

**MINUTES
SARATOGA CITY COUNCIL
FEBRUARY 16, 2005**

The City Council of the City of Saratoga met in Closed Session, Administrative Conference Room, 13777 Fruitvale Avenue at 5:30 p.m.

Public Employee Performance Evaluation (Gov't Code 54957)
Title: City Attorney

Conference With Legal Counsel – Existing Litigation (Gov't Code Section 54956.9(c): (1 case) – Thompson Pacific Construction v. City of Saratoga (Santa Clara County Superior Court Action No. 104 CV021639)

Conference With Legal Counsel – Existing Litigation:
(Government Code section 54956.9(a))

Name of case: Hinz v. City of Saratoga v (Santa Clara County Superior Court Case No. 105CV034746)

Mayor King called the Regular City Council meeting to order at 7:00 p.m. and lead the Pledge of Allegiance.

ROLL CALL

PRESENT: Councilmembers Aileen Kao, Nick Streit,
Ann Waltonsmith, Vice Mayor Norman Kline,
Mayor Kathleen King

ABSENT: None

ALSO Dave Anderson, City Manager

PRESENT: Lorie Tinfow, Assistant City Manager
Richard Taylor, City Attorney
Cathleen Boyer, City Clerk
Michele Braucht, Administrative Services Director
John Livingstone, Interim Community Development Director
John Cherbone, Public Works Director

REPORT OF CITY CLERK ON POSTING OF AGENDA FOR FEBRUARY 16, 2005

Cathleen Boyer, City Clerk, reported that pursuant to Government Code Section 54954.2, the agenda for the meeting of February 16, 2005 was properly posted on February 11, 2005.

ORAL COMMUNICATIONS

The following people requested to speak at tonight's meeting:

Citizen Ray noted that the Metropolitan Transportation Commission (MTC) would be holding the grant application for the Highway 9 Safety Improvement Project until March. Citizen Ray applauded the joint effort between CalTran, Town of Los Gatos, and the City of Saratoga for the recent clean up along Highway 9.

COMMUNICATIONS FROM COMMISSIONS

None

COUNCIL DIRECTION TO STAFF

In regards to Citizen Ray's comments, Councilmember Waltonsmith requested an update on the grant application to the MTC.

ANNOUNCEMENTS

None

CEREMONIAL ITEMS

None

SPECIAL PRESENTATIONS

1A. GARY CAPORICCI, CAPORICCI & LAWSON – 03/04 ANNUAL AUDIT

STAFF RECOMMENDATION:

Informational only.

Gary Caporicci briefly explained the 2003-2004 Annual Audit.

Mayor King thanked Mr. Caporicci for his presentation.

1B. CAPTAIN JOHN HIROKAWA – STATUS OF NEIGHBORHOOD WATCH & MEGAN'S LAW

STAFF RECOMMENDATION:

Informational only.

In regards to the Neighborhood Watch Program, Captain John Hirokawa stated that Saratoga has never had a dedicated deputy for this program. Captain Hirokawa noted that he recently assigned the DARE Officer to be the contact at the Sheriff's office Monday through Friday.

In regards to Megan's Law, Captain Hirokawa explained that the information on the internet has not been updated in a few years. Captain Hirokawa noted that the internet states that Saratoga has 11 registered sex offenders. Captain Hirokawa noted that in reality there are 6 registered offenders within Saratoga and are in compliance. Only one registered offender is missing. Captain Hirokawa noted that the Sheriff's Office performs random checks on them.

Mayor King thanked Captain Hirokawa for his report.

1C. **SCOTT HOBSON, EXECUTIVE DIRECTOR WEST VALLEY SOLID WASTE MANAGEMENT AUTHORITY – PROCUREMENT PROCESS**

STAFF RECOMMENDATION:

Informational only.

Scott Hobson stated that he is the administer of the West Valley Solid Waste JPA which consists of Campbell, Monte Sereno, Los Gatos and Saratoga.

