



**AGENDA
COUNCIL RETREAT
JANUARY 28, 2011**

CITY COUNCIL RETREAT – SARATOGA PROSPECT CENTER – THE GRACE BUILDING

8:30 – 9:00 A.M. CONTINENTAL BREAKFAST

CALL MEETING TO ORDER – 9:00 A.M.

ROLL CALL

REPORT OF CITY CLERK ON POSTING OF AGENDA

(Pursuant to Gov't. Code 54954.2, the agenda for this meeting was properly posted on January 24, 2011)

COMMUNICATIONS FROM COMMISSIONS & PUBLIC

Oral Communications on Non-Agendized Items

Any member of the public will be allowed to address the City Council for up to three (3) minutes on matters not on this agenda. The law generally prohibits the council from discussing or taking action on such items. However, the Council may instruct staff accordingly regarding Oral Communications under Council Direction to Staff.

AGENDA TOPICS

1.	9:00 – 9:30	Ice Breaker	Ann Sullivan
2.	9:30 – 10:00	Heritage Trees	Kate Bear
3.	10:00 – 10:45	Community Development Department Work Plan Development <ul style="list-style-type: none"> o Sign Ordinance o Miscellaneous Zoning Code Update o Large Project Signs o 2010 Carry over Items 	Richard Taylor Chris Riordan Cynthia McCormick Richard Taylor
	10:45 – 11:00	BREAK	
4.	11:00 – 11:15	Single Use, Disposable Bags Update	Richard Taylor
5.	11:15 – 11:30	Proposition 26 Overview	Richard Taylor
6.	11:30 – 12:00	Budget Overview	Howard Miller/Mary Furey

	12:00 – 12:30	LUNCH BREAK	
7.	12:30 – 2:30	Determine Economic Vitality Process <ul style="list-style-type: none"> o Village Visioning o Economic Development o Village Adhoc Saratoga Sales Taxes 1989-2010	Howard Miller/Chuck Page/Dave Anderson
8.	2:30 – 3:00	Public Works Update <ul style="list-style-type: none"> o Highway 9 Safety Improvements o Village – Phase II o Quarry Property Acquisition o Facilities 	John Cherbone/ Michael Taylor
	3:00 – 3:15	BREAK	
9.	3:15 – 3:45	SB 375 Participation in Sub Regional Housing Process (RHNA)	Richard Taylor/Chris Riordan
10.	3:45 – 4:15	Alcoholic Beverages in Parks	Michael Taylor
11.	4:15 – 5:00	Wrap Up – Reconcile Priorities	Howard Miller/Dave Anderson
12.	5:00	Adjournment	Howard Miller

In accordance with the Ralph M. Brown Act, copies of the staff reports and other materials provided to the City Council by City staff in connection with this agenda are available at the office of the City Clerk at 13777 Fruitvale Avenue, Saratoga, California 95070. Note that copies of materials distributed to the City Council concurrently with the posting of the agenda are also available on the City website at www.saratoga.ca.us. Any materials distributed by staff after the posting of the agenda are made available for public review at the office of the City Clerk at the time they are distributed to the City Council.

In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate in this meeting, please contact the City Clerk at (408) 868-1269. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II)

Certificate of Posting of Agenda:

I, Ann Sullivan,, City Clerk for the City of Saratoga, declare that the foregoing agenda for the meeting of the City Council of the City of Saratoga was posted on January 24, 2011, at the City of Saratoga, 13777 Fruitvale Ave., Saratoga, CA 95070 and was available for public review at that location. The agenda is also available on the City's website at www.saratoga.ca.us

Signed this 24th day of January 2011 at Saratoga, California.

*Ann Sullivan, CMC,
City Clerk*

Crystal Morrow

From: City Clerk [Ann Sullivan]
Sent: Thursday, January 27, 2011 11:44 AM
To: Crystal Morrow
Subject: FW: Ltr to Saratoga City Council
Attachments: IMG_2848 rear view.JPG; Ltr to Saratoga City Council.pdf

Categories: Council Retreat Agenda Packet

Retreat correspondence from Chris Riordan.

Ann Sullivan, CMC
City Clerk
13777 Fruitvale Avenue
Saratoga, CA 95070
Tel: 408.868.1269

From: City Clerk [Ann Sullivan]
Sent: Thursday, January 27, 2011 10:13 AM
To: DL - Council
Cc: Dave Anderson
Subject: FW: Ltr to Saratoga City Council

Dear Council –

I am forwarding another email with attachments for you to review prior to the retreat tomorrow.

If you have any questions, please direct them to Chris Riordan at 868-1235.

Thank you.

Ann Sullivan, CMC
City Clerk
13777 Fruitvale Avenue
Saratoga, CA 95070
Tel: 408.868.1269

From: Christopher Riordan
Sent: Wednesday, January 26, 2011 5:53 PM
To: City Clerk [Ann Sullivan]
Cc: Howard Miller
Subject: Ltr to Saratoga City Council

Ann,

Attached is a letter from Ron Hills is to be forwarded to the City Council for Fridays Council Retreat.

Mayor Miller,

The attached letter is from Ron Hills. Mr. Hills received a Conditional Use Permit a couple of years ago for the construction of a cabana in his rear yard. The turf in Mr. Hills rear yard is artificial turf and not real grass. The City Code includes artificial turf as impervious site coverage and therefore Mr. Hills site coverage exceeds his maximum allowable site coverage for his zone district. A condition of project approval was imposed by the Planning Commission that stated that a portion of the artificial turf is to be removed, prior to building permit final, so that the impervious site coverage would not be exceeded. Mr. Hills has completed his cabana but cannot get building permit final until he remove the artificial turf. Mr. Hills has always objected to his artificial turf being considered impervious coverage and has been requesting that the City exempt his artificial turf from the definition of lot coverage.

Chris Riordan

January 24, 2011

Honorable Mayor Howard Miller
Honorable Members, City Council

Address: City of Saratoga
13777 Fruitvale Ave., Saratoga, CA 95070

RE: Interpretation of Artificial Turf/gravel as Impervious Coverage (code 15-06.370) and its impact on Saratoga Building Permit 09-0344.

Dear: Mayor Miller and Members of the City Council:

I understand that you have a study session scheduled with the Planning Dept. to decide the priority of issues to be covered by the City. I apologize for not appearing in person but I will be out of town during your meeting. But I would like to request that the open issue on Impervious Coverage (IC), from Jan 2010, be included in your discussions. I also appreciate there are more pressing City issues but I eventually need a resolution on this issue so I may finalize our building permit. This issue affects all Saratoga's that apply for a building permit and use Artificial Turf and gravel.

Background: In early 2008 my wife and I landscaped a large portion of our enclosed backyard, but in order to save water, we installed ~2,700 sq ft of Artificial Turf (AT) and a gravel walkway. Later, when we applied for a building permit for a Cabana (Dec. 2008) the Planning Dept. director stated that he considered AT & gravel as Impervious Coverage, even though it percolates water, is only visible from our backyard, and AT is not even discussed in the Code. This verbal interpretation caused us to exceed the allowable square footage for impervious coverage. Otherwise we were well within the code limits. The City issued the permit with the stipulation we eventually remove enough (most of it) to be within code limits before the building permit final would be issued.

We finished the Cabana and passed all inspections. During the Cabana construction period I researched the use of AT/gravel and the definition of Impervious Coverage with 21 other Calif. Cities (including all local cities), bay area water districts, the County, the State the US Government and 3 lawyers. Their interpretations of IC were all consistent but Saratoga's interpretation did not match anyone else interpretation.

Based on my findings, I presented a letter to the City Council in Jan. 2010 that requested AT & gravel not be considered IC, especially in an enclosed rear yard, and the requirement for us to remove the AT/gravel be deleted so we may receive our final on the building permit.

The City Council then tasked the Planning Dept. to work on words that would resolve conflicts in the code and clarify the interpretation of Impervious Coverage. It was felt that an "exception" process would solve the present problem and a code change could occur later. The Planning Dept. held a study session to answer the Councils request but was put on hold for more pressing issues.

Enclosed is a photo of our rear yard with the AT and Gravel walkway under discussion.

We would appreciate this item be resolved within a reasonable time frame so we may obtain our final for our building permit. Having been a Planning Commissioner, I would be happy to work with staff in developing words for the exception process.

Respectfully yours,

Ronald and Suzanna Hills
18588 Woodbank Way
Saratoga, CA 95070
408-221-8625 cell





SARATOGA CITY COUNCIL RETREAT

COUNCIL RETREAT: January 28, 2011 **DEPARTMENT:** Community Development

PREPARED BY: Kate Bear, Arborist

SUBJECT: HERITAGE TREES

At the November 3, 2010 City Council meeting, Council directed staff to bring the topic of heritage trees to the retreat in January 2011. In 2006 the City Council proclaimed a list of 20 large, old and majestic trees as a significant contribution to the City's heritage. These trees are suggested for consideration as candidates for the City's first heritage trees. A copy of the proclamation with a list of trees is attached to the end of this report.

Creating a list of heritage trees is consistent with Saratoga's vision for the City. The vision for the City includes preserving the natural beauty of the hillsides, preserving the City's historic assets, including trees, raising the awareness of community members, and maintaining a small-town, picturesque, residential atmosphere.

The process of designating a heritage tree would be voluntary and could be initiated by either the City or a resident. An application would be completed and provided to the City for Historic Preservation Commission (HPC) review. The HPC would make a determination and, if the tree qualified for heritage status, would recommend the tree to the Council for consideration. The Council would consider the recommendation and make a determination. A list of heritage trees could be created, and this record could be maintained and periodically updated by the Council as new trees are added, or trees die and are removed from the list.

Criteria were selected for determining heritage trees based on criteria used in surrounding cities. Suggested criteria for heritage tree status include the following: unique qualities of the tree; importance of the tree to the community; whether it is an outstanding specimen; and whether the tree is very old or has a very large girth. In addition, candidates for heritage tree status would represent the cultural or educational, economic or agricultural, social or indigenous, or historic heritage of the City of Saratoga.

A book with photos of trees designated to have heritage status can be kept at the Historical Museum to commemorate the trees selected. Property owners of heritage trees could be acknowledged at Arbor Day Celebrations each year.

City Code Chapter 13 would require amendment to include the criteria for a heritage tree.

