984			
<b>STADIUM AUTHORITY (b) (7)</b>								
StadCo Agency Advance	2013	2014-2017 no set payment schedule	4.5-5.5		17,445,266	3	N/A	N/A
StadCo CFD Advance	2013	no set payment schedule	5.73		29,360,262	N/A	N/A	N/A
StadCo Subordinated Loan	2013	no set payment schedule	5.50%		205,478,539	N/A	N/A	N/A
SCSA Term A Loan	2013	no set payment schedule	5.00		282,794,108	25	N/A	N/A
SCSA Term B Loan	2013	no set payment schedule	Libor + 2		126,607,884	4	N/A	N/A
Total Advance to SCSA					661,686,059			
<b>Total of Outstanding Debt Directly Issued by the City and its Agencies</b>					<b>1,015,333,043</b>			
<b>City's Share of Outstanding Joint Powers Agency Debt</b>					<b>905,199,229</b>			
<b>GRAND TOTAL</b>					<b>\$ 1,920,532,272</b>			

\* Stadium Authority debt shown is as of prior quarter end of September 30, 2014

(a) Bond-rating reflects the most recent evaluation.

(b) Stadium Authority debt shown is as of prior quarter end of September 30, 2014

City of Santa Clara  
 Outstanding Debt Schedule  
 As of Dec 31, 2014

Description of Debt	Year of Issue	Maturity	Interest Rate (%)	Amount of Issue	Principal Outstanding	City's Share (%)	City's Share (\$)	Bond Rating (c)	
								Moody's	S&P/Fitch
<b>JOINT POWERS AGENCIES</b>									
<b>MSR Public Power Agency</b>									
San Juan Subordinate Lien Revenue Bonds Series D (8)	1997	2014-2022	3.875-4.30	65,000,000	-	35.00%	-		
San Juan Subordinate Lien Rev. Bds. Series 2007K	2007	2012-2014	5.00	48,305,000	-	35.00%	-		
San Juan Subordinate Lien Rev. Bds. Series 2008L (9)	2008	2012-2022	4.00-5.00	118,865,000	109,625,000	35.00%	38,368,750	A2	A+/A
San Juan Subordinate Lien Rev. Bds. Series 2008M (10)	2008	2022	Variable	62,500,000	62,500,000	35.00%	21,875,000	N/A	NA/NA
San Juan Subordinate Lien Rev. Bds. Series 2008N (10)	2008	2020	Variable	17,000,000	17,000,000	35.00%	5,950,000	N/A	NA/NA
San Juan Subordinate Lien Rev. Bds. Series 2011O (11)	2011	2012-2018	2.50-5.0	34,050,000	17,795,000	35.00%	6,228,250	NR	A+/A
San Juan Subordinate Lien Rev. Bds. Series 2013P (12)	2013	2015	1.70	57,485,000	1,375,000	35.00%	481,250	NR	NR
San Juan Subordinate Lien Rev. Bds. Series 2014Q (12)	2014	2018	1.20	55,600,000	55,600,000	35.00%	19,460,000	NR	NR
Total M-S-R Public Power Agency Bonds				458,805,000	263,895,000		92,363,250		
<b>MSR Energy Authority</b>									
MSR Energy Authority Gas Rev Bonds Series 2009B (13)	2009	2019-2039	6.125 - 7.00	500,200,000	500,200,000	100.00%	500,200,000	N/A	A-/A
Total MSR Energy Authority				500,200,000	500,200,000		500,200,000		
<b>Transmission Agency of Northern California</b>									
Revenue Refunding Bonds 2002 Series A (14)	2003	2010-2024	variable	103,825,000	63,305,000	9.325%	5,903,381	Aa3	A+/NA
Revenue Refunding Bonds 2003 Series A (14)	2003	2010-2024	variable	95,775,000	81,500,000	9.325%	7,600,120	Aa3	A+/A+
Revenue Refunding Bonds 2003 Series B (14)	2003	2010-2024	variable	95,800,000	81,525,000	9.325%	7,602,450	Aa3	A+/A+
Revenue Refunding Bonds 2009 Series A (14)	2009	2010-2024	3.50-5.00	67,005,000	67,005,000	9.935%	15,088,521	Aa3	A+/A+
Revenue Refunding Bonds 2009 Series B	2009	2010-2016	3.69-5.88	61,810,000	20,860,000	19.672%	4,103,600	Aa3	A+/A+
Total Transmission Agency of Northern California Bonds				424,215,000	314,195,000		40,298,073		
<b>Northern California Power Agency</b>									
Geothermal Project 2009 Reveune Bonds Series A (15)	2009	2011-2024	4.00-5.25	35,610,000	27,835,000	44.39%	12,356,096	A1	A-/A+
Geothermal Project 2012 Reveune Bonds Series A	2012	2022	2.289	12,910,000	10,750,000	44.39%	4,771,979	A1	A-/A+
Hydroelectric Project 1992 Refunding Series A	1992	2018	6.3	195,610,000	25,565,000	37.02%	9,464,163	A1	A+
Hydroelectric Project 2008 Refunding Series A	2008	2032	Variable	85,160,000	85,160,000	37.02%	31,526,232	A1	A+
Hydroelectric Project 2008 Taxable Series B	2008	2020	Variable	3,165,000	2,105,000	37.02%	779,271	A1	A+
Hydroelectric Project 2008 Refunding Series C	2008	2010-2024	4.00-5.00	128,005,000	98,600,000	37.02%	36,501,720	A1	A+
Hydroelectric Project 2010 Refunding Series A (16)	2010	2013-2023	4.00-5.00	101,260,000	87,765,000	37.02%	32,490,603	A1	A+
Hydroelectric Project 2012 Refunding Series B	2012	2024-2032	5.00	76,665,000	76,665,000	37.02%	28,381,383	A1	A+
Hydroelectric Project 2012 Refunding Series B	2012	2024	4.32	7,120,000	7,120,000	37.02%	2,635,824	A1	A+
Lodi Energy Center Revenue Bonds, Issue One 2010 SeriesA	2010	2013-2025	3.00-5.00	78,330,000	69,115,000	46.16%	31,902,655	A2	A-/A
Lodi Energy Center Revenue Bonds, Issue One 2010 SeriesB	2010	2026-2040	7.311	176,625,000	176,625,000	46.16%	81,527,980	A2	A-/A
Total Northern California Power Agency Bonds				900,460,000	667,305,000		272,337,906		
<b>Total of City's Share of Outstanding Joint Powers Agencies and Joint Financing Authority Debt</b>							<b>\$ 905,199,229</b>		