Mr. Hobson stated that he was present this evening to update the Council on the procurement process in the new collection and disposal contracts and the latest action the Board took on February 3, 2005.

Mr. Hobson stated that the JPA decided to approve a sole source agreement for disposal.

Mayor King thanked Mr. Hobson for his report.

CONSENT CALENDAR

2A. **REVIEW OF CHECK REGISTER**

STAFF RECOMMENDATION:

Approve check register.

WALTONSMITH/STREIT MOVED TO **ACCEPT CHECK REGISTER.**
MOTION PASSED 5-0.

2B **TREASURER’S REPORT FOR THE MONTH ENDED JANUARY 31, 2005**

STAFF RECOMMENDATION:

Accept report.

WALTONSMITH/STREIT MOVED TO **ACCEPT AND FILE REPORT.**
MOTION PASSED 5-0.

2C. **FISCAL YEAR 2004-05 MID-YEAR FISCAL REPORT**

STAFF RECOMMENDATION:

Accept the report and adopt resolution approving the Mid Year Budget Amendments.

TILE OF RESOLUTION: 05-010

WALTONSMITH/STREIT MOVED TO **ADOPT RESOLUTION APPROVING THE MID YEAR BUDGET AMENDMENTS.** MOTION PASSED 5-0.

2D. **CONGRESS SPRINGS PARK USER AGREEMENTS**

STAFF RECOMMENDATION:

Approve agreements with user groups.

KAO/WALTONSMITH MOVED TO **APPROVE AGREEMENTS WITH USER GROUPS.** MOTION PASSED 5-0.

PUBLIC HEARINGS

None

OLD BUSINESS

None

NEW BUSINESS

3. **STATUS OF SARATOGA'S COMMISSIONS**

STAFF RECOMMENDATION:

Accept report and direct staff regarding resources allocated to Commission support.

Lorie Tinfow, Assistant City Manager, presented staff report.

Assistant City Manager Tinfow explained that over the past three years, expenditures have grown faster than revenues and that trend continues. Actions to reduce expenditures—such as instituting a hiring freeze—began to be implemented in December 2002, and more than \$1 million has been cut in each of the last two budget years. For 2005-06, Council will be focused on how to best use limited City resources and redefine Saratoga's mission as a minimum services city. All revenues and expenditures are under review.

Assistant City Manager Tinfow explained that as part of the expenditure review effort, staff has revisited the use and purpose of the City's eight Commissions. The Public Works Department and the City Manager's Office have lost staff, one and three positions respectively, and the positions remain unfilled as possible budget savings opportunities. Two of those positions directly supported Commissions and for the short term, support responsibility has been reassigned. However, the reassignment cannot continue indefinitely. In addition, Assistant City Manager Tinfow explained that discussions were underway to reset expectations. For example, both the Recreation Department and the Community Development Department are likely to be directed to move even closer to full cost recovery. The two departments now support four Commissions-time spent on those activities is in conflict with their cost recovery goal.

Assistant City Manager Tinfow noted that the City cannot continue to meet the current service level expectations in a climate of reduced financial resources. Commission support is just one area identified for potential reduction and/or restructuring. Options for reducing resources allocated to Commission activities are provided in this report.

Assistant City Manager Tinfow briefly explained points for Council consideration as follows:

- Commission Benefits
- Commission interests often exceed available resources
- More Council attention needed for Commission success

Assistant City Manager Tinfow briefly explained alternatives to the existing commission structure.

As stated at the beginning of this report, Assistant City Manager Tinfow noted that preliminary budget estimates show that further expenditure reductions are likely to be needed. The vacant Administrative Analyst II/Economic Development Coordinator position in the City Manager's Office and Administrative Analyst position in Public Works offer opportunities for budget savings by not filling the positions. To do so would require reallocating or reducing essential duties such as staff support to the Public Safety Commission and the Parks & Recreation Commission, and reassigning other duties that must continue-examples include cable franchise administration, solid waste and recycling franchise administration, grants administration, task force coordination (i.e., dog park, DeAnza trail, Kevin Moran Park), façade improvement program management (until June 30, 2005), economic development activities (until that program's future is determined), traffic issue management.