Our Heritage Trees:

Heritage trees are those trees which deserve special recognition due to age, historical significance, size or beauty. Heritage trees in Saratoga that deserve special recognition are:

<u>Aloha Oak</u>	<u>Farmhouse Oak on Farwell Ave.</u>	<u>Ravenwood Oak</u>
<u>Avon Oak, off of Quito</u>	<u>Farwell Three Oaks</u>	<u>Saratoga Springs Bay</u>
<u>Big Oak on Oak Street</u>	<u>Hakone Oak</u>	<u>Saratoga Springs Oak</u>
<u>Blaney Plaza Oak</u>	<u>Hakone Oaks</u>	<u>Saso Oak on Farwell Ave.</u>
<u>Blaney Plaza Stone Pines</u>	<u>Hakone Redwoods</u>	<u>St. Andrew's Oak</u>
<u>Damon and Teerlink Message Oak</u>	<u>Kevin Moran Park Redwood Grove</u>	<u>Sobey Road Oak</u>
<u>District Office's Oak</u>	<u>Madronia Cemetery - Mary Brown - Pourroy Redwood</u>	<u>West Valley College - Ancient Blue Oak</u>
<u>Donna Lane Fig</u>	<u>Madronia Cemetery - Dawn Redwood</u>	<u>West Valley College - Jenni's Oak</u>
<u>Douglass Oak</u>	<u>Madronia Cemetery - Ponderosa Pine</u>	<u>West Valley College - Live Oak</u>
<u>Douglass Ln. Oaks</u>	<u>Historic Oak Street House With Old Oak Grove</u>	<u>Villa Montalvo - Bunya Bunya Tree</u>
<u>Donna Lane Oak</u>	<u>Quito Sycamore</u>	



Aloha Oak



Avon Oak, off of Quito



Big Oak on Oak Street



Blaney Plaza Oak



Blaney Plaza Stone Pines



District Office's Oak



Donna Lane Fig



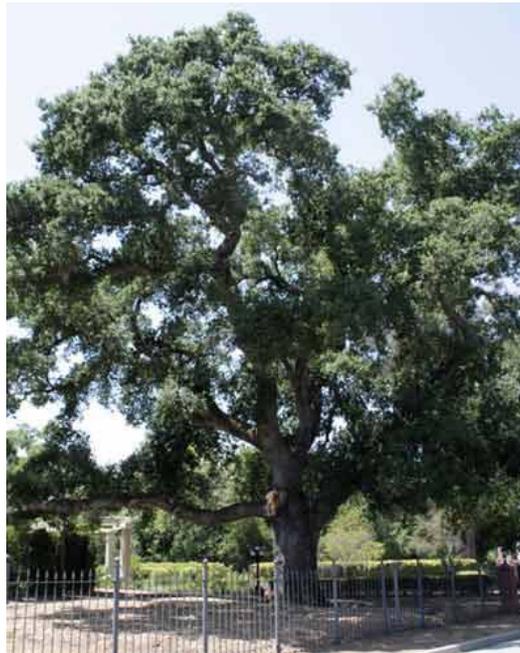
Damon and Teerlink Oak



Douglass Oak



Douglass Ln. Oaks



Donna Lane Oak



***Farmhouse Oak on Farwell Ave.
(unfortunately fell September 2009)***



Farwell Three Oaks



Hakone Oak



Hakone Oaks



Hakone Redwoods



Kevin Moran Park Redwood Grove



Madronia Cemetery - Dawn Redwood



Madronia Cemetery - Mary Brown - Pourroy Redwood



Madronia Cemetery - Ponderosa Pine



Historic Oak Street House With Old Oak Grove



Quito Sycamore



Ravenwood Oak



Saso Oak on Farwell Ave.



St. Andrew's Oak



Sobey Road Oak



West Valley College - Jenni's Oak



West Valley College - Live Oak



West Valley College - Ancient Blue Oak



Saratoga Springs Bay



Saratoga Springs Oak



Villa Montalvo Bunya Bunya Tree

*Photos by
Ron Leckie, Paul Hernandez
and VenzFinePhoto.com*

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SARATOGA CITY COUNCIL RETREAT 2011

MEETING DATE: January 28, 2011

AGENDA ITEM:

DEPARTMENTS: Community Development

CITY MANAGER: Dave Anderson

PREPARED BY: Chris Riordan

DIRECTOR:

SUBJECT: City Ordinances Work Program 2011

RECOMMENDED ACTION:

Direct Staff Accordingly.

The following is a list of city ordinances needing updating:

1. **Update the Sign Ordinance** – The Sign Ordinance has not had a complete update in over 20 years and the City Attorney has found the ordinance to be unenforceable.
2. **Miscellaneous Zoning Code update** – This is a minor update to correct inconsistencies in the code and confusing language.
3. **Large Project Signs**-Create a new requirement to place large signs on properties with the plans and a description of the project on the sign.
4. **2010 Carryover Items**-Specify that mixed use projects may include less than 50% commercial space, and satisfy some or all of their parking requirements through shared parking (if authorized by the Planning Commission) only if the project includes fewer than five residential units. Amend the General Plan to clarify that the higher densities currently allowed in the CN (RHD) District at Prospect and Lawrence are allowed only at that site and not elsewhere in the City.

CITY WORK PROGRAM 2011						
Ordinance	PC Review?	CEQA Review?	Consultant Needed?	City Attorney Effort	Level of Staff Effort	Assigned City Dept.
Sign Ordinance update	Yes	Yes	No	Major	Major	CDD
Miscellaneous Zoning Code update	Yes	No	No	Moderate	Moderate	CDD
Large Project Signs	Yes	No	No	Minor	Minor	CDD
2010 Carryover Items	Yes	No	No	Moderate	Moderate	CDD



SARATOGA CITY COUNCIL RETREAT 2011

MEETING DATE: January 28, 2011

AGENDA ITEM:

DEPARTMENT: Community Development

CITY MANAGER: Dave Anderson

PREPARED BY: Christopher Riordan

DIRECTOR: Christopher Riordan

SUBJECT: Miscellaneous Zoning Code Update

RECOMMENDED ACTION:

Review report and provide direction to staff.

REPORT SUMMARY:

During the day to day review and implementation of the City's Zoning Ordinance, Staff identifies specific code sections that are inconsistent with other sections of the code, are difficult to interpret or that have been preempted by changes to California law. Staff maintains a list of these proposed code for reference when considering an update to the Zoning Code.

DISCUSSION:

The proposed modifications to the Zoning Code are as follows:

Solar Panels

Section 15-80.030(f) states that with the approval of the Community Development Director, solar panels not exceeding six feet in height may be located within a rear setback. Staff is proposing to remove this restriction as recent changes to State Law preempt City Code requirements limiting the installation of solar panels with respect to placement, height, and counting as site coverage. State laws also restricts City's from requiring Design Review approval or Conditional Use Permits for solar panels. However, this exemption from city regulations would not be applicable if the Building Official has a good faith belief (based on written standards, policies or conditions) that the solar energy system could have a specific, adverse impact upon the public health or safety.

Change the word Adjacent to Abutting.

Recent Case Law has held that the word "adjacent" means "nearby" but not necessarily having a common property line. There are frequent uses of the word "adjacent" in the City Code when referring to properties sharing a common property line. The word "adjacent" is not defined in Article 15-56 (Definitions). In the code sections where the use of the word "adjacent" does refer to a property sharing a common property line, staff is proposing that this word be replaced with the word "abutting" which is defined in Article 15-56. As defined in the City Code, "Abutting" means having a property line or district lines in common.

Change QPF (Quasi-Public Facility to CFS (Community Facilities)

During the 2007 update to the City's Land Use Element of the General Plan, the Quasi-Public Facilities(QPF) General Plan designation was changed to Community Facilities (CFS). References to the QPF designation still exist in the Zoning Code. Staff is proposing to replace QPF with CFS in the various codes sections where QPF is still referenced.

Appeal Time Limits

City Code Section 15-90.050 (Appeals) states that ten (10) calendar days is the time limit for filing an appeal to the Planning Commission decision. However, City Code Section 15-45.065(c) states that a decision of the Community Development Director is appealable to the Planning Commission within fifteen (15) calendar days. Staff is proposing to correct this inconsistency by modifying City Code Section 15-90.050 from 10 days to 15 days.

Location of Enclosed Accessory Structures

City Code Section 15-80.030(d)(1) allows, upon the granting of a conditional use permit from the Planning Commission, for eight foot tall enclosed accessory structures to be located six feet from the rear property line. This section does not include a required setback from a side property line. The absence of a required setback from a side property line could allow an accessory structure (such as a garage) to be constructed with no side setback. Staff is proposing a six foot side setback for accessory structures so as to be consistent with the required six foot rear setback.

City Code Section 15-80.030(d)(2) allows, with approval by the Community Development Director, enclosed accessory structures less than 250 square feet and not more than six feet in height, to be located six feet from a rear property line. This section does not include a required setback from a side property line. The absence of a required setback from a side property line could allow an accessory structure (such as a garden shed) to be constructed with no side setback. Staff is proposing a six foot side setback for accessory structures (less than 250 feet) so as to be consistent with the required six foot rear setback.

Unenclosed garden structures (City Code Section 15-80.030(e)), such as play structures and gazebos, are required to be located at least six feet from a rear and side property line. Requiring a side setback for enclosed accessory structures would provide a consistent side setback for all accessory structures and unenclosed garden structures.

FOLLOW UP ACTION:

Direct staff accordingly.

ATTACHMENTS:

None



SARATOGA CITY COUNCIL

RETREAT 2011

MEETING DATE: January 28, 2011

AGENDA ITEM:

DEPARTMENTS: Community Development

CITY MANAGER: Dave Anderson

PREPARED BY: Cynthia McCormick

DIRECTOR: Chris Riordan

SUBJECT: Large Project Signs - City Ordinances Work Program 2011

RECOMMENDED ACTION:

Review report and provide direction to staff.

REPORT SUMMARY:

Each year the City Council reviews potential City Code amendments and provides direction to staff regarding the amendments to be pursued in the year ahead. In 2009, the City Council considered creating a new requirement to place large signs on properties with pending projects. At that time the City Council prioritized the Story Pole Ordinance and placed the project sign ordinance proposal on the list of potential future updates. The Planning Commission has recommended that project signs contain a description of the project and a copy of the plans.

DISCUSSION:

The purpose of an ordinance requiring signs on properties with a pending project would be to provide a more evident notification to neighbors of a proposed project. In the past, residents have complained that they were unaware of a pending project, despite standard notification procedures including mailed notices and newspaper notification. The benefit of requiring large signs on properties with a pending project would be to provide explicit facts and details about a project, potentially circumventing rumors and misinformation.

The Council should provide staff direction on the desired characteristics of a project sign, including content, size, colors and materials, location, and timing. Staff has included an attachment summary of project sign characteristics amongst various cities throughout California¹.

Content: The content of the sign could simply be a copy of the standard notice with the Hearing date and brief project description. Or, it could include the project number, project description (e.g., floor area, height, lot coverage), site plan, elevation drawing, applicant contact information, City/staff contact information, city logo, etc.