(c) Bond-rating reflects the most recent ratings which may be based on bond insurers' underlying ratings.  
 The current underlying ratings of M-S-R PPA are A2/A by Moody's and Fitch and A+/A from S&P (A+ for senior lien debt, and A for sub lien debt).  
 For M-S-R EA they are A/A+ from S&P and Fitch.  
 S&P issued underlying rating of A+ for TANC in January 2011.

City of Santa Clara  
Outstanding Debt Schedule  
As of Dec 31, 2014

NOTES:

- (1) The 2013 Refunding Certificates of Participation (City of Santa Clara Central Park Library Project) were issued to refund the 2002 Series A Library Building Project Certificates of Participation.
- (2) The 2010 Lease Agreement between the City of Santa Clara and the City of Santa Clara Public Facilities Financing Corporation were issued to refund the 1997 Certificates of Participation for the Police Administration Building project. In March 2012, Bank of America sold the Lease to Capital One.
- (3) The Electric Revenue Bonds Series 2008B were issued on May 29, 2008. Proceeds from the 2008B Bonds were deposited into an escrow account. Funds from the escrow account were used to refund \$80,530,000 of the Electric 1998A Subordinate Revenue Bonds and to fund a Debt Service Reserve. The 2008B Bonds are variable rate bonds that were issued in conjunction with a variable to fixed rate swap with JPMorgan entered into in 2006. The JPMorgan swap may be terminated at the City's option, subject to a fair value settlement. As of December 31, 2014 the swap had a negative fair value of \$10,135,694.42. The balance of the 1998A Bonds will be redeemed according to its original schedule. The defeased portion is not shown as outstanding on this schedule.
- (4) The Electric Revenue Refunding Bonds Series 2011A were issued on March 22, 2011. Proceeds were used to refund variable rate Electric Revenue Bonds Series 2008A.
- (5) The 2013 Series A Electric Revenue Refunding Bonds were issued to refund the 2003A Electric Revenue Bonds.
- (6) The 2014 Electric Bond was issued on June 16, 2014 as a Loan Agreement between Banc of America Preferred Funding Corp. and the City of Santa Clara to fund the acquisition and integration of a phase-shifting transformer and the acquisition of property.
- (7) The Stadium Authority is funding Stadium construction from a combination of bank loan and note draws, StadCo advances, and Stadium construction revenues. Stadium Authority operating expenses and debt service to be funded from facility rent and operating revenues.
- (8) MSR San Juan Project Subordinate Lien Revenue Bonds Series D portion refinanced with 2013P Bonds. Subsequently, a portion of the Series 2013P were refinanced with 2014Q bonds.
- (9) MSR San Juan Project Subordinate Lien Revenue Bonds, Series 2008L were issued to refund 1995B, 1997E and 2003I.
- (10) MSR San Juan Project Subordinate Lien Revenue Bonds, Series 2008M&N were issued to refund 1998F, and 1998G.
- (11) MSR San Juan Project Subordinate Lien Revenue Bonds, Series 2011O were issued on April 25, 2011 to refund the 2012 to 2018 maturities of the Series 2008I bonds. The Principal amount of Series I Bonds which matured on July 1, 2011 was not part of the refunding and was redeemed on July 1, 2011.
- (12) MSR San Juan Project Subordinate Lien Revenue Bonds, Series 2013P were issued to refund a portion of 1997D bonds. The bonds are private placement bonds, therefore have no rating.
- (13) MSR Energy Authority (the Authority) Gas Revenue Bonds, Series 2009B were issued to fund the purchase of gas from Citigroup Energy Inc. (Gas Supplier). The Bonds' proceeds were transferred to the Gas Supplier under a Supply Agreement entered into by City of Santa Clara and the Authority. City of Santa Clara and the Authority entered into the Supply Agreement in order to secure a fixed quantity of natural gas for the City. The Gas Supplier's payment obligations under each Prepaid Gas Agreement will be guaranteed by Citigroup Inc. Certain payments to be owed to the MSR Energy Authority will be insured by the Assured Guaranty Corp. The Bonds are secured by a separate and distinct Trust Estate. The primary and expected source of revenues securing the Bonds are the payments to be received from Silicon Valley Power under the related Supply Agreement.
- (14) Starting on July 1, 2014, under a 25 year agreement the City of Santa Clara laid off 147 MW's of its 278 MW entitlement to other TANC members, therefore the City's percentage share of Debt Service decreased.
- (15) NCPA Geothermal Project No. 3 Revenue Bonds, Series 2009A were issued to finance the cost of its geothermal projects.
- (16) NCPA Hydroelectric Project 2010 Series A was issued to partially refund its Hydroelectric Project Series 1998A.

