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REPORT TO COUNCIL

SUBJECT

Annual Public Hearing-Discussion of Potential Council Study Issues and Budget Proposals for Calendar Year 2023

BACKGROUND

The annual public hearing on study issues and budget proposals provides the opportunity for members of the public to comment on proposed study issues or budget proposals, and/or to suggest potential new issues or proposals. The public may provide further testimony regarding study issues and budget proposals during the February 16, 2023 annual Study Issues and Budget Proposal Workshop.

A study issue is a topic of concern that can result in a new City policy or a revision to an existing policy. A budget proposal represents a new City service or a change in the level of an existing City service (including possible service reduction or elimination). During the workshop, Council reviews and ranks study issues for completion during 2023 and identifies budget proposals to be forwarded to the City Manager for consideration in the FY 2023/24 budget.

To help guide decision making, staff recommends that Council continue to focus on prioritizing study issues and budget proposals that align with existing policy priorities. City Council will review operational priorities and adopted policy priorities during their Strategic Session on January 26, 2023. The following is the list of policy priorities established by Council during the 2023 Strategic Session:

1. Civic Center Modernization
2. Ability of Infrastructure to Support Development, Traffic and Active Transportation
3. Downtown Sunnyvale
4. Improved Processes and Services through the Use of Technology
5. Accelerating Climate Action
6. Equity, Access and Inclusion

Council may update the priorities listed above at its January 26, 2023 Strategic Workshop meeting.

Study Issues and Budget Proposals Process

The study issues process provides a method for identifying, prioritizing, and analyzing policy issues important to the community. It provides a structured approach for addressing the large number of issues that are raised each year, allowing Council to rank the issues and set priorities within the limits of time and resources.

The budget proposal process provides a method for adding a new City service, eliminating a service,

or changing the level of an existing service.

Important Steps in the Process Leading to the Study Issues and Budget Proposals Workshop

- Study issues and budget proposals are proposed year-round by Council, boards and commissions, the public, and the City Manager.
- Boards and commissions will review and rank proposed study issues under their purview; these rankings are forwarded to Council for consideration.
- The study issue paper is designed to capture the intent and interests that originated the issue.
- The budget proposal paper is designed to briefly summarize the issue and provide an initial estimate of the fiscal impact.
- Staff prepares study issue papers and budget proposals for all qualifying issues and proposals.
- The study issue papers, and budget proposals describe the topic of concern and provide information Council will use to determine whether to further explore each issue.

EXISTING POLICY

Council Policy 7.3.26 *Study Issues Process*

Council Policy 7.1.7 *Budget Proposal Process*

ENVIRONMENTAL REVIEW

The action being considered does not constitute a "project" with the meaning of the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines section 15378 (b) (5) in that it is a governmental organizational or administrative activity that will not result in direct or indirect changes in the environment.

DISCUSSION

Staff has prepared study issue and budget proposal papers proposed to date; materials can be viewed on the City's Website under Study Issues (Attachment 1), at the Sunnyvale Public Library, or at the City Clerk's office.

Status of Current Study Issues

The total new and continuing Study Issues in 2022 was 28. Since the 2022 workshop, 11 Study Issues have been completed. The 2023 Study Issues Work Plan includes a total of 17 study issues in progress.

As of December 2022, 31 study issues are proposed for consideration at the 2023 Study Issues and Budget Proposals Workshop. Staff is recommending support positions for 22 studies based on their merit; it is not, however, an indication of staff capacity to conduct the study.

Study Issues/Budget Proposals Public Hearing

The annual public hearing on study and budget proposals is a critical step in the City's policy-setting process. Several policy issues are submitted annually for possible study by City Council in the upcoming calendar year. The purpose of the hearing is to invite public comment on the relative importance of proposed issues and proposals, and for the public to suggest new issues or proposals for Council's consideration. Issues and proposals proposed by the public must be sponsored by at

least two Councilmembers to be considered at the Study Issues and Budget Proposals Workshop. Staff has advised the board and commission chairs, during recent commission training and meeting presentations, that the workshop is also the appropriate time for them to testify on issues and proposals recommended by their board or commission.

Should new issues or proposals be added during the January public hearing, those issue papers or proposals will be written and posted online prior to the February 16 workshop. The deadline for Council-initiated study issues or budget proposals is January 26 (3 weeks prior to the workshop pursuant to Council Policy 7.3.26 *Study Issues Process*).

Study Issues and Budget Proposals Workshop

On February 16, 2023, Council will conduct a workshop dedicated to the review of all proposed study issues and budget proposals. Council will prioritize or rank study issues that are not dropped or deferred. Budget proposals receiving majority support from Council will be forwarded to the City Manager for consideration in the upcoming fiscal year's recommended budget.

Following the Council workshop, and based on Council's priority rankings, the City Manager identifies the number of Council-ranked study issues that can be completed during the calendar year without disrupting service delivery or modifying service levels set by Council. Staff updates the Tentative Council Meeting Agenda Calendar for the coming year, identifying when the results of staff's study of specific policy issues will be brought back to Council for action.

All budget proposals referred to the City Manager are returned for Council's consideration as part of the City Manager's Recommended Budget for the next fiscal year in the form of budget supplements. These supplements are considered by the City Manager in the context of all other budgetary needs and may or may not be recommended by the City Manager for funding.

For many years, this process has provided both City Council and City staff with a valuable planning and management tool. It allows Council to set priorities for examining policy issues, provides preliminary review of budget proposals, and allows staff to balance policy study with the delivery of day-to-day City services.

FISCAL IMPACT

There is no fiscal impact associated with this report. Each issue paper provides information regarding fiscal impact where warranted, including an estimated cost of studying the issue and estimated implementation costs if known. Staff recommends any Council-prioritized study issues that require funding be resubmitted as a budget supplement to be considered within the context of all new requests for funding in the FY 2023/24 Recommended Budget. This is consistent with past practice.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Public Library, Senior Center, Community Center and in the Department of Public Safety Lobby. In addition, the agenda and report are available at the Sunnyvale Public Library, Office of the City Clerk, and on the City's website.

The public hearing is open to the public and public testimony regarding study issues and budget

proposals will be heard by Council. Copies of study and budget proposal papers may be viewed by accessing the City's Website under Study Issues (Attachment 1).

The February 16 workshop is open to the public and will be televised live and rebroadcast on KSUN, Channel 15. Public testimony will be provided at the beginning of the workshop.

STAFF RECOMMENDATION

No action is needed at this time. Councilmembers may request new study issues and/or budget proposals be developed for review at the annual Study Issues and Budget Proposals Workshop; a minimum of two Councilmembers is required to sponsor either.

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ATTACHMENTS

1. Proposed 2023 Study Issue Papers and Budget Proposals