Size: The size of the sign would largely depend on the desired content and visibility from the street. For example, the sign could be as small as 8½” x 11” for simply posting the standard notice (see attached), or may require a larger format if the sign includes an elevation drawing and site plan

Colors and Materials: The City could specify the colors and materials of the sign. For example, some cities require a recyclable coroplast sign with a bright yellow background and black letters. Other cities require a specific font type and size (e.g., 2” Bold Arial).

Location: The City could require that the sign be posted a certain distance from a street facing property line so that it is clearly discernible to passing pedestrians and vehicles but is outside the sight triangle of visibility.

Timing: The applicant could be required to post the sign immediately upon application to the city or wait until the application has been found complete and scheduled for a Public Hearing or approval by staff. For example, some cities require the sign to be posted immediately and then updated with a copy of the notice once a Public Hearing date has been determined (see example sign illustration). Most cities require signs be posted until the end of the appeal period.

Threshold: Project signs could be required for only certain types of projects. For example, the City could require that signs be posted for projects requiring a Public Hearing and/or Administrative Review since either of these projects require standard noticing.

Consistency and Verification: For consistency, some cities provide the sign materials to the applicant (at the applicant’s cost), while some other cities contract the signs out to a sign company (at the applicant’s cost). Most cities require the applicant to prepare the sign with final approval by staff. Most cities also require applicants to provide an affidavit and/or a photo verifying the sign has been properly posted.

FOLLOW UP ACTION:

None required.

ATTACHMENTS:

1. City of Saratoga Notice Example
2. Matrix Summary of California Cities with project sign requirements.
3. Sign Illustration Examples (City of Berkeley and City of Santa Rosa)

ⁱ The matrix includes only those cities who responded to a survey requested by staff.

EXAMPLE



**Community Development Department
City of Saratoga
13777 Fruitvale Avenue
Saratoga, California 95070**

NOTICE OF INTENT TO APPROVE AN APPLICATION FOR A NEW SINGLE FAMILY HOME LOCATED AT 18733 AFTON AVENUE

Project Description:

The Community Development Department has received an **application (ADR 08-0003) for a new single family home located at 18733 Afton Avenue** (APN 389-17-053). The existing home will be demolished and a new 1-story, 3,369 square-foot home with attached garage will be built. The height of the home will not exceed eighteen feet. The proposed exterior colors and materials include neutral tones, mission concrete tile roof, wood entry door, and carriage style garage door.

Public Review:

All concerned parties will have fifteen (15) calendar days in which to review the application and provide written comments. **The review period begins 7:30 am May 5, 2008 and ends at 5:00 pm May 19, 2008.** Detailed plans of the proposal are available at the Community Development Department located at 13777 Fruitvale Avenue between the hours of 7:30 a.m. and 5:00 p.m., Monday through Friday. City Hall is closed every other Friday. Please check the City web site at www.saratoga.ca.us for the City's work schedule.

Please provide any comments or concerns in writing to the Planning Department to the attention of Cynthia McCormick, Assistant Planner. At the end of the fifteen (15) day review period, a decision will be made on the project. This decision may be appealed to the Planning Commission within fifteen (15) calendar days after the date of the decision. In order to appeal an Administrative Design Review action a completed Appeals Form must be submitted to the City Clerk together with a fee of \$400.

The proposal will be conditionally approved with minor modifications unless there is evidence that the project is architecturally incompatible with the neighborhood, unreasonably interferes with views, privacy or solar accessibility, or would create an adverse effect on the environment.

EXAMPLE

MATRIX SUMMARY OF CALIFORNIA CITIES WITH PROJECT SIGN REQUIREMENTS

<u>City</u>	<u>Content</u>	<u>Size</u>	<u>Materials/Colors</u>	<u>Location</u>	<u>Timing</u>	<u>Misc. Notes</u>
Berkeley	Project info (address, description, applicant contact info), City contact info, drawing, plastic sleeve for 8½"x11" public notice.	3' x 2' or 4' x 4' large projects	Rigid material, yellow background Times New Roman, Century School book, or Arial font	Within 5' of each street fronting property line. Bottom of 3'x2' is 42" above ground. Bottom of 4'x4' is 36" above ground.	Prior to application submittal	
Brentwood	Project description, date and time of hearing, City phone number	4' x 8'		Visible to public	Until start of construction	
Campbell	---	---	---	---	---	---
Carlsbad	8½" x 11" copy of reduced site plan and building elevations, Project name and number, location, description, City contact info, indication that notices will be mailed prior to hearing	2' H x 3' W 4' to 6' height	Durable material Yellow background Black capital letters No applicant logos Very specific font size given for various required text	mounted to building or ground-pole	Within 30 days of receiving application; until project is approved and appeal period ended.	For discretionary projects. City provides names of 3 local sign companies
Citrus Heights	The City hires sign company to post/remove development signs. Current cost is \$25.00 to post and \$25.00 to remove sign. <i>No additional details were given.</i>					
Diamond Bar	Type of project, applicant contact info, city contact info, 11" x 17" public notice	4' x 6' 6' max height			at least 10 days prior to the public hearing	
Eureka	Hearing body, hearing date, brief description, City Seal, address and phone number.	2' x 3'	bright yellow background		at least 10 days prior to the public hearing	For projects with a noticed hearing. City provides sign.
Fontana	"NOTICE OF FILING", project number and description, applicant contact, City/staff contact. 8½' x 11" notice	4' x 8' 5' post (2' above grade and 3' below)	White Background with black and red text. Very specific font size given for various required text			
Gilroy	75% of sign area must be used for project description and applicant name. 25% of sign area must be used for city info for reviewing plans.	Major: 4' x 8' 8' max height Minor: 2' x 3' 6' max height		5' to 10' from front property line	10 days before hearing; Removed within 7 days of appeal period ending.	
Glendora	"NOTICE OF FILING", file number, Project description (provided by City), city contact; hearing notice,	4' x 8' 6' post	Very specific font size given for various required text	Determined by Director	Removed within 30 days of final decision	Cash deposit collected ~\$600 to ensure maintenance and removal
Hanford	---	---	---	---	---	---

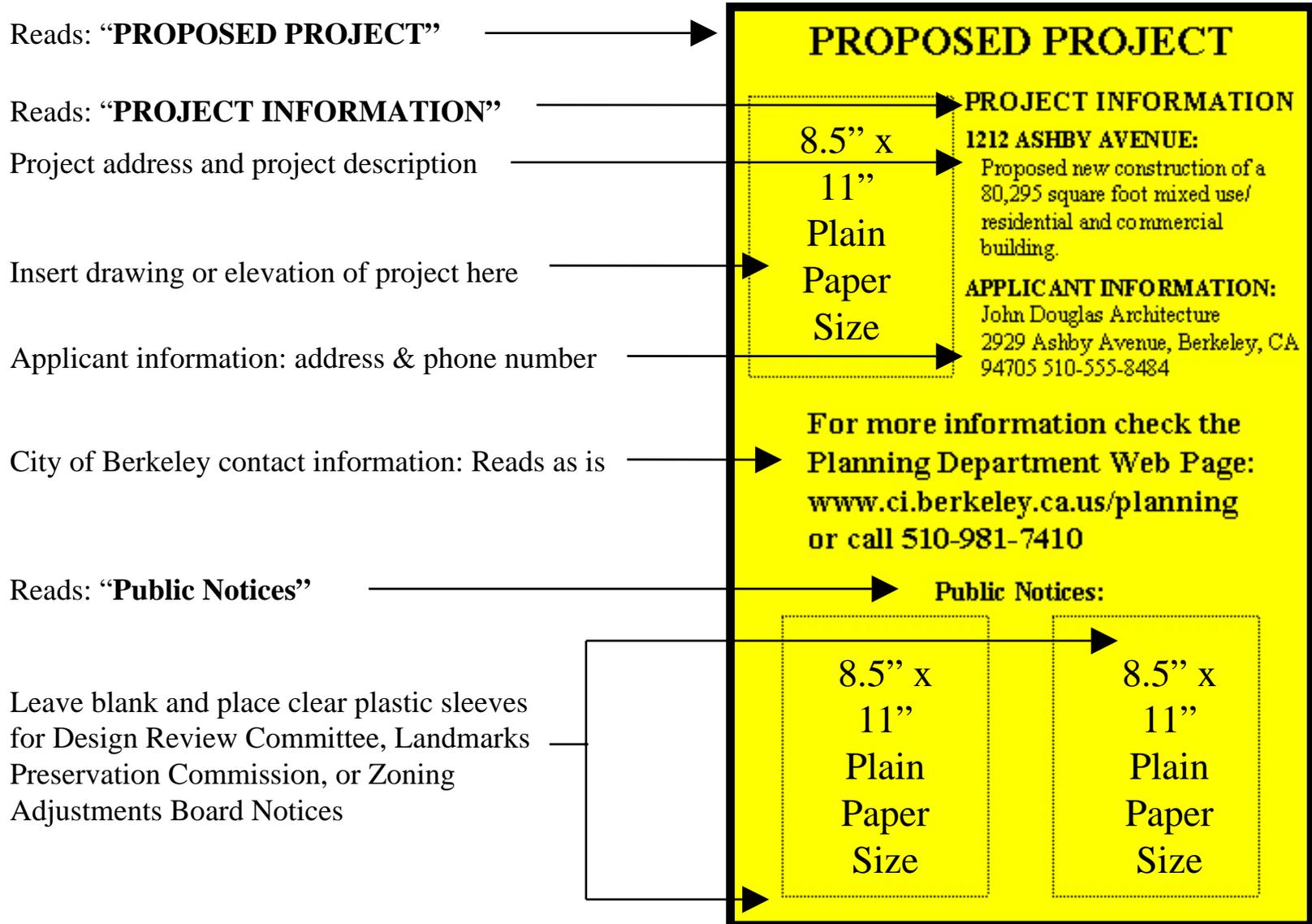
MATRIX SUMMARY OF CALIFORNIA CITIES WITH PROJECT SIGN REQUIREMENTS

<u>City</u>	<u>Content</u>	<u>Size</u>	<u>Materials/Colors</u>	<u>Location</u>	<u>Timing</u>	<u>Misc. Notes</u>
Irvine	Vicinity map, project description, project number, location, City contact info, public hearing info, notice dates	8.5" x 11"	Paper OK		15 days prior to the hearing	
Los Alamitos	---	---	---	---	---	---
Malibu	Project description, project number, applicant contact, City/staff contact, date prepared, signature of planner, city logo	11" x 17"	City provides neon green cardstock to be laminated by applicant.	Visible to public. Exterior of building, mailbox, fence, or stake (vacant properties)	Once project description is verified; through hearings and appeal periods.	For projects that require a coastal development permit
Millbrae	date, time, place of hearing, project address, applicant name, brief project description, staff contact	14"W x 21"H			10 days before hearing	For projects requiring a hearing
Montclair	---	---	---	---	---	---
Pleasanton	---	---	---	---	---	---
Ross	address, project description, date and time of hearing	8.5" x 11"			10 days to 2 weeks before hearing	For projects requiring noticing
Sacramento County		8.5" x 11"	"sticker" format placed on sign		During application review and until approval.	For projects requiring a hearing County hires company to post and remove sign (paid by applicant \$361)
Santa Barbara	Project Address, Case Number, applicant contact, City/staff contact, date notice was posted	18" H x 24"W	yellow corrugated plastic	within 2' of street side property line	10 days before hearing	For land use approvals and certain design review approvals. City provides blank sign and metal stake
Santa Cruz	"NOTICE OF PROPOSED DEVELOPMENT" header, application number; project description, Applicant contact, City/staff contact,	2' x 2' to 2' H x 4' W 7' max height	recyclable coroplast material (or approved by Director), white background, black text, Arial or similar typeface, Very specific font size given for various required text	Visible from street but outside sight distance	Within 7 days of finding application complete; removed within 10 days after final appeal period	For projects requiring a hearing / notice