Meeting Date: 1/20/15

# AGENDA REPORT

City of Santa Clara, California

Agenda Item # 6A-4/4B



SA  
SOSA  
HA

**Date:** January 6, 2015

**To:** City Manager/Executive Officer to Successor Agency for Council Action  
Contract Administrator for Sports and Open Space Authority (SOSA) Action  
Executive Director for Stadium Authority Action  
Executive Director for Housing Authority Action

**From:** Director of Finance/Assistant City Manager, City & Sports and Open Space Authority  
Finance Director/Treasurer/Auditor for Stadium Authority  
Housing Authority Treasurer

**Subject:** Approval of Annual Investment Policy for the City of Santa Clara, its Agencies and Corporations

## EXECUTIVE SUMMARY:

The Investment Policy for the City of Santa Clara, its agencies and corporations (Investment Policy) is submitted for review and approval. The Investment Policy is in compliance with all the provisions of the City Charter and the California Government Code relevant to the investment of public funds by local agencies. The Investment Policy was certified by the Association of Public Treasurers of the United States and Canada (APT US&C) in 2003. Staff is not recommending any changes or updates to the current Policy. Staff is recommending that the City Council, Sports and Open Space Authority (SOSA), Stadium Authority, and Housing Authority approve the Investment Policy for the City of Santa Clara, its agencies, and corporations.

## ADVANTAGES AND DISADVANTAGES OF ISSUE:

Approving the Investment Policy allows the City, Successor Agency, SOSA, Stadium Authority, and Housing Authority to be in compliance with the California Government Code. The Investment Policy provides guidelines in managing public funds to meet specific long-term needs.

## ECONOMIC/FISCAL IMPACT:

There is no cost to the City other than administrative staff time and expense.

City Manager/ Successor Agency Executive Officer, Contract Administrator, Executive Director for Stadium Authority, Executive Director for Housing Authority

Subject: Investment Policy 2015

January 6, 2015

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**RECOMMENDATION:**

That the Council, Sports and Open Space Authority, Stadium Authority and Housing Authority approve the Annual Investment Policy for the City of Santa Clara, its agencies and corporations.



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Gary Anfeling

Director of Finance/Assistant City Manager, City and SOSA

Finance Director/Treasurer/Auditor for Stadium Authority

Housing Authority Treasurer

APPROVED:



