



Date: December 5, 2017

To: City Manager for Council Action

From: City Clerk/Auditor
Acting Director of Finance

Subject: Adoption of a Resolution which repeals Resolution No. 16-8323, establishes new Lobbyist Registration Cost Recovery Fees, and amends the Municipal Fee Schedule

EXECUTIVE SUMMARY

On May 17, 2016, Council adopted Resolution No. 16-8323, which established a Lobbyist Annual Registration Fee, Prorated Registration Fee, and Amended Registration Fee. The Regulation of Lobbying Activities Ordinance obligates that these cost recovery fees for the lobbyist registry be set by Council resolution for inclusion in the Municipal Fee Schedule.

Following the initial implementation of the program and ongoing assessment since its launch, \$22,769 in cost recovery fees were generated during the 2017 registration period. A cost study prepared by the Finance Department has determined annual administrative costs for the program of approximately \$30,500. Following an additional review of benchmark cities, it is recommended that two changes be made: 1) the inclusion of a Client Registration Fee, and 2) an increase in the fee structure. It is estimated that with these changes the program will yield \$30,020 in cost recovery fees.

It is common for lobbyists to represent a number of clients. Currently, lobbyists will file an amended registration form and pay the associated fee when a client is added. An annual fee for the retention of clients is not currently required. It is recommended that the Council adopt a Client Registration Fee that would be charged at both the initial retention of the client and on an annual basis during the renewal process.

An assessment was also made of the City's current cost recovery fee structure. Following a review of peer cities and a cost study prepared by the Finance Department, staff recommends increasing the current fees and implementing a Client Registration Fee to achieve close to 100% cost recovery, as shown below:

Fee Type	Current Fee	Proposed Fee	Increase/ (Decrease)	%
Annual Registration	\$523	\$640	\$117	22%
Prorated Registration	\$261	\$320	\$59	22%
Amended Registration	\$97	\$120	\$23	24%
Client Registration	-	\$100	\$100	100%

A delinquency fee of \$25 for each day late, up to a maximum of \$500, will remain consistent. It is estimated that this fee structure will be within the justifiable amount for cost recovery identified in the cost study.

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ADVANTAGES AND DISADVANTAGES OF ISSUE

Regulation of lobbyist activities fosters greater transparency. Increasing the lobbyist registration cost recovery fees in the Municipal Fee Schedule will support the administrative costs to maintain the program.

ECONOMIC/FISCAL IMPACT

The increase and modification of lobbyist registration fees will aid in the cost recovery for the administration of the program.

RECOMMENDATION

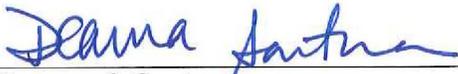
That the Council adopt a Resolution which repeals Resolution No. 16-8323 and establishes a new Lobbyist Annual Registration Fee of \$640, Prorated Registration Fee of \$320, Amended Registration Fee of \$120 and a Client Registration Fee at \$100 per client, and amend the Municipal Fee Schedule to include these fees.



Rod Diridon, Jr.
City Clerk/Auditor



Angela Kraetsch
Acting Director of Finance



Deanna J. Santana
City Manager

Documents Related to this Report:

- 1) *Resolution*

RESOLUTION NO. 17-8483

**A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA
REPEALING RESOLUTION NO. 16-8323 AND ESTABLISHING A
NEW LOBBYIST ANNUAL REGISTRATION FEE, PRORATED
REGISTRATION FEE, AMENDED REGISTRATION FEE AND
CLIENT REGISTRATION FEE**

BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS, pursuant to Section 2.155.030 of "The Code of the City of Santa Clara, California," lobbyists shall register with the City Clerk within fifteen (15) days after qualifying as a lobbyist under Section 2.155.020; and,

WHEREAS, certain cost recovery fees are charged to support the administration of the program; and,

WHEREAS, pursuant to Section 2.155.070 an annual fee may be established by resolution of the City Council; and,

WHEREAS, pursuant to Section 2.155.070(b) each registrant shall pay a fee set by resolution of the City Council per client for whom lobbying is undertaken for compensation in excess of five hundred dollars (\$500.00). A Client Registration Fee for each client as of the date of initial or annual registration shall be submitted with the registration. Client Registration Fees for subsequent clients shall be due and submitted pursuant to Section 2.155.030 within fifteen (15) days of such change along with the required information,

WHEREAS, pursuant to Section 2.155.070(c) a fine of twenty-five dollars (\$25.00) per day for delinquent fees, up to a maximum of five hundred dollars (\$500.00), will be assessed until in compliance with the registration provisions herein; and,

WHEREAS, pursuant to Section 2.155.040 a lobbyist shall renew his or her registration by January 15 of each year unless he or she has terminated their status as a lobbyist pursuant to Section 2.155.050, by such date.

WHEREAS, on May 17, 2016, the City Council adopted Resolution No. 16-8323, which established a Lobbyist Annual Registration Fee, Prorated Registration Fee, and Amended Registration Fee;

WHEREAS, it is the desire of the City of Santa Clara to increase and establish lobbyist registration fees to move towards cost recovery for administrative costs of the program.

NOW THEREFORE, BE IT FURTHER RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

- 1. That Resolution No. 16-8323 is hereby repealed.
- 2. That the Lobbyist Annual Registration Fee, Prorated Registration Fee, Amended Registration Fee and Client Registration Fee are hereby approved and adopted pursuant to Section 2.155.070 of the "The Code of the City of Santa Clara, California" as follows:

Annual Registration Fee	\$640
Prorated Registration Fee	\$320
Amended Registration Fee	\$120
Client Registration Fee	\$100 per client

The annual registration fees shall be due commencing January 15th and each year thereafter, and shall be paid to the City Clerk along with the following:

- A. registration information pursuant to Section 2.155.080; and
- B. the registration fee, or the prorated registration fee for persons registering after June 30th of the given year; and
- C. amended registration fees or client registration fees as appropriate.

If the annual registration fees provided are not paid on or before January 15th of the year in which the fees are due, the lobbyist's name shall be removed from the lobbyist registry kept by the City Clerk and the lobbyist will no longer be considered a registered lobbyist in conformance with Section 2.155.030 of the "The Code of the City of Santa Clara, California." The name of a principal or associates that are not included on the annual updated application provided in accordance with Subsection A of Section 2 of this Resolution shall be removed from the list of principals or associates registered by that lobbyist. If lobbying activities are conducted by a person that has not paid their fees as provided herein, he or she shall be in violation of Section 2.155.030 and penalized as provided therein as set forth in Section 2.155.140.

3. Constitutionality, severability. If any section, subsection, sentence, clause, phrase, or word of this resolution is for any reason held by a court of competent jurisdiction to be unconstitutional or invalid for any reason, such decision shall not affect the validity of the remaining portions of the resolution. The City of Santa Clara, California, hereby declares that it would have passed this resolution and each section, subsection, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more section(s), subsection(s), sentence(s), clause(s), phrase(s), or word(s) be declared invalid.

4. Effective date. This resolution shall become effective and the changes included in the Municipal Fee Schedule immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A REGULAR MEETING THEREOF HELD ON THE 5th DAY OF DECEMBER 2017, BY THE FOLLOWING VOTE:

AYES:	COUNCILORS:	Caserta, Davis, Kolstad, O'Neill, and Watanabe and Mayor Gillmor
NOES:	COUNCILORS:	None
ABSENT:	COUNCILORS:	Mahan
ABSTAINED:	COUNCILORS:	None

ATTEST: 
for  ROD DIRIDON, JR.
CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference: None
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