MATRIX SUMMARY OF CALIFORNIA CITIES WITH PROJECT SIGN REQUIREMENTS

<u>City</u>	<u>Content</u>	<u>Size</u>	<u>Materials/Colors</u>	<u>Location</u>	<u>Timing</u>	<u>Misc. Notes</u>
Santa Rosa	Hearing information, Project information (name, file #, description, diagram of location), CEQA City logo	Area: depends on parcel size (6 SF to 32 SF), 6' max height	Sign: Painted plywood/ sentra/ porcelain/ medium density overlay Text: Blue with white or pearl grey lettering in Universe Condensed typeset	On property street side. Minimum 18" in ground, set in sand 5' from residential property line or 1' from commercial/ industrial property line and not in sight triangle	10 days before hearing Remove within 15 days of hearing	For projects requiring a hearing
Simi Valley	case number(s), description, Applicant contact, City/staff contact,	4' x 8' 8' max height	Black lettering on white background.	Visible to public. Within 5' of residential property line or 1' of commercial/ industrial property line	12 days prior to public hearing; removed within 15 days of appeal period ending	
Thousand Oaks	"NOTICE OF PUBLIC HEARING ON PROPOSED DEVELOPMENT" description, Applicant contact, City contact, public hearing date, time, and location,	Admin: 2' x 2' P.C. or C.C.: 4' x 8'	City hires sign company to prepare and post (paid by applicant)		Administrative: at least 14 days prior to hearing/decision date P.C. or C.C.: sign posted at least 45 days prior to hearing/decision date and notice posted on sign 14 days prior to hearing	For discretionary projects. Applicant pays sign cost, labor, staff time to coordinate.
Turlock	Hearing date, City info, application number, location, APN, project description, 2' x 2' illustration, text and illustration must occupy entire area of sign, "NOTICE OF PLANNING PERMIT APPLICATION" is 3.75" in height on two lines, remaining text is 2.25" in height	4' x 6' 6' max height	durable outdoor material, Arial bold font	Street front visible and legible to the public, mounted on two posts, 10' from curb or 5' from sidewalk (outside sight triangle)	within 10 days of filing application; Removed within 10 days of decision	For projects requiring a hearing with P.C. or C.C.
<p>Most cities require applicants to provide an affidavit and/or a photo verifying sign has been properly posted</p>						

Sign Format for Proposed Development Projects (3 ft. x 2 ft. format)



I.E. Pre-App Sign-small, 11/24/04

EXAMPLE OF ON-SITE PUBLIC HEARING SIGN

ON-SITE PUBLIC HEARING SIGNS

x'- x"

x'- x"

x'- x"



NOTICE OF PUBLIC HEARING

PROPOSED ON THIS _____ ACRE SITE
(approximately _____ ft X _____ ft)

DEVELOPMENT OF _____
(operation/use) (rezoning/tentative map etc.)

Describe Project

A Negative Declaration is available for review and comment at
Santa Rosa City Hall, Department of Community Development, Room 3.

For further information call: (project planner's name) at 543-3xxx

PUBLIC HEARING: PLANNING COMMISSION

DATE: _____

TIME: _____

LOCATION: City of Santa Rosa Council Chamber, 100 Santa Rosa Avenue



x'- x"



WHAT HAPPENS IF MORE THAN ONE PUBLIC HEARING IS REQUIRED?

If a proposed action requires more than one public hearing, the sign text must be changed after the first public hearing, at least 10 days prior to the second public hearing (15 days prior to an annexation protest hearing).

HOW AND WHEN WILL THE TEXT OF THE ON-SITE SIGN BE DETERMINED?

When a date for public hearing has been assigned, the project planner will send a sample notice to the applicant. The planner will identify the date the sign is required to be installed on the project site. A professional sign company must prepare and install the sign on or before the required date.

CITY OF



Santa Rosa

DEPARTMENT OF COMMUNITY DEVELOPMENT



SARATOGA CITY COUNCIL RETREAT 2011

MEETING DATE: January 28, 2011

AGENDA ITEM:

DEPARTMENT: City Attorney

CITY MANAGER: Dave Anderson

PREPARED BY: Jaclyn Prange,
Shute, Mihaly & Weinberger

DIRECTOR: Richard Taylor

SUBJECT: Single Use Disposable Bags Update

RECOMMENDED ACTION:

Review report and provide direction to staff.

REPORT SUMMARY:

The City Council asked the City Attorney's Office to report on San Jose's recently adopted single use carryout bag ordinance. State law prohibits local agencies from imposing a fee on plastic bags, so San Jose's ordinance bans plastic bags and imposes a charge on paper bags. As described below, opponents of the San Jose Ordinance have indicated that they may challenge the ordinance under the California Environmental Quality Act ("CEQA"), Proposition 26, and a State law regarding plastic bag recycling programs (AB 2449).

DISCUSSION:

On January 11, 2011, San Jose adopted a single-use carryout bag ordinance (the "Ordinance"). Beginning in 2012, the Ordinance prohibits retailers from providing plastic bags to customers and requires retailers to charge a ten-cent fee for paper bags. The fee will increase to 25 cents in 2014. Any paper bag provided by retailers must contain at least 40% post-consumer recycled content, be 100% recyclable, and have the words "Reusable" and "Recyclable" printed on the outside. The Ordinance also requires retailers to itemize sales of paper bags on receipts and keep records of those sales for three years.

The Ordinance applies to all retailers, with the exception of "nonprofit charitable re-users," such as the Salvation Army, and restaurants or other prepared-food establishments. The Ordinance also exempts bags used to transport produce, bulk food, or meat within a store; bags used to hold prescription medications; and bags used to segregate food or merchandise that could damage or contaminate other food or merchandise in a reusable or paper bag.

Before adopting the Ordinance, San Jose prepared an Environmental Impact Report ("EIR"): www.sanjoseca.gov/planning/eir/EIR.asp. The EIR acknowledges that the Ordinance could cause adverse environmental impacts by increasing paper bag use, which could increase

paper bag litter, tree harvesting, air pollution, and water and energy use. However, the EIR concluded that none of these impacts would be significant, especially because the increase in plastic bag use would only be temporary while people adjust to bringing their own bags.

Because much of the information in San Jose's EIR is not location specific, cities interested in considering an ordinance similar to San Jose's could use it as a starting point for their environmental review and tailor it to local conditions. Green Cities California has also prepared a Master Environmental Assessment to assist local agencies in the preparation of EIRs for bag ordinances: <http://greencitiescalifornia.org/mea>.

Ordinance opponents have threatened to sue San Jose over its Ordinance. Two of the biggest opponents of plastic bag bans are the American Chemistry Council (www.americanchemistry.com/s_plastics/doc.asp?CID=1106&DID=6983), and the Save the Plastic Bag Coalition, represented by San Francisco attorney Stephen L. Joseph (www.savetheplasticbag.com/). Each group's website has extensive information about its positions on bag ordinances. These organizations have used or threatened to use three laws to challenge bag ordinances like San Jose's: CEQA, Proposition 26, and AB 2449.

CEQA Compliance

The Save the Plastic Bag Coalition has challenged many local agencies' bag ordinances under CEQA. All of these challenges have been based on the agencies' failure to prepare an EIR. So far, the challenges have been largely successful. In January 2010, the California Court of Appeal concluded that the City of Manhattan Beach violated CEQA when it did not prepare an EIR for its ordinance banning plastic bags. The court decided that there was a fair argument based on substantial evidence that the resulting increase in paper bag use would cause significant impacts on the environment, including increases in energy use and air pollution. Notably, Manhattan Beach's ordinance did not require retailers to charge a fee for paper bags. The California Supreme Court recently granted Manhattan Beach's petition for review of the decision. The parties have submitted briefs, and oral argument should be scheduled soon.

The Save the Plastic Bag Coalition has filed similar lawsuits against Los Angeles County and the City of Palo Alto, and has threatened legal action against other agencies, including San Jose. Both Palo Alto and Los Angeles County have settled. Palo Alto agreed to prepare an EIR for any expansion of its ban (which currently applies to only grocery stores), and Los Angeles County agreed to prepare an EIR for its ordinance. It is too early to tell if, and how vigorously, plastic bag manufacturers will challenge the adequacy of EIRs prepared for bag ordinances.

Proposition 26 Issues

The American Chemistry Council ("ACC") has threatened to challenge San Jose's ban under Proposition 26, which California voters passed on November 2, 2010. Among other things, the new law changes voter approval requirements for many fees by redefining them as taxes. Under existing law, general taxes must be approved by a majority of voters and special taxes must be approved by two-thirds of voters. The ACC argues that San Jose's ordinance imposes a "tax" because it requires retailers to charge a fee for paper bags. Local agencies such as San Jose reply that the fee is not subject to Proposition 26 at all because it is not collected by the government—all of the proceeds go to the retailers. Instead, agencies argue, the bag fee is a

price control.

Preemption by AB 2449

The Save the Plastic Bag Coalition has also threatened to sue San Jose under AB 2499, a 2006 law that requires retailers to establish plastic bag recycling programs. AB 2499 also forbids local agencies from imposing fees on plastic bags. Although the text of the law does not prohibit local agencies from banning plastic bags, plastic bag manufacturers argue that it nonetheless preempts local agencies from doing so based on the legislative history. It does not appear that this argument has been successful thus far.

FOLLOW UP ACTION:

None required.