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Julio J. Fuentes

City Manager/Executive Officer to Successor Agency

Contract Administrator for Sports and Open Space Authority

Executive Director for Stadium Authority

Executive Director for Housing Authority

***Documents Related to this Report:***

***1) Investment Policy***

# CITY OF SANTA CLARA

## INVESTMENT POLICY

Effective: January 2015



## A. Purpose, Authority, Scope and Prudence

- **Purpose** It is the policy of the City of Santa Clara (City) to invest public funds, including bond proceeds, reserves and other special City funds, in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds.
- **Authority** Article IX, Section 904 of the City of Santa Clara Charter gives the Director of Finance the authority and responsibility to deposit and invest all City funds. It authorizes the Director to invest City's idle cash in allowable investment vehicles with a maximum remaining maturity of five years at the time of purchase. The City Council may grant express authority either specifically or as part of an approved investment program to invest in vehicles with remaining maturity that exceeds the five-year restriction. Authority must be given to the Director at least three months prior to the investment. California Government Code Section 53601 also allows the City to invest in the same investment vehicles as authorized by the City Council.
- **Scope** This policy applies to all deposits, investments and other assets of the City, its subsidiaries, the Successor Agency for the Redevelopment Agency of the City of Santa Clara, the Sports and Open Space Authority, the Stadium Authority, and the Housing Authority. These funds are accounted for in the City's Comprehensive Annual Financial Report and include the General Fund, Special Revenue Funds, Debt Service Funds, Capital Project Funds, Trust and Agency Funds, and Enterprise Funds. Deposit of funds is in accordance with the provision of the State Constitution and the laws of the State (Government Code Sections 53601 and 53635) governing the handling, depositing and securing of public funds. Investment of City issued debt proceeds and debt reserve funds are separately governed by individual bond indentures adopted by the City Council. Investment of the Forrest and Evalyne Bentzien Trust Fund is governed by an agreement between the City and the Mission City Community Fund and is not subject to the provisions of this policy.
- **Prudence** Investments shall be made with judgment and care – under circumstances then prevailing – which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The standard of prudence to be used by investment officials shall be the "prudent person" and/or "prudent investor" standard and shall be applied in the context of managing an overall portfolio. Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

## B. Investment Objectives and Criteria

The primary objectives, in priority order, of the City's investment activities shall be:

- **Safety** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, the City will diversify its investments by investing funds among a variety of securities offering independent returns and financial institutions.
- **Liquidity** The investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements, which might be reasonably anticipated.
- **Return on Investment** The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow characteristics of the portfolio.

### **C. Delegation of Authority**

Authority to manage the City's banking depository and investment program is derived from the City Charter. Management responsibility for the banking depository and investment program is hereby delegated to the Director of Finance who shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and their procedures in the absence of the Director of Finance.

The Director of Finance shall establish written depository and investment policy procedures for the operation of the investment program consistent with this policy. The procedures should include reference to: custody and safekeeping, PSA repurchase agreements, wire transfer agreements, banking service contracts and collateral/depository agreements. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may engage in a depository or investment transaction except as provided under the terms of this policy and the procedures established by the Director of Finance.

### **D. Ethics and Conflicts of Interest**

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or impair their ability to make impartial investment decisions. Employees and investment officials shall disclose in their annual conflict of interest statement all material financial interests in financial institutions that conduct business within the City, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the City.

### **E. Authorized Financial Dealers and Institutions**

The Director of Finance will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness who are authorized to provide investment services in the State of California. These may include "primary" dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1 (uniform net capital rule). No public deposit shall be made except in a qualified public depository as established by State laws.

All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions must provide audited financial statements, proof of required licenses or registration, and written confirmations of having read and abide by the City's investment policy.

The Director of Finance periodically reviews the financial conditions and registrations of financial institutions and broker/dealers that deal with the City.

## **F. Authorized and Suitable Investments**

Special care must be taken to ensure that the list of instruments includes only those allowed by law and those that local investment managers are trained and competent to handle. The City is empowered by the State of California Government Code and the City Charter to invest in the following types of securities. Additionally, bond proceeds are invested in accordance with the requirements outlined in the specific Bond Indenture of Trust.

- ***U.S. Treasury Bills, Notes and Bonds*** issued by the U.S. Treasury, U.S. Federal Agencies such as the Federal Home Loan Bank (FHLB), the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), the Federal Farm Credit Bank (FFCB), local agencies, and other U. S. government-sponsored enterprises. These investments must be rated in the top three rating categories by two of the three largest nationally recognized rating services.
- ***Negotiable Certificates of Deposit*** issued by a nationally or state-chartered bank or by a state-licensed branch of a foreign bank. Purchases may not exceed 30% of City's idle funds.
- ***Bankers Acceptances*** of any domestic or foreign commercial bank that are acceptable to the Federal Reserve. Purchases may not exceed 180 days maturity or 40% of idle funds that may be invested.
- ***Commercial Paper*** of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided by Moody's Investors Service, Inc., Standard and Poor's Corporation, or Fitch Financial Services, Inc. Eligible paper is further limited to paper issued by any U.S. corporation having total assets in excess of \$500 million and having an "A" or higher rating for the issuer's debt. Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than 10% of the outstanding paper of an issuing corporation. Total commercial paper may not exceed 25% of City's idle funds.
- ***Local Agency Investment Fund of the State of California.*** Purchases may not exceed \$50 million per account.
- ***Repurchase Agreements*** can be entered subject to requirements of the California Government Code Sections 53601(i). A Master Repurchase Agreement must be signed with the bank or dealer. The market value of securities that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly.
- ***Reverse Repurchase Agreements.*** Reverse repurchase agreements can be entered with the prior approval of the City Council and subject to requirements of the California Government Code Sections 53601(i).

