



File #: 19-0040, Version: 1

REPORT TO COUNCIL

SUBJECT

Annual Public Hearing-Discussion of Potential Council Study Issues and Budget Issues for Calendar Year 2019

BACKGROUND

The annual public hearing on study and budget Issues provides the opportunity for members of the public to comment on proposed issues for study or budget consideration, and/or to suggest potential new issues. The public may provide further testimony regarding study and budget issues during the March 7, 2019 annual Study and Budget Issues 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 issue 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 2019 and identifies budget issues to be forwarded to the City Manager for consideration in the FY 2019/20 budget.

To help guide decision making, staff recommends that Council continue to focus on prioritizing study and budget issues that align with existing policy priorities. City Council will review operational priorities and adopted policy priorities during their Strategic Session on February 7, 2019. The following is the list of policy priorities established by Council during the 2018 Strategic Session:

1. Civic Center Campus and Main Library
2. Ability of Infrastructure to Support Development and Traffic
3. Open Space Acquisition Planning: Future of Golf Courses
4. Downtown Sunnyvale
5. Improved Processes and Services through the use of Technology
6. Accelerating Climate Action

Council may update the priorities listed above at its February 7 Strategic Session meeting.

Study Issues and Budget Issues 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 issues process provides a method for identifying and addressing proposals to add a new service, eliminate a service, or change the level of an existing service.

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

- Study issues and budget issues are proposed year-round by Council, boards and commissions, the public, and the City Manager.
- Boards and commissions will review and rank proposed budget and study issues under their purview; these rankings are forwarded to Council for consideration. Study issues not under their purview will be reviewed and ranked by the City Council at the workshop.
- The study issue paper is designed to capture the intent and interests that originated the issue. The purpose of the budget issue summary form is to briefly summarize the issue and provide an initial estimate of the fiscal impact. Staff prepares study issue papers and budget issue papers for all qualifying issues. The issue papers 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 Issues Process*

Council Fiscal Policy 7.1.1 A.1.2 which states, "A Fiscal Issues Workshop will be held each year prior to preparation of the City Manager's Recommended Budget to consider budget issues for the upcoming Resource Allocation Plan."

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 issue papers proposed to date, materials can be viewed on the City's Website under Study Issues:

<https://sunnyvale.ca.gov/government/council/study/studyissues.htm>, the Sunnyvale Public Library, or at the City Clerk's office. Copies will also be available to the public at the public hearing on study issues and budget Issues.

Status of Current Study Issues

The 2018 Study Issues Work Plan includes a total of 18 study issues, 10 of which were continued from previous years. Since the 2018 workshop, two study issues have been completed and another four are targeted to be completed by the spring of 2019. Of the remaining twelve, half of them are two-year studies, meaning that they will not be completed until 2020. Staff turnover has been a factor impacting completion of study issues. Over the last year, the organization went through a significant amount of staff transitions, between retirements and separations the City experienced approximately 11% turnover rate, many of which were key leadership positions. While most of these positions have been filled, staff continues to be concerned about capacity to complete remaining study issues due to current policy priority related efforts underway.

As of December 2018, 37 study issues are proposed for consideration in the 2019 Study and Budget Issues Workshop. Staff is recommending support positions for 14 studies based on their merit, it is

not, however, an indication of staff capacity to conduct the study.

Study Issues/Budget Issues Public Hearing

The annual public hearing on study and budget issues 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 for the public to suggest new issues for Council's consideration. Issues proposed by the public must be sponsored by at least two Councilmembers to be considered at the Study and Budget Issues 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 recommended by their board or commission.

Should new issues be added during the January public hearing, those issue papers will be written and posted online prior to the March 7 workshop. The deadline for Council-initiated study or budget issue papers is February 14 (3 weeks prior to the workshop per Council policy). However, in the interest of transparency, staff requests that new study issues and budget issues are proposed and co-sponsored at a public Council meeting, making the February 7 Strategic Session the last date.

Study and Budget Issues Workshop

On March 7, Council will conduct a workshop dedicated to the review of all proposed study and budget issues. Council will prioritize or rank study issues that are not dropped or deferred. Budget issues 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 issues referred to the City Manager are returned for Council's consideration as a 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 the other City projects and services, but are not automatically 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 issues, 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. 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 2019/20 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 Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the 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 issues will be heard by Council. Copies of study and budget issue papers may be viewed by accessing the City's Website under Study Issues at:

<https://sunnyvale.ca.gov/government/council/study/studyissues.htm>

The March 7 workshop is open to the public and will be televised live and rebroadcast on KSUN, Channel 15. Consistent with past Council practice, 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 issues be developed for review at the annual Study and Budget Issues Workshop; a minimum of two Councilmembers is required to sponsor either.

Prepared by: Lupita Alamos, Senior Management Analyst

Reviewed by: Teri Silva, Assistant City Manager

Approved by: Kent Steffens, City Manager

ATTACHMENTS

1. Proposed 2019 Study Issue Papers (Hyperlink)