ATTACHMENTS:

San Jose Single Use Plastic Bag Ordinance

ORDINANCE NO. 28877

AN ORDINANCE OF THE CITY OF SAN JOSE AMENDING CHAPTER 9.10 OF TITLE 9 OF THE SAN JOSE MUNICIPAL CODE TO ADD A NEW PART 13 TO BAN SINGLE-USE CARRYOUT BAGS, AND PROHIBIT THE FREE DISTRIBUTION OF RECYCLED PAPER BAGS, BY RETAIL ESTABLISHMENTS, TO BE EFFECTIVE JANUARY 1, 2012

WHEREAS, on November 17, 2010, the Planning Commission of the City of San José, pursuant to the provisions of the California Environmental Quality Act of 1970, together with guidelines promulgated pursuant thereto and Title 21 of the San José Municipal Code, all as amended to date, certified that certain environmental impact report prepared for a Single-Use Carryout Bag Ordinance, under File No. PP-09-193 (the "EIR"); and

WHEREAS, on December 14, 2010, the City Council of the City of San Jose conducted an administrative hearing on an Appeal of the Planning Commission's certification of the EIR for the Single-Use Carryout Bag Ordinance, under File No. PP-09-193, to add Part 13 to Chapter 9.10 of Title 9 of the San Jose Municipal Code to ban single-use carryout bags, and prohibit the free distribution of recycled paper bags by retail establishments; and

WHEREAS, the City Council of the City of San José is the decision-making body for the approval and adoption of this Ordinance; and

WHEREAS, this Council has adopted Resolution No. 75688 setting forth the findings of the decision-making body in connection with the environmental impacts identified in the EIR in connection with the approval and adoption of this Ordinance;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SAN JOSE:

SECTION 1. Chapter 9.10 of Title 9 of the San Jose Municipal Code is hereby amended by adding a new Part to be numbered and entitled and to read as follows:

Part 13
Single-Use Carryout Bag

9.10.2010 Definitions

The definitions set forth in this Section shall govern the application and interpretation of this Part 13.

- A. "Customer" means any Person obtaining goods from a Retail Establishment.
- B. "Nonprofit Charitable Reuser" means a charitable organization, as defined in Section 501(c)(3) of the Internal Revenue Code of 1986, or a distinct operating unit or division of the charitable organization, that reuses and recycles donated goods or materials and receives more than fifty percent (50%) of its revenues from the handling and sale of those donated goods or materials.
- C. "Person" means any natural person, firm, corporation, partnership, or other organization or group however organized.
- D. "Prepared Food" means foods or beverages which are prepared on the premises by cooking, chopping, slicing, mixing, freezing, or squeezing, and which require no further preparation to be consumed. Prepared Food does not include any raw, uncooked meat product or fruits or vegetables which are chopped, squeezed, or mixed.
- E. "Recycled Paper Bag" means a paper bag provided at the check stand, cash register, point of sale, or other point of departure for the purpose of transporting food or merchandise out of the establishment that contains no old growth fiber

and a minimum of forty percent (40%) post-consumer recycled content; is one hundred percent (100%) recyclable; and has printed in a highly visible manner on the outside of the bag the words "Reusable" and "Recyclable," the name and location of the manufacturer, and the percentage of post-consumer recycled content.

- F. "Public Eating Establishment" means a restaurant, take-out food establishment, or any other business that receives 90% or more of its revenue from the sale of Prepared Food to be eaten on or off its premises.
- G. "Retail Establishment" means any commercial establishment that sells perishable or nonperishable goods including, but not limited to, clothing, food, and personal items directly to the Customer; and is located within or doing business within the geographical limits of the City of San José. Retail Establishment does not include Public Eating Establishments or Nonprofit Charitable Reusers.
- H. "Reusable Bag" means either a bag made of cloth or other machine washable fabric that has handles, or a durable plastic bag with handles that is at least 2.25 mil thick and is specifically designed and manufactured for multiple reuse.
- I. "Single-Use Carryout Bag" means a bag other than a Reusable Bag provided at the check stand, cash register, point of sale or other point of departure for the purpose of transporting food or merchandise out of the establishment. Single-Use Carryout Bags do not include bags without handles provided to the Customer (1) to transport produce, bulk food or meat from a produce, bulk food or meat department within a store to the point of sale; (2) to hold prescription medication dispensed from a pharmacy; or (3) to segregate food or merchandise that could damage or contaminate other food or merchandise when placed together in a Reusable Bag or Recycled Paper Bag.

9.10.2020 Single-Use Carryout Bag

- A. No Retail Establishment shall provide a Single-Use Carryout Bag to a Customer, at the check stand, cash register, point of sale or other point of departure for the purpose of transporting food or merchandise out of the establishment except as provided in this Section.
- B. On or before December 31, 2013, a Retail Establishment may make available for sale to a Customer a Recycled Paper Bag for a minimum charge of ten cents (\$0.10).
- C. On or after January 1, 2014, a Retail Establishment may make available for sale to a Customer a Recycled Paper Bag for a minimum charge of twenty-five cents (\$0.25).
- D. Notwithstanding this Section, no Retail Establishment may make available for sale a Recycled Paper Bag unless the amount of the sale of the Recycled Paper Bag is separately itemized on the sale receipt.
- E. A Retail Establishment may provide a Customer participating in the California Special Supplement Food Program for Women, Infants, and Children pursuant to Article 2 (commencing with Section 123275) of Chapter 1 of Part 2 of Division 106 of the Health and Safety Code; and a Customer participating in the Supplemental Food Program pursuant to Chapter 10 (commencing with Section 15500) of Part 3 of Division 9 of the California Welfare and Institutions Code, with one (1) or more Recycled Paper Bags at no cost through December 31, 2013.

9.10.2030 Recordkeeping and Inspection

Every Retail Establishment shall keep complete and accurate record or documents of the purchase and sale of any Recycled Paper Bag by the Retail Establishment, for a minimum period of three (3) years from the date of purchase and sale, which record

shall be available for inspection at no cost to the City during regular business hours by any City employee authorized to enforce this Part. Unless an alternative location or method of review is mutually agreed upon, the records or documents shall be available at the Retail Establishment address. The provision of false information including incomplete records or documents to the City shall be a violation of this Section.

SECTION 2. This ordinance shall be effective on January 1, 2012.

PASSED FOR PUBLICATION of title this 14TH day of December, 2010, by the following vote:

AYES: CAMPOS, CHIRCO, CHU, HERRERA, KALRA,
LICCARDO, NGUYEN, OLIVERIO, PYLE; REED.

NOES: CONSTANT.

ABSENT: NONE.

DISQUALIFIED: NONE.



CHUCK REED
Mayor

ATTEST:



LEE PRICE, MMC
City Clerk



SARATOGA CITY COUNCIL RETREAT 2011

MEETING DATE: January 28, 2011

AGENDA ITEM:

DEPARTMENT: City Attorney

CITY MANAGER: Dave Anderson

PREPARED BY: Richard Taylor

DIRECTOR: Richard Taylor

SUBJECT: Proposition 26 Summary

RECOMMENDED ACTION:

Review report and provide direction to staff.

REPORT SUMMARY:

California voters passed Proposition 26 on November 2, 2010. Because it institutes voter approval requirements for many new fees, the law will change the way local governments fund environmental, public health, and social programs. This report summarizes the key provisions of the measure that directly affect cities.

DISCUSSION:

Background

Propositions 13 and 218, passed in 1978 and 1996, respectively, limit local governments' ability to impose new taxes. These laws require general taxes to be approved by a simple majority of voters and special taxes to be approved by a two-thirds supermajority of voters. Conversely, under Propositions 13 and 218 fees need only be approved by a majority of the governing body. As a result, whether a funding measure is a "tax" or a "fee" has been the subject of extensive litigation.

For example, in *Sinclair Paint Co. v. State Board of Equalization*, the state imposed a fee on companies responsible for lead poisoning in order to fund a lead poisoning remediation program for children. The California Supreme Court decided that the fee was not a tax because it did not exceed the reasonable cost of providing the mitigating service (lead remediation) and was not for unrelated revenue purposes. Opponents of the fee had argued it was a tax because it did not directly benefit the parties paying the fee.

Analysis

The proponents of Proposition 26 sought to overturn *Sinclair Paint's* holding that

regulatory fees are not subject to the voter approval requirements of Propositions 13 and 218. In order to close this perceived “loophole,” Proposition 26 expands the definition of a “tax” to include many funding measures previously classified as “fees.” The law now defines a “tax” as “any levy, charge, or exaction of any kind imposed by a local government” that does not fall under one of seven exceptions.

Proposition 26 applies to all new fees and to any increase in existing fees. It does not apply retroactively to fees already in effect. The seven exceptions to the law’s voter approval requirements are discussed below.

1. **Specific Benefit Fees.** The first exception applies to any charge “imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.” This exception should cover fees for direct local services (e.g., parking passes and permits).
2. **Service Charges.** The second exception covers any charge “imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.” Examples likely include park and recreation service fees, transit fees, and utility fees.
3. **Permit Fees.** The third exception applies to any charge “imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof.” This exception should cover building and planning permit fees, as well as fees for fire, restaurant, and housing inspections, for example.
4. **Entrance/Use Fees.** The fourth exception covers any charge “imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property.” Examples likely include parks entrance fees and right-of-way use franchise fees.
5. **Fines and Penalties.** The fifth exception applies to a “fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law.” Like the fourth exception, this exception does not expressly require that charges be limited to the government’s reasonable costs, but other state statutes do impose such limits, including in the area of code enforcement.
6. **Property Development Charges.** The sixth exception covers any “charge imposed as a condition of property development.” This likely includes payments required to mitigate a project’s environmental impacts such as subdivision improvement fees and the like. While this exception is fairly broad, these types of charges are subject to existing constitutional and statutory limitations.
7. **Assessments and Property Related Fees.** The seventh exception applies to “[a]ssessments and property-related fees imposed in accordance with the provisions of

Article XIII D [Proposition 218].” This seeks to provide assurances that assessments and fees imposed in accordance with Proposition 218 will not be subject to an additional layer of regulation under Proposition 26.

Note that local governments may not be able to rely on the first two exceptions if they provide free or discounted passes or services because doing so may run afoul of the requirement that the benefit or service not be provided to “those not charged.” In addition, the measure also states that in the event of a challenge the local government has the burden to prove that the amount of the tax is “no more than necessary to cover the reasonable costs of the governmental activity” This will make it important for local governments to clearly document the basis for all new fees and charges.

FOLLOW UP ACTION:

None required.