- **Tax Exempt Securities** purchased for yield restriction purpose.
- **Medium Term Corporate Notes** issued by corporations doing business in the United States with remaining maturity less than five years at time of purchase. These corporations must be rated in the top three rating categories by two of the three largest nationally recognized rating services. Purchases may not exceed 15% of idle funds.
- **Mutual Funds and Investment Pools** consisting of investment vehicles permitted under Sections 53601 and 53635 of the California Government Code. To be eligible for City investments, companies providing mutual funds shall have either of the following:
  1. The highest rating provided by not less than two of the three largest nationally recognized rating services.
  2. An investment advisor registered with the Securities and Exchange Commission for not less than five years having investment experience in the underlying securities and with assets under management in excess of \$500 million.
  3. The purchase price of the shares shall not include any commission that these companies may charge, and investment in mutual funds should not exceed 20% of the City's portfolio and may not exceed 10% in any one mutual fund.

A thorough investigation of the pool/fund is required prior to investing, and on a continual basis. Evaluation shall include creditworthiness, size, safety, ease of investment liquidation, frequency of earnings distributions, frequency of account statements, and investment portfolio strategy.

- **Joint Powers Authority Investment Pools** organized pursuant to Section 6509.7 that invests in the securities and obligations under Sections 53601 of the California Government Code. To be eligible for City investments, the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:
  1. The adviser is registered or exempt from registration with the Securities and Exchange Commission.
  2. The adviser has not less than five years of experience investing in the securities and obligations authorized in under Section 53601.
  3. The adviser has assets under management in excess of \$500 million.

## G. Collateralization

Collateralization of marketable securities will be required on certificates of deposit and repurchase agreements in accordance with California Government Code Section 53601. In order

to anticipate market changes and provide a level of security for all funds, the collateralization level will be at least 102% of market value of principal and accrued interest.

Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained. The right of collateral substitution is granted.

#### **H. Safekeeping and Custody**

All security transactions, including collateral for repurchase agreements, entered into by the City shall be conducted on a delivery-versus-payment (DVP) basis. Securities shall be held by a third party custodian designated by the Director of Finance and evidenced by safekeeping receipts.

#### **I. Diversification**

The City will diversify its investments by security type and institution. With the exception of U.S. Treasury and Federal Agencies securities, and unless stated elsewhere in this policy statement, no more than 5% or the maximum percentage allowed under the California Government Code Section 53601 of the City's idle funds shall be invested in a single security type or with a single financial institution. No more than 10% may be invested in any one mutual fund.

#### **J. Maximum Term of Investment**

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five years from the date of purchase without Council approval. Effective May 25, 1998, the City Council has authorized staff to purchase securities with maturities greater than five years, specifically for the Electric Cost Reduction Fund.

Reserve funds may be invested in securities exceeding five years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.

#### **K. Internal Control**

The Director of Finance shall establish a process of independent review by an external auditor. This review shall provide internal control by assuring compliance with policies and procedures.

#### **L. Performance Standard**

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles commensurate with investment risk constraints and the cash flow needs.

## **M. Reporting**

The Director of Finance shall provide monthly investment reports to the City Council. The reports shall contain, but not limited to, the following:

- A listing of individual securities held at the end of the reporting period by authorized investment category
- The return of unrestricted investment portfolio
- Final maturity of all investment listed
- Coupon, discount or earnings rate
- Par value, amortized book value and market value
- Percentage of the portfolio represented by each investment category

## **N. Investment Policy Adoption**

The City's investment policy shall be adopted by resolution of the City Council. The policy shall be reviewed annually by the City Council and any modifications made thereto must be approved by the City Council.

## **GLOSSARY**

**AGENCIES:** Federal agency securities and/or Government-sponsored enterprises.

**ASKED:** The price at which securities are offered.

**BANKERS' ACCEPTANCE (BA):** A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

**BID:** The price offered by a buyer of securities. (When you are selling securities you ask for a bid.) See offer.

**BROKER:** A broker brings buyers and sellers together for a commission.

**CERTIFICATE OF DEPOSIT (CD):** A time deposit with a specific maturity evidenced by a certificate. Large-denomination CD's are typically negotiable.

**COLLATERAL:** Securities, evidence of deposit or other property which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**COMMERCIAL PAPER:** Short-term obligations with maturity ranging from 2 to 270 days issued by banks, corporations, and other borrowers to investors with temporarily idle cash. Such instruments are unsecured and usually discounted, although some are interest-bearing.

**COUPON:** Interest rate on a debt security the issuer promises to pay to the holder until maturity, expressed as an annual percentage of face value.