Assistant City Manager Tinfow noted that eliminating or reducing the number and/or scope of existing Commissions could free up staff time to take on responsibilities currently linked to vacant positions or others identified as part of a larger reorganization.

The following people in support of favor of maintaining the Commissions:

Bob Ray – Arts Commission
Lee Murray – Arts Commission
Pratik Pramanik – Youth Commission
Justin El-Diwany – Youth Commission
Michael Byrne – Youth Commission
Tami Maltiel – Youth Commission
Phillip Baker – Youth Commission
Barbara Farnum – parent of past Youth Commissioner
Ruth Gipstein – Library Commission
Beth Wyman – Heritage Preservation Commission
Willys Peck – past Heritage Preservation Commissioner
Norman Koepernick – past Heritage Preservation Commissioner
Jill Hunter – Planning Commission

Linda Rodgers – Planning Commission
Brigitte Ballingall – Public Safety Commission
Alex Tennant – Finance Commission
Warren Heid
Jennifer Young Taylor
Chuck Schoppe

Mayor King thanked everyone for their comments.

Councilmember Waltonsmith noted that she doesn't want to shut down the commissions completely because they would lose their momentum. Councilmember Waltonsmith noted that she would be willing to reducing their scope of work and reduce their meetings to quarterly instead of monthly.

Vice Mayor Kline noted that the City has to keep the Planning and Heritage Preservation Commission but would support looking at the structure and scope of the rest of the City's commissions. Vice Mayor Kline suggested forming an AdHoc Committee to explore options and return to Council with recommendations.

Councilmember Kao noted that she appreciates all the time, energy, and experience all the Commissioners give to the City as volunteers. Councilmember Kao noted that she supported Vice Mayor Kline's suggestion to form an AhHoc Committee and take some time to look at options.

Councilmember Streit noted it is unfortunate that the Council even has to discuss this issue, but the reality is that the Council must make substantial cuts in the amount of approximately \$1 million dollars. Councilmember Streit stated that due to lack of staff, a few of the Commissions need to be put on hold at least until the budget is adopted.

Mayor King stated that the Commissions take a huge amount of staff time and cost well over the estimated \$200k per year to run them. Mayor King stated that we have to figure out a way to be more efficient.

Consensus of the City Council to create a Commission AdHoc Committee, consisting of two Councilmembers and the Chair of each Commission, to collect input and prepare a recommendation. Consensus of the City Council to give the City Manager the authority to give staff direction in regards to postponing certain Commission activities.

Mayor King requested a fifteen-minute break at 9:35 p.m.

Mayor King reconvened the meeting at 9:50 p.m.

4. **STATUS OF NORTH CAMPUS**

STAFF RECOMMENDATION:

Accept report and direct staff accordingly.

Joan Pisani, Recreation Director, presented staff report.

Director Pisani explained the background of the purchase of the North Campus with the intention of relocating the Senior Center programs to this new location and the Sheriff's Office Substation into the former Senior Center. Director Pisani noted that it was purchased for \$4.5 million with an appraised value of \$6.3 million. In August 2002, after it was decided not to relocate the Senior Center /Sheriff's Office, staff was directed to complete minor improvements to the Administrative Building to allow public use of the facility. Between December 1, 2002 and July 1, 2003, approximately \$88,000 was spent on the buildings and grounds at the North Campus. During fiscal year 2003-2004, expenses to maintain the North Campus property were approximately \$21,000. During this same time period, revenue received from rental of the Administrative Building was a little over \$14,000. During fiscal year 2003 and 2004 there were 514 uses of the building, of which 273 were by non-profit groups.