MID-YEAR BUDGET OVERVIEW

1. Mid-Year Budget Status
 - Attachment 1
2. Forecast Highlights
 - A. Revenue assumptions
 1. Trends
 2. One-time revenue sources
 - B. Expenditure assumptions
 1. Core Services
 2. Staffing
 3. Labor Costs
 - COLA
 - PERS Rates
 - Insurance Benefits
3. Budget Calendar
 - Attachment 2
4. Budget Policies and Practices
 - Attachments 3 and 4

Summary of Mid-Year Status

	Adj Budget 2010/11	Mid-Year Estimate 2010/11
Operations		
Revenues	15,067,454	15,099,796
Transfers In	249,550	249,550
Net Sources	15,317,004	15,349,346
Expenditures	15,520,629	15,658,384
Transfers Out	876,983	876,983
Net Uses	16,397,612	16,535,367
Net Operations	(1,080,607)	(1,186,021)
Less: Use of Reserves		
Environmental Reserve	50,000	50,000
Development Services Reserve	210,000	210,000
Carryforward Reserve	68,600	68,600
CIP Reserves	776,983	776,983
Total Use of Reserves	1,105,583	1,105,583
Net Sources & Uses	24,976	(80,438)

GF BUDGET ADJUSTMENT	
REVENUES	
Increases:	
FY 2009/10 Sheriff reimbursement	48,000
Decreases:	
Interest Income	(30,000)
Net Revenue Increase	18,000
EXPENDITURES	
Increases:	
Unbudgeted organizational & legal services	30,000
Unbudgeted claim costs	110,000
Decreases:	
Election expenses	(27,000)
Net Expenditure Increase	113,000
NET BUDGET ADJUSTMENT from Undesignated Fund Balance:	(95,000)

January 2011

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1 New Year's Day Holiday
2	3 Finance: Begin Budget Prep: • Budget Calendar • Budget worksheets • FTE worksheets • Salary worksheets	4	5 COUNCIL MEETING	6	7 Off Friday	8
9	10 Finance • Begin 5 Year Forecast analysis • Begin Mid-Year status analysis & staff report	11	12	13	14	15
16	17 MLK Holiday	18 Finance • Begin meetings with Dept and ISF program managers to review budget worksheets	19 Finance • Finalize Mid-Year status staff report/graphs/ and budget adjustment worksheet if needed	20 Management Meeting • Budget calendar review • Internal Service Requests • Staffing Changes	21 Off Friday	22
23	24	25 Budget Core Team Mtg. • Overview of Mid Year status and 5 year forecast • Overview of operating and capital budget calendar & process	26	27 Finance DUE – Internal Service Requests DUE – Staffing change requests	28 COUNCIL RETREAT: • Mid-Year budget status & adjustments • Budget Policies • Budget Calendar	29
30	31					

February 2011

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2 COUNCIL MEETING <ul style="list-style-type: none"> • Mid-Year Budget Status Finance Committee Mtg <ul style="list-style-type: none"> • Budget Policies CIP Budget Team Mtg <ul style="list-style-type: none"> • CIP Process overview • Funding update • Review of current projects Assignment <ul style="list-style-type: none"> • New Project requests 	3	4 Off Friday	5
6	7	8 Budget Core Team Mtg. <u>Assignments:</u> <ul style="list-style-type: none"> • Dept/program purpose, objectives, and key services • Performance measurement and workload highlights <u>Review:</u> <ul style="list-style-type: none"> • IS and staffing change requests 	9	10 Finance DUE –ISF budget worksheets	11 Deadline for Community Grant applications	12
13	14	15	16 COUNCIL MEETING CIP Budget Team Mtg <ul style="list-style-type: none"> • DUE – New proposed projects • DUE - Updated project descriptions and timelines • Funding update 	17	18 Off Friday	19
20	21 President's Day Holiday	22 Budget Core Team Mtg. <ul style="list-style-type: none"> • Dept/Program revenue & expenditure budgets • Internal Service Funds • FTE distributions • Performance Measures • Personnel Summary 	23	24 Finance DUE –1 st draft dept'l budget worksheets	25	26
27	28					

March 2011

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1 City Manager <ul style="list-style-type: none"> 1st Draft Budget Review meetings w/depts with direction for revisions 	2 COUNCIL MEETING <ul style="list-style-type: none"> CDBG & Community Grant Public Hearing Finance Committee Mtg <ul style="list-style-type: none"> Budget Policies CIP Budget Team Mtg <ul style="list-style-type: none"> Review proposed projects Review narratives and financials Assignment <ul style="list-style-type: none"> CIP Overview Section 	3 Mgmt Meeting <ul style="list-style-type: none"> User Fee updates to Finance by March 17th Update on 1st draft budget and direction for 2nd draft 	4 Off Friday	5
6	7	8 Budget Core Team Mtg. <ul style="list-style-type: none"> Review 1st draft budgets, budget summaries, and revision directions Dept/Program budget overview assignments 	9	10	11	12
13	14	15	16 COUNCIL MEETING CIP Budget Team Mtg <ul style="list-style-type: none"> Finalize proposed projects DUE - Project Narratives & Financials DUE - CIP Overview Info - on completed projects, funding issues, etc.	17 Finance Due - 2nd draft Operating Budget FINAL revenue and expenditure revisions Due - Operating Budget department and program narrative sections due	18 Off Friday	19
20	21	22 Budget Core Team Mtg. <ul style="list-style-type: none"> Review Dept/Program budget narratives Review budget schedules Review finalized Performance Measures 	23	24 Finance <ul style="list-style-type: none"> User Fee changes deadline 	25 Finance DUE - All final submittals and changes to proposed Capital Budget	26
27	28 Finance <ul style="list-style-type: none"> Input final proposed CIP data into financial system Prepare CIP summary financial reports Prepare transmittal letter 	29 Budget Core Team Mtg. <ul style="list-style-type: none"> Review transmittal letter Review final dept program narratives, schedules, and financial summaries Finalize User Fee Update 	30 Finance <ul style="list-style-type: none"> Submit User Fee Update staff report Request City Clerk to publish User Fee Public Hearing notice <i>(Notice to be published at least 10 days prior to public hearing)</i>	31 Finance DUE - All final submittals and changes to proposed Operating Budget		

April 2011

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1 Off Friday	2
3	4 Finance <ul style="list-style-type: none"> Finalize Operating Budget schedules Finalize all CIP schedules Import to CIP document City Manager Dept <ul style="list-style-type: none"> Finalize CIP Transmittal letter 	5 <i>User Fee Public Hearing notice published in paper</i>	6 COUNCIL MEETING Finance Committee Mtg <ul style="list-style-type: none"> Budget Policies Review budget draft Review User Fees report CIP Budget Team Mtg DUE - Project narratives and timelines, maps, and pictures finalized	7	8	9
10	11 Finance <ul style="list-style-type: none"> Finalize all operating budget narratives and summaries and prepare draft budget document 	12 Budget Core Team Mtg. <ul style="list-style-type: none"> Prepare for budget study session Review & finalize transmittal letter 	13 Finance <ul style="list-style-type: none"> Submit User Fee Report 	14	15 Off Friday	16
17	18	19	20 COUNCIL MEETING <ul style="list-style-type: none"> User Fee Adoption CIP Budget Team Mtg DUE - CIP Overview and Budget Document finalized	21	22	23
24	25 COUNCIL Study Session Review proposed budgets	26 Finance <ul style="list-style-type: none"> Revise budgets as directed and begin final production of proposed Summary and Capital Budget documents 	27 Planning Commission <ul style="list-style-type: none"> PW to present review of new CIP projects Finance Request City Clerk to publish Budget Public Hearing notice <i>(Notice to be published at least 10 days prior to public hearing)</i> <i>Not required for budget adoption</i>	28 Finance <ul style="list-style-type: none"> Publish Proposed Operating and Capital Budget documents and distribute to Finance Committee Members 	29 Off Friday	30

May 2011

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3 <i>Annual Budget Public Hearing notice published in newspaper</i>	4 COUNCIL MEETING Finance Committee Mtg <ul style="list-style-type: none"> • Review Proposed Summary Budgets • Distribute to Council and post to Web 	5	6	7
8	9	10	11 Finance DUE – Budget staff reports and presentation	12	13 Off Friday	14
15	16	17	18 COUNCIL MEETING <ul style="list-style-type: none"> • Proposed FY 2011/ 12 Operating & Capital Budget Hearing Finance Committee Mtg <ul style="list-style-type: none"> • Final review of budgets 	19	20	21
22	23 Finance <ul style="list-style-type: none"> • Prepare staff report and resolutions for budget adoption • Prepare Gann Limit staff report and resolution • Prepare & distribute final proposed budgets to City Council for review 	24	25	26	27 Off Friday	28
29	30 Memorial Day Holiday	31				

June 2011

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1 COUNCIL MEETING <ul style="list-style-type: none"> • FY 2011 / 12 Operating & Capital Budget Adoption • Gann Limit Adoption 	2	3	4
5	6 Finance <ul style="list-style-type: none"> • Prepare Transmittal Letter addendum if needed • Begin final publishing of adopted budgets • Post to Web when finalized 	7	8	9	10 Off Friday	11
12	13	14	15 COUNCIL MEETING <ul style="list-style-type: none"> • FY 2011 / 12 Operating & Capital Budget Adoption (if needed) 	16	17	18
19	20 CMO <ul style="list-style-type: none"> • Begin Budget-In-Brief preparations 	21	22	23	24 Off Friday	25
26	27	28	29 Finance <ul style="list-style-type: none"> • Distribute Detail Budget 	30		

July 2011

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1 	2
3	4 July 4 th Holiday	5	6 COUNCIL MEETING	7	8 Off Friday	9
10	11	12	13	14	15	16
17	18	19	20 COUNCIL MEETING	21	22 Off Friday	23
24	25	26	27	28	29	30
31						

August 2011

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3	4	5 Off Friday	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

September 2011

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
				1	2	3
4	5 Labor Day Holiday	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	



SARATOGA CITY COUNCIL

MEETING DATE: October 26, 2009

AGENDA ITEM:

DEPARTMENT: Finance & Administrative Services

CITY MANAGER: Dave Anderson

PREPARED BY: Mary Furey

DIRECTOR: Mary Furey

SUBJECT: Budget Policy Review

RECOMMENDED ACTION:

Review current and proposed budget policies and practices, and provide direction to staff

REPORT SUMMARY:

In alignment with Governmental Financial Officer's Association (GFOA) best practices, the City's Operating and Capital Budgets serve as a financial plan, as well as a policy document, a communications tool, and an operations guide. The annual budgets are developed with an emphasis on long-range planning, service delivery, and program management – with the fundamental purpose of these documents to provide a linkage between the services and projects the City intends to accomplish, and the resources committed to get the work done.