**DEBENTURE:** A bond secured only by the general credit of the issuer.

**DELIVERY VERSUS PAYMENT:** There are two methods of delivery of securities: delivery versus payment and delivery versus receipt. Delivery versus payment is delivery of securities with an exchange of money for the securities. Delivery versus receipt is delivery of securities with an exchange of a signed receipt for the securities.

**DERIVATIVES:** (1) Financial instruments whose return profile is linked to, or derived from, the movement of one or more underlying index or security, and may include a leveraging factor, (2) financial contracts based upon notional amounts whose value is derived from an underlying index or security (interest rates, foreign exchange rates, equities or commodities).

**DISCOUNT:** The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

**DISCOUNT RATE:** Interest rate that the Federal Reserve charges member banks for loans, using government securities or eligible paper as collateral.

**DISCOUNT SECURITIES:** Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value, e.g., U.S. Treasury Bills.

**DISCOUNT YIELD:** Yield on a security sold at a discount.

**DIVERSIFICATION:** Dividing investment funds among a variety of securities offering independent returns.

**FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC):** A federal agency that insures bank deposits.

**FEDERAL FUNDS RATE:** The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

**FEDERAL HOME LOAN BANKS (FHLB):** Government sponsored wholesale banks which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district Bank.

**FEDERAL FARM CREDIT BANK (FFCB):** A government-sponsored institution that consolidates the financing activities of the Federal Land Banks, the Federal Intermediate Credit Banks, and the Banks for Cooperatives.

**FEDERAL HOME LOAN MORTGAGE CORPORATION (FHLMC):** A publicly chartered agency that buys qualifying residential mortgages from lenders, packages them into new securities backed by those pooled mortgages, provides certain guarantees, and then resells the securities on the open market. FHLMC's stock is owned by savings institutions across the U.S. and is held in trust by the FHLB System.

**FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA):** FNMA, like GNMA was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation

working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans, in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

**FEDERAL OPEN MARKET COMMITTEE:** Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other Presidents serve on a rotating basis. The Committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

**FEDERAL RESERVE SYSTEM:** The central bank of the United States created by Congress and consisting of a seven member Board of Governors in Washington, D.C., 12 regional banks and about 5,700 commercial banks that are members of the system.

**GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA or Ginnie Mae):** Securities influencing the volume of bank credit guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations, and other institutions. Security holders are protected by the full faith and credit of the U.S. Government. Ginnie Mae securities are backed by the FHA, VA or FmHA mortgages. The term "pass-throughs" is often used to describe Ginnie Maes.

**GUARANTEED INVESTMENT CONTRACT (GIC):** A contract between an insurance company and a corporate profit-sharing or pension plan that guarantees a specific rate of return on the invested capital over the life of the contract.

**IDLE FUNDS:** Money in the treasury not required for the immediate needs of the local agency.

**LIQUIDITY:** A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

**MARKET VALUE:** The price at which a security is trading and could presumably be purchased or sold.

**MASTER REPURCHASE AGREEMENT:** A written contract covering all future transactions between the parties to repurchase---reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement often specifies, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

**MATURITY:** The date upon which the principal or stated value of an investment becomes due and payable.

**MONEY MARKET:** The market in which short-term debt instruments (bills, commercial paper, banker's acceptances, etc.) are issued and traded.

**OFFER:** The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See Asked and Bid.

**OPEN MARKET OPERATIONS:** Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit; sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

**PORTFOLIO:** A combined holding of a variety of investments. The purpose of a portfolio is to reduce risk by diversification.

**PRIMARY DEALER:** A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include the Securities and Exchange Commission (SEC)-registered securities broker-dealers, banks, and a few unregulated firms.

**PRIMARY MARKET:** A market for new issues of securities. A market is primary if the proceeds of sales go to the issuer of the securities sold.

**PRUDENT-PERSON RULE:** An investment standard. In some states the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called legal list. In other states the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

**QUALIFIED PUBLIC DEPOSITORIES:** A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

**RATE OF RETURN:** The yield obtainable on a security based on its purchase price or its current market price.

**REPURCHASE AGREEMENT (RP or REPO):** A holder of securities sells these securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. The security "buyer" in effect lends the "seller" money for the period of the agreement, and the terms of the agreement are structured to compensate him/her for this. Dealers use RP extensively to finance their positions. Exception: When the Fed is said to be doing RP, it is lending money, that is, increasing bank services.

**SAFEKEEPING:** A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vault for protection.

**SECONDARY MARKET:** A market made for the purchase and sale of outstanding issues following the initial distribution.

**SECURITIES AND EXCHANGE COMMISSION:** Agency created by Congress to protect investors in securities transactions by administering securities legislation.

