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From: Rice, Danille
Sent: Monday, December 2, 2019 12:17 PM
To: Council, City; Council Agenda Email
Cc: ORG - Clerk's Office; Executive Leadership Team
Subject: Council Agenda Consent Questions for December 2: Items 4 and 5

**Council Question Response**

Dear Mayor and Council Members:

On behalf of City Manager Ed Shikada, please find below the staff responses to inquiries made by Council Member Tanaka in regard to the December 2, 2019 Council Meeting agenda.

- **Item 4: Award Contract for Tax and Fee Consulting Services & Budget Amendment**
- **Item 5: Contract Amendment for Online Solar and EV Calculator Tools**

Item 4: Award Contract for Tax and Fee Consulting Services & Budget Amendment**1. Why hasn't work like this been in-housed? Is it just the lack of resources in auditor department?**

Given the nature and volume of work involved (across multiple departments as referenced in the staff report), the recommended contract is the most cost effective approach. The City does not currently have the expertise or authorized resources necessary to complete this work as efficiently or effectively as using a firm. Many cities either contract this work completely or elect the hybrid model of both consultant and in-house staffing.

2. Why are HDL and HDL CC companies listed as different companies?

Please see the base of page 4 of the staff report. 'HdL and HdL CC are legally separate companies where HdL provides services for sales and use tax reporting and compliance and collection, administration and compliance for TOT, TUT, BRC, and BID; while HdL CC only provides property tax information services and compliance.'

3. How did they come up with the 75 thousand dollar number that is extra for the budget stabilization reserve?

Please see the Resource Impact section on page 6 of the staff report. The net increase reflects the following adjustments:

- Increase of \$50,000 in the City Auditor's Office Budget to account for the change in administration of sales tax audit and discovery services. With vacancies in the Auditor's Office, it is expected that all audit and discovery services will be performed by MuniServices, whereas, previously this was split between both Muni Services and audit staff.

- Increase of \$15,500 for TOT and Telephone UUT administration and collection services. Audit and discovery services will be reviewed during the budget process and is subject to the annual appropriations of funds.
- Increase of \$10,000 for Property Tax information services for more robust and independently accessible online platform for more robust reporting and ad hoc modeling analysis.

Item 5: Contract Amendment for Online Solar and EV Calculator Tools

1. How will customers benefit from this new resource? What will they benefit, more specifically?

Using these web-based solar and EV calculator tools that incorporate Palo Alto's specific utility rates, residents can generate accurate estimates of the economics of investing in rooftop solar and/or electric vehicles (EVs) which they can use to compare to bids from solar and EV vendors. Rooftop solar and EV purchases are large investments and the peace of mind and potential dollars saved that come with reliable cost estimates are beneficial to our community members. As an example, a resident recently requested help evaluating a solar contract that she had signed but had 3 days to nullify. We directed her to the solar calculator tool and guided her through the quick and easy process of using it to generate an estimate for purchasing rooftop solar for her home. The tool generated the exact system size that the solar vendor had proposed (3.61 kW) for her home, but the price calculated by the tool was half the price that the solar vendor was charging this resident. The resident was grateful to know about the tool, nullified the contract, and planned to contact other solar vendors. In this specific case, the tool saved this resident roughly \$12,000.

2. Is this really necessary to complete? Will many people use this/have people been using this before purchasing EVs?

Using these tools is an option for our residents. About 600 estimates per year are run, roughly half solar and half EV (slightly more solar). We expect this number to increase as we make the tools available from the MyCPAU portal which will be launched in the coming months. We see spikes in usage of the tools following solar and EV workshops and e-newsletters, where we share and promote links to the tools, indicating that customers who are in the midst of making these purchase decisions find it helpful to see cost and savings estimates prior to making the purchases.

3. How many people are actually looking into solar/all electric?

200-300 solar estimates are run per year. As another indication of the level of interest in solar in Palo Alto, Palo Alto has the highest number of solar contracts signed so far amongst the 40+ Bay Area SunShares Outreach Partners (cities, counties, and companies participating in the nine-county, Bay-Area-wide 2019 SunShares solar group-buy program), indicating that a relatively high degree of interest in solar persists in Palo Alto. Anecdotally, at the workshop we held for community members on Saturday September 21 on the topic of solar, a large number of questions centered around heat pump water heaters in general and in conjunction with rooftop solar. A video of this workshop will be available on our website soon and can be made available now upon request.

Thank you.



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