The City adopts an annual Operating and Capital Budget effective from July 1st through June 30th of the following calendar year. The Operating Budget allocates funding for ongoing costs and services which support and benefit the community including: street and park maintenance; development and building oversight; public safety and emergency preparedness; recreation and teen services; facility and equipment maintenance; financial management; and city administration. The Capital Budget provides for individually approved infrastructure improvements and is adopted on a project basis, meaning project funding and expenditure appropriations carryforward (as adjusted) to the subsequent fiscal year.

Adopted high level budget policy concepts that the City currently operates under are incorporated within the Financial Policy Statements which were adopted by Council on October 1, 2008, and are included in the budget document for general reference. (Attachment A)

As a result of the October 13th, 2009 Cost Recovery study session, Council direction affirmed the Recreation Department's stated cost recovery goal of approximately 65%, in alignment with cost recovery obtained by other surveyed Recreation Departments. The Council did not establish a cost recovery rate for the Community Development Department as it was determined there was not enough consistent financial information to make a valid, fact-based decision. However, Council did establish a fund balance policy for the Development Reserve which allows for the utilization of (up to) one-third of the fund balance reserve to offset revenue shortfalls. This new policy is to include direction that Community Development Department excess revenues over expenditures would be allocated into the Development fund balance reserve in order to build the reserve up in more profitable years, for use in

less profitable years. This mechanism was implemented to mitigate the economic impacts of revenue peaks and valley that occurs with development activities over multiple year cycles.

In addition to the budget policies Council adopted as part of the overall Financial Policies Statements and Cost Recovery Study Session, the following standard budget policies and practices are regularly incorporated into the City's budget process, and could be added as amendments to the financial policies: *(Please note that the following budget policies and practices are a work-in-progress.)*

GENERAL BUDGET POLICIES

- The City adopts an Operating and Capital Budget each year to identify and communicate the City's stated policies, goals, and priorities in the format of an operations plan with staffing and funding allocations.
- The Operating Budget represents funding allocations for ongoing City services, support, and administration. The Capital Budget represents funding allocations for City infrastructure, facilities, and efficiency improvements.
- The City adopts balanced Operating and Capital Budgets each year, which is defined as funding sources equal or exceed funding uses. Funding sources includes revenues, transfers-in from other funds, and Council-approved use of fund balance. Funding uses include expenditures and transfers-out to other funds.
- The City will seek to maintain financial stability through a diversified and stable revenue base, and will account for both revenues and expenditures within a program, if a relationship exists.
- The City's general operations and user fee supported on-going costs and services are accounted for within the General Fund as primary functions of the City. The City has also established special revenue, capital project, debt service, and trust funds to account for revenues that are restricted for certain activities, in accordance with GFOA guidelines.
- Funds exist and are budgeted as separate financing entities from other funds in accordance with Generally Accepted Accounting Principles (GAAP), with their own self-balancing set of accounts recording revenue sources, expenditures, and fund equity.

BUDGET DEVELOPMENT PRACTICES

As the City develops its Operating and Capital Budgets each year, processes are established to ensure logical financial relationships and on-going consistency in the budgetary information. The following standard budget development practices are currently in place, or in the process of being established:

Timeline

- A budget calendar is established to set the overall timetable for budget requests, assignments, meetings, deadlines, and Council meetings for the public hearings and scheduled budget adoption for the upcoming budget development process.

Forecast

- Council will review the status of the City's current year budget and five-year forecast at the Council's mid-year retreat as a first step in budget development for the following year.
- The primary objectives of the financial forecast is to assist Council and staff in identifying financial trends, recognize long-term implications of fiscal decisions, and provide management with a tool to assess the General Fund's ability to continue current services and preserve the City's fiscal health.

- To facilitate long-range financial planning, the financial forecast represents a five year history of the City's revenues, expenditures, and fund balance, current year estimates (with a five year goal to present a ten-year history), and a five year projection of the City's long term fiscal condition under currently adopted service levels.
- The forecast projections are based on a compilation of financial data history, information, and reasonable economic, operational, political, and administrative assumptions used to project likely revenues and transfers-in, and subtract expected operating costs, debt service, transfers-out, capital investments, and maintenance expenses for equipment, facilities, and infrastructure at currently adopted and projected service levels.
- A forecast projection is not a statement of what will occur over the next five years, but a warning system for potential future problems, and a tool to be used for decision making.

Budget Policy Review

- As part of the mid-year Council retreat, the currently adopted budget policies will be reviewed by the City Council after the forecast. This will provide information necessary to begin budget development in alignment with Council's goals, policies, and best financial practices.

Operating Budget Development

The development of the Operating Budget is the synchronization of many pieces of information into numerous schedules to develop a citywide workplan. At a summary level, the following processes/steps are included in the preparation of the Operating Budget:

- Budget development guidelines are developed – direction on forecast analysis, new initiatives, staffing levels, changes in program service levels, revenues and expenditures, etc.
- Community grant process
- User Fee Schedule process
- Labor and Benefit costs developed
- Internal Service Fund detail budget worksheets prepared
- Program Budget detail worksheets provided to program managers with salary and internal service information
- Program managers to determine and submit current year revenue and expenditure estimates
- Program managers to develop and submit revenue and expenditure budget projections
- 1st draft budget run prepared
- Review, analysis, and budget changes
- Council study session
- 2nd draft budget run prepared
- Department/program narratives prepared
- Review, analysis, and budget changes
- Financial Summaries and narratives finalized
- Proposed Budget prepared and presented to Council at public hearing

Capital Budget Development

The Capital Budget is the update of the five-year Capital Improvement Plan, and is an assessment and update of project status, funding allocations, scope of work, timelines, and project priorities. At a summary level, the following processes/steps are to be included in the preparation of the Capital Budget:

Current Projects

- Public Works to reassess currently approved/adopted CIP projects and categorize by:
 - Projects to be completed by fiscal year-end
 - Inactive funded projects to be delayed into future years (no fiscal activity in budget year)
 - Active projects to carryforward to the next year
 - Unfunded, adopted projects
- For inactive projects, Public Works to determine and submit new timeline if applicable
- For active projects with carryforward funding, project managers to estimate year end balance/amount of carryforward funds

Project Funding

- Determine availability of current funding status, new funding, designated revenues, and General Fund and other fund transfers.
- Align designated funding and grant funding with designated projects
- Prioritize remaining funding allocations for current and proposed projects

Proposed Project Review

- Proposed CIP projects submitted for budget review to include a workplan that identifies:
 - Scope of work, timeline, project justification, cost/benefit analysis, coordination issues, and project alternatives
 - Every CIP Project is to have an assigned project manager who is assigned to prepare the project proposal, oversee the project in process, authorize all project expenditures, and ensure that the project is completed on schedule and within budget.
 - Projects to be rated based on health and safety, infrastructure failure, cost efficiencies, availability of external funding sources, community impacts, or other justification criteria
 - Funding sources utilized in the proposed project.
- Prepare project budget worksheets and summaries
- Council study session
- Review, analysis, and budget changes
- Prepare CIP project recommendations for Council budget hearing

Project Adoption

- When adopted, CIP Projects are authorized for five years. If the project is not progressing within that time period, the project is to be brought back for re-evaluation.

OPERATING BUDGET PRACTICES

Structure

- The Operating Budget is organized by “Departments”, and subsequently by subcategories or budgetary units called “Programs” which combine similar functions, purposes, and services into definable workload areas.
- The City departments are structured by functional area. The department’s budgetary information including purpose/objectives, funding, and staffing are collectively reflected in the departmental overview, and then is subsequently broken out into individual programs which provide more specificity and detailed workload duties.
- Each program budget section will include narratives and schedules which describe the services provided in the program budget overview, appropriate resources (funding and staffing), and establish workload priorities, goals, and activities which define the nature and level of program services delivered to provide program intent and resource information.
- The City’s departments include: Council & Commissions, City Manager’s Department, Finance & Administrative Services, Community Development, Public Works, Recreation & Facilities, Public Safety, and Non-Departmental.
- Council and Commissions Department reflects the elected City officials and commission functions, the staffing resources (the elected and appointed volunteers), descriptions of the Council and Commission functions, and the funding allocations to support these legislative and advisory functions.
- City Manager’s Department includes the City Manager’s support functions to effectively oversee City management processes. This includes the City Manager’s Office, the City Clerk, and the Human Resources Office.
- Finance & Administrative Services Department is comprised of the Financial Services to manage citywide financial activities, and the Information Technology Services programs, the Office Stores, and IT Equipment Replacement programs for administrative support functions.
- Community Development Department consists of Development Review and Arborist Services, Advanced Planning, Code Compliance, Building & Inspection, and community service program for CDBG grants and housing rehabilitation loans.
- Public Works Department is comprised of: General Engineering for infrastructure oversight; Development Engineering for private development services, Environmental Services to oversee several environment programs and ensure compliance with State regulations; Streets & Storm Drains; Parks & Landscaping; Landscape & Lighting District Funds; Equipment Maintenance; and Equipment Replacement Funds.
- Recreation & Facilities Department provides recreation services and activities through its Recreation Services and Teen Services programs, and provides Facilities to the community through its Facility Rentals program. The Building Maintenance program provides citywide maintenance support for all facilities.
- Public Safety is comprised of the Public Safety Services program for day-to-day law enforcement services, and the Emergency Preparedness program which prepares the City for infrequent large-scale disaster and emergency occurrences.
- Non-Departmental is comprised of a collection of programs that are independent of the City’s service area functions, including the General Administration program, Legal Services, Community Grant and Event programs, Risk Management/Liability and Workers Comp insurance programs, the Library Bond Debt Service, Library Capital Maintenance Trust Fund, and the KSAR Trust Fund. These are all considered non-departmental as the programs represent functions outside of the established City service operations.

- The Financial Summaries section of the budget is the summarization of all budgeted financial and staffing information into concise schedules for a comprehensive view of the departmental/program budgets from several different perspectives.

Revenues

Council & Commissions

- These programs have legislative and advisory functions, and are not revenue focused. However, as Council and Planning Commission appeals are filed on occasion, the appeal fees are accounted for in these programs as the hearing are part of the program function.

City Manager's Department

- The City Manager Department programs are focused on city management oversight support and are therefore not revenue generating programs. An exception is a very small amount of revenue accounted for in the City Clerk's program for dedication trees, benches, or plaques, which represents a reimbursement for the costs of the dedication item, and fees for copies of documents.

Finance & Administrative Services

- While the Finance & Administrative Service Department manages the City's finances, only Business License application fee revenue that is specifically linked to a service the program provides is included in the Financial Services program. The majority of City revenue is considered tax revenue that is received on behalf of the City in the Non-Departmental section's General Administration program.