**SEC RULE 15C3-1:** See Uniform Net Capital Rule

**STRUCTURED NOTES:** Notes issued by Government Sponsored Enterprises (FHLB, FNMA, SLMA, etc.) and Corporations that have imbedded options (e.g., call features, step-up coupons, floating rate coupons, derivative-based returns) into their debt structure. Their market performance is impacted by the fluctuation of interest rates, the volatility of the imbedded options and shifts in the shape of the yield curve.

**TREASURY BILLS:** A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months or one year.

**TREASURY BONDS:** Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturity more than 10 years.

**TREASURY NOTES:** Medium-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturity from two to 10 years.

**UNIFORM CAPITAL RULE:** Securities and Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called the net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

**YIELD:** The rate of annual income return on an investment, expressed as a percentage.

(a) **INCOME YIELD** is obtained by dividing the current dollar income by the current market price for the security. (b) **NET YIELD** or **YIELD TO MATURITY** is the current income yield minus any premium above par or plus any discount from par in the purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

Meeting Date: 1/20/15

# AGENDA REPORT

City of Santa Clara, California

Agenda Item # 6A-7/4C  
Santa Clara SA  
SOSA/  
4B  
HTA



**Date:** January 6, 2015

**To:** City Manager/Executive Officer to Successor Agency for Council Action  
Contract Administrator for Sports and Open Space Authority Action  
Executive Director for Housing Authority Action  
Executive Director for Stadium Authority Action

**From:** Director of Finance/Assistant City Manager  
Director of Finance, Sports and Open Space Authority  
Housing Authority Treasurer  
Finance Director/Treasurer/Auditor for Stadium Authority

**Subject:** Set Dates for Joint Study Session to Review Proposed 2015-16 Capital Improvement Project Budget and Proposed Operating Budget and for Public Hearings on Proposed 2015-16 Annual Budgets and Municipal Fee Schedule

## EXECUTIVE SUMMARY:

The City Council/Sports and Open Space Authority/Housing Authority/Stadium Authority needs to establish dates for public hearings and joint study session to review the proposed 2015-16 Annual Budget, including Operating and Capital Improvement Project Budget (CIP). Included in the Public Hearings will be the City budgets, Successor Agency to the Redevelopment Agency budget, Sports & Open Space Authority (SOSA) budget, Housing Authority budget, Stadium Authority budget, Community Development Block Grant (included as part of the overall City Budget, although the CDBG Public Hearings have already been scheduled), the Federal entitlement Home Program (used for affordable housing purposes), and the Municipal Fee Schedule.

Staff is recommending that the City Council/Sports and Open Space Authority/Housing Authority/Stadium Authority consider the following schedule for a study session and public hearings to take place during regular scheduled Council/Sports and Open Space Authority/ Housing Authority/Stadium Authority meetings:

- April 21** Public hearing on municipal fee schedule.
- May 19** Joint study session to review the proposed 2015-16 Capital Improvement Project Budget and proposed 2015-16 Operating Budget.
- June 16** Public hearing on proposed budgets.

Staff is working toward having the budgets finalized and distributed to the City Council/Sports and Open Space Authority/Housing Authority/Stadium Authority prior to the scheduled study session, keeping in mind that the study session provides the opportunity to do in-depth budget review as a group.

**ADVANTAGES AND DISADVANTAGES OF ISSUE:**

Scheduling of Council/Sports and Open Space Authority/Housing Authority/Stadium Authority study session is necessary to reserve sufficient time for review and consideration of the proposed budgets.

**ECONOMIC/FISCAL IMPACT:**

There is no cost to the City/Sports and Open Space Authority/Housing Authority/Stadium Authority other than administrative staff time and expense.

**RECOMMENDATION:**

That the Council/Sports and Open Space Authority/Housing Authority/Stadium Authority:

Set the following dates during the regularly scheduled Council/Sports and Open Space Authority/Housing Authority/Stadium Authority meetings:

- April 21 - Public Hearing to consider the approval of the Municipal Fee Schedule.
- May 19 - Joint Study Session to review the proposed 2015-16 Capital Improvement Project Budget and proposed 2015-16 Operating Budget.
- June 16 - Public Hearing to consider the approval of the Fiscal Year 2015-16 Annual Budgets, including Successor Agency to the Redevelopment Agency, Sports & Open Space Authority, Housing Authority, Stadium Authority, Community Development Block Grant, and Federal Home Program.