Director Pisani highlighted four possible option of use of the North Campus and the costs associated:

- Option 1 – Retain Property/Improve Two Buildings for Use
 - Improvement cost - \$150-200k
 - Revenue - \$35-40k annually
- Option 2 – Retain Property/Improve Two Buildings for use and Leave Two Buildings
 - Improvement cost - \$150-200k
 - Revenue - \$35-40k annually plus \$2.25 per square foot for the sanctuary and education buildings under a triple net or gross lease
- Option 3 – SASCC Usage of North Campus
 - Improvement cost - none
 - Increased revenue due to expanded recreation classes and rentals
- Option 4 – Other Leasing Options
 - Increment to all four buildings could cost up to \$1.5 million
 - Leasing all four buildings, at \$1.80 to \$2.75 sq. ft. could generate between \$22,700 to \$34,600 per month. Based on these rates, amortization for improvements costs range from 4-6 years.

Director Cherbone explained options in regards to selling/developing the North Campus:

- Sell property as is.
- Sell property as is with an approved Tentative Map.
- Sell property via individual lots by subdividing the land and constructing infrastructure improvements.

The following person spoke in favor of selling the North Campus:
Andy Barnes

The following people spoke in favor of keeping the North Campus for public use:

Jack Mallory
Betty Ting
Albert Baker
Barbara Mendenhall
Genie Dee
Gloria Watson
John Feemster
Bob Cancellieri
Aki Okuno
Dorothy Dorsey
Bill Ford

Councilmember Waltonsmith noted that she doesn't support selling the North Campus and stated that it should be kept as a public facility.

Councilmember Streit explained that when the City bought the North Campus because it was important to try and keep the Sheriff Office in Saratoga. Unfortunately, Councilmember Streit stated the Sheriff's moved to Cupertino. Councilmember Streit noted that he supported selling the North Campus with a tentative map.

Vice Mayor Kline pointed out that if the money received from the sale of the North Campus were invested properly it would benefit the City. Vice Mayor Kline noted that he reviewed all of the prior meeting minutes that lead up to the actual purchase of the property and the Council never voted to keep it designated as public use. Vice Mayor Kline noted that the City has no legal agreement binding us to use the property for public use. Vice Mayor Kline noted that he supported selling the North Campus with a tentative map.

Councilmember Koa note that she feels that North Campus could be developed into something that would benefit the community. Councilmember Kao suggested that the City keep the North Campus for one year while we look for a long term lesser; if in one year there's no results bring this report back for further discussions.

Mayor King noted that she also supported selling the North Campus with a tentative map.

STREI/KLINE MOVED TO SUPPORT OPTION 2 – SELL NORTH CAMPUS WITH A TENTATIVE MAP AND DIRECT STAFF TO TAKE THE NECESSARY STEP INVOLVED TO CHANGE THE GENERAL PLAN DESIGNATION AND ENVIRONMENTAL REVIEW. MOTION PASSED 3-2 WITH KAO AND WALTONSMITH OPPOSING.

ADHOC & AGENCY ASSIGNMENT REPORTS

Mayor Kathleen King reported the following information:

Hakone Foundation Liaison – diligently working on their amended agreement.

Vice Mayor Norman Kline reported the following information:

County Cities Association Leg. Task Force – reviewing several new initiatives

Library Joint Powers Association – getting prepared for the May 2005 mail ballot.

Councilmember Nick Streit had no reportable information

Councilmember Aileen Kao reported the following information:

Chamber of Commerce

- February 18, 2005 – installation of new officers
- February 26, 2005 – Annual Crab Feed

Councilmember Ann Waltonsmith had no reportable information.

CITY COUNCIL ITEMS

None

OTHER

None

CITY MANAGER'S REPORT

None

ADJOURNMENT

There be no further business Mayor King adjourned the meeting at 11:20 p.m.

Respectfully submitted,

Cathleen Boyer, CMC
City Clerk