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Gary Ameling  
Director of Finance/Assistant City Manager  
Director of Finance, SOSA  
Housing Authority Treasurer  
Finance Director/Treasurer/Auditor for Stadium Authority

APPROVED:



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Julio Fuentes  
City Manager/Executive Officer to Successor Agency  
Contract Administrator for Sports and Open  
Space Authority  
Executive Director for Housing Authority  
Executive Director for Stadium Authority

*Documents Related to this Report: None*

Meeting Date: 1/20/15

# AGENDA REPORT

City of Santa Clara, California

Agenda Item # 11A/4DS A



**Date:** January 15, 2015

**To:** City Council for Action  
Stadium Authority for Action

**From:** City Manager/Executive Director

**Subject:** Travel to Glendale, Arizona for various Super Bowl XLIX meetings and briefings

## EXECUTIVE SUMMARY:

Every year the community hosting the Super Bowl organizes briefings and tours of Super Bowl-related operations and activities for communities hosting future Super Bowls. Multi-disciplinary briefings and tours will be taking place in the Glendale/Phoenix areas leading up to Super Bowl XLIX to assist future host communities prepare for their events. The City plans to send several representatives to take advantage of these briefings to prepare for Super Bowl 50 in Santa Clara.

The Glendale Police and Fire Departments have organized a Visiting Public Safety Official (VSPO) program with three full days of tours and public safety briefings for Bay Area and Houston public safety officials. Briefings will cover local, state, and federal operations for events such as the NFL Experience, NFL Location, the Super Bowl Game itself. Chief Sellers and 10 other Police Department representatives along with Chief Kelly and three other Fire Department representatives will participate in the VSPO program from January 29 through February 2.

Three other City representatives (Alan Kurotori/SVP-City Manager's Office; Dennis Ng/DPW Traffic; and Ruth Shikada/City Manager's Office) will attend briefings set up by the Arizona Host Committee and observe local Super Bowl events and stadium traffic operations from January 30 through February 1.

NFL representatives have encouraged the City to send 1) Silicon Valley Power and electrical inspection representatives to a one-day briefing regarding electrical power on Wednesday, January 26 and 2) the City's Fire Marshal and Building Official to a series of briefings and a tour to review temporary structures constructed at Super Bowl XLIX on Monday, January 26.

The City's Agreement with the SF Bay Area Super Bowl Host Committee provides that the City/Stadium Authority will be reimbursed for costs associated with the travel expenses of the 16 public safety officials (approximately \$42,316). Travel expenses for the other City representatives will be included as part of the other governmental services planning expenses for Super Bowl 50. Pursuant to the City's Governmental Services Agreement, these costs are envisioned to be subject to reimbursement by the Host Committee. However until the overall planning budget planning expenses are agreed upon with the Host Committee, the expenses will be charged to the Stadium Authority budget. It is anticipated that the total for all attendees for air, hotel and incidental expenses will be approximately \$50,266. It is requested that the City and Stadium Authority approve the expenses associated with this trip.

It is also anticipated that the City Manager and key staff will meet City of Glendale officials during the month of February or March to discuss lessons learned from the Super Bowl and well as their community sponsored events. An additional \$2,000 in expenses is projected for these meetings.

**ADVANTAGES AND DISADVANTAGES OF ISSUE:**

There are no disadvantages. Many Super Bowl communities begin their planning efforts two years in advance. Intensive planning efforts begin one year in advance. Attendance at the VSPO and Host Committee programs will allow the Santa Clara delegation to experience a myriad of Super Bowl-related activities first-hand and attend briefing sessions from local, state and federal government officials to bring back lessons learned and then to be able to apply best practices in Santa Clara and allow for appropriate preparation and training of other City staff upon their return.

**ECONOMIC/FISCAL IMPACT:**

The anticipated expenses associated with Glendale visits will be approximately \$52,266. The City's agreement with the SF Super Bowl Host Committee provides that approximately \$42,316 of this expense be reimbursed. An additional \$9,950 will be funded from existing budget within the Stadium Authority but may be reimbursed by the Host Committee as part of a planning budget currently being negotiated.

**RECOMMENDATION:**

That the Stadium Authority approve:

- 1) Travel to Visiting Public Safety Officials Program and other Super Bowl XLIX-related meetings (875-8327-80770-4912).

That the City Council approve:

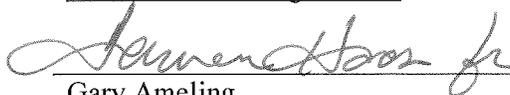
- 1) Travel to Visiting Public Safety Officials Program and various other Super Bowl XLIX-related meetings over the period between January 26 through February 2, 2015;
- 2) Accept reimbursement of \$42,316 from the SF Super Bowl Host Committee (001-1012-59500-(A)50250); and accept reimbursement of \$9,950 from the Santa Clara Stadium Authority (001-1012-59500-(a)50000); and,
- 3) Approve appropriation in the amount of \$52,266 (001-1012-87820-(A)50xxx).



Julio J. Fuentes  
City Manager  
Executive Director for Stadium Authority

Certified as to Availability of Funds: *OK, LF*  
875-8327-80770-4912 \$9,950.00

Certified as to Budget Form:



Gary Ameling  
Director of Finance  
Finance Dir./Treasurer/Auditor for Stadium Authority

**FIVE COUNCIL VOTES**