Community Development

- The Development Department is a fee-for-service focused department with numerous types of development fees collected for project application reviews and permits provided to customers. Additionally, the Development Services program collects arborist fees, historical preservation, traffic, and an assortment of miscellaneous service fees as part of the program's overall development focus.
- A General Plan Update fee is collected in the Advanced Planning program to underwrite the cost of City standards, regulations, specific plans, and the General Plan to guide the physical development of the City. This fee is based on the building permit issued as a new building permit represents a physical change in the City's landscape and has impacts to the community and the future General Plan.
- The Code Compliance program revenues consist of regulatory activity and services, including solicitor/peddler permits, special event and noise permits, and city code which may result in fines.
- Building & Inspection Fees represents building plan check fees, building & inspection permit fees, grading permits, and state regulatory fees.

Public Works

- Public Works operating budget revenues primarily come from engineering permits and services and City park fees. The General Engineering program issues encroachment permits for access rights on city infrastructure, and the Development Engineering program collects fees for engineering related reviews. The Environmental Services program is an oversight program, and revenues are limited to the County collected and distributed refuse surcharge fee.
- The function of the Streets and Storm Drain Maintenance program is city street maintenance and as a result does not generate revenues except for an occasional reimbursement for work done by street staff.
- The Parks and Landscape program function supports park usage by sport groups, therefore fees are collected as reimbursement for these services and contract services. The Parks program also oversees the Landscape & Lighting District (L&L's) activities and provides some services, and therefore receives an administrative fee to reimburse the City for associated expenses.

- L&L's receive tax and assessment fees from property owners from the County assessor to pay the City for District services and oversight.
- The Public Works' vehicle and equipment internal service support functions support their own and other departments, and therefore collect charge-back service revenue.

Recreation & Facilities

- The Recreation and Facility Department revenues consist of class, camp, and recreation program fees. As established under the Cost Recovery Policy, overall program revenues are offset by community based functions, in conjunction with class fees being tempered by competition in the recreation marketplace.
- Facility Rental revenues are also elastic due to market competition and do not represent a full cost recovery of the program. Rental fees are established as part of the Fee Schedule update process each fiscal year.

Public Safety

- Vehicle Abatement, Vehicle Code Bail & Fines, Parking, and False Alarm Fines are allocated to the Public Safety program as the revenue is derived from the Sheriff's activities.
- SLESF/COPS Subvention Funding and Public Safety Sales Tax are allocated to the Public Safety program as these revenues are directly linked to the City providing public safety services to the community.

Non-Departmental

- The General Administration program accounts for the majority of the City's operating budget revenues. This includes Property Tax revenues, Sales Tax, Hotel Tax, Business License Tax, Construction Tax, Franchise Fees, VLF revenue, Interest, and Cell Tower Lease revenue.
- Legal Services, as well as the Community Grants and Events programs are not revenue generating functions and do not typically account for any revenue.
- Risk Management/Liability and Workers Comp insurance programs reflect the charge-back revenues received for internal support services to other programs, and some claim reimbursements.
- The Library GO Bond Debt Service Fund program reflects property tax assessment levied on the city's property owners, as well as interest earned on the debt service funds. The City's Library Capital Project trust funds only reflects interest earnings, whereas the KSAR Trust Fund reflects Public, Education, and Government Access revenues received as part of a cable pass-through fee to support public television.

Expenditures

Council & Commissions

- City Council is supported with funding for supplies, association membership dues, meeting expenses, and training costs. An additional amount of \$50,000 is set aside for Council Discretionary Funds each year, to be allocated as directed by Council vote
- City Commissions receive funding to carry out workload and to attend training as required by commission position.

City Manager's Department

- As the City Manager's Office, City Clerk and Human Resources programs are primarily city management functions supported by staff. Operating costs include supplies, training, document

imaging, agenda management, website management, and video streaming and archiving of council meetings.

Finance & Administrative Services

- The majority of costs in the Financial Service Program are staff, however audit services and supplies contribute significantly to the bottom line.
- The Office Stores program does not have staffing costs, expenses consists of paper and postage supplies, and equipment lease fees.
- The IT Services program reflects staffing, annual license and support fees, and consultant costs to support the program's functions.
- The IT Replacement program is limited to equipment costs only.

Community Development

- As a fee-for-service orientated department, expenditures primarily represent staffing costs to provide development services, with some additional contract and consultant services for assistance. Development expenses include supplies and printing, legal notices, credit card fees, system license fees, records management services, and pass-through applicant fees. The Building & Inspection program also has regulatory fees for the State's seismic monitoring program (SMIP).

Public Works

- Engineering functions are supported by staff and consultant services for both city engineering purposes and development engineering. Engineering program costs also include county wide congestion management services, GIS services, and miscellaneous operational costs.
- The Environmental Services program expenditures represent some staff oversight costs, several large association fees for regional environmental and solid waste programs, and for storm drain testing and cleaning.
- Streets and Storm Drain Maintenance program functions provide staffing and material costs for street and storm drain maintenance, streetlights, traffic signals, signs, street markings, and debris removal, as well as coordinating work with engineering for traffic and roadway projects, and with Parks for weed control and storm drain work. Expenditures consist of mainly of staffing and contract services costs, with a small amount for materials and supplies.
- The Parks & Landscape program expenditures also rely heavily on staff for program functions, but utilize contract services for various park and median landscaping maintenance functions, street tree pruning, orchard maintenance, and sport field services. Water, field rental, port-a-potty rentals, and refuse bins make up some of other the fees and charges for this program
- Landscape & Lighting Districts use city staff for administrative oversight, however most landscaping and lighting maintenance is provided through contract services
- Vehicle & Equipment Maintenance reflects staffing costs for ongoing maintenance servicing and small repairs, fuel, supplies, professional repairs, and miscellaneous permit fees. The Equipment Replacement expenditures reflect vehicle and equipment purchases.

Recreation & Facilities

- Recreation and Teen Services functions include recreation, instructional, and health and safety classes, camps, and excursions. City staff oversees and support these services, however contract instructors and temporary staff provide the hands-on recreation services, and contribute to a significant part of the program's costs. Excursion costs, supplies, credit card fees, and printing costs are notable expenditures also.

- The Facility Rental program is managed by staff with very little expenses other than internal service costs for building maintenance charges.
- The Building Maintenance program reflects staff time and contract services for facility maintenance, repairs, and upkeep. Supplies, materials and utility costs are significant costs for this program as city-wide facility fees are accounted for in this program and then charged back to departments through internal service charges.

Public Safety

- The Public Safety program reflects the City's contract law enforcement services, animal control services, and affiliated administrative fees.
- The Emergency Preparedness program reflects a minor amount of expense for supplies, emergency communication fees, and the regional interoperability program dues.

Non-Departmental

- General Administration program expenses include a collection of expenses, that do not relate to a specific department's function, such as unemployment charges, retiree insurance administration fee, and budgeted funds for leave payouts, miscellaneous supplies, and printing costs.
- Legal Services reflects the anticipated expense for city attorney services including routine attorney services, council and departmental support, non-development ordinances, property development and code enforcement matters, litigation, and a small amount for supplies.
- Community Grants program is the centralized distribution point for City and CDBG grant funds. There are several categories of grant expenditures: Community Services, Community Special Interest Groups, Saratoga Community Support Groups, and CDBG Public Service Grants.
- Community Event program reflects budgeted funding for community support and city events to build community in the City
- The Risk Management/Liability and Workers Comp Insurance program expenses primarily reflect insurance premium costs; however there is a minor amount of staff time allocated to these programs for administration.
- The GO Bond Debt Service Fund reflect the principal and interest payments, and the contract service fee for arbitrage monitoring.
- The Library Capital Project Fund reflects funding for small improvement projects. Large projects are administered through the City's CIP Budget.
- KSAR Trust Fund expenditures would reflect only the distribution of trust fund money back to the KSAR non-profit organization.

STAFFING POLICIES

- City staff positions (FTEs) authorized in the prior year's adopted budget continues on as the staffing base in the following year. Proposed staffing additions or deletions are specifically identified and brought to Council for approval in the budget process.
- Part-time staff positions receive benefits in accordance with their budgeted FTE percentage.
- Temporary staff positions are presented in the budget as funded hours. Temporary worker positions differ from city staff positions as temporary staff are paid based on the number of hours worked in a pay period, do not receive benefits, and are utilized according to changing and variable needs.
- The City operates under adopted labor contracts known as Memorandum of Understandings (MOUs) for the three labor bargaining groups and the City Manager contract. Labor and benefit expenses are budgeted in accordance with the MOUs.

- Council Members (elected positions) and Planning Commissioners (Council appointed positions) receive monthly stipends. Stipend amounts are not adjusted from year to year unless directed by Council. The remaining City Commissioners do not receive stipends.
- FTEs and temporary staff hours are allocated to programs based on an estimated percentage of time spent on program assignments within the department's program functions.

INTERNAL SERVICE FUND PRACTICES

- The City maintains Internal Service Fund programs to allocate centralized program costs which exist to provide services and support to other City programs. Each of these programs is accounted for as a separate fund to track replacement funding, accumulate funds for infrastructure projects, and service level flexibility. The City's Internal Service Fund programs include:
 - Risk Management/Liability
 - Workers Compensation
 - Office Stores
 - Information Technology Services
 - Vehicle & Equipment Maintenance
 - Building Maintenance
 - Equipment Replacement
 - IT Equipment Replacement
- **Risk Management /Liability Fund** – is the City's insurance program which provides general liability, auto, property insurance, and risk management services as part of the ABAG JPA insurance pool. Funding for this program comes from charge-backs to departments based on staffing and function risk factors which recognize operational costs.
- **Workers Compensation** – is the City's insurance for employee benefit coverage for work related illness and injuries. Charge-backs to departments are based on the number of staff, volunteers, and commissioners, injury history, and service function risk factors which recognize operational costs.
- **Office Stores** – is a centralized cost center for the City's photocopy equipment, postage machine, postage permits, and the costs, supplies, equipment repairs, and servicing that comes with maintaining the equipment. Direct costs for copies and mailing are charged back to programs, with the overall leasing costs charged-back to programs on a pro-rated basis, based on program usage.
- **Information Technology Services** – this program supports the delivery of technology based services throughout the City operations. Core services include the maintenance and support for information systems, voicemail and wireless communications, desktop computer and network maintenance and support, as well as new technology initiatives and enhancements to improve IT services. Program operating costs include staffing, consultant costs, and annual license and support fees. Program charge-backs are based on departments information systems, support and maintenance requirements, number of staff and assigned desktops, and user specific fees.
- **Vehicle & Equipment Maintenance** – this program provides for preventative maintenance, cleaning, and repair of all City vehicles and equipment in accordance with manufacturers requirements, and to ensure all vehicles and equipment are safe and well functioning. Program charge-backs are based on the amount and type of equipment assigned, maintenance requirements, and fuel usage.
- **Building Maintenance** – is a centralized cost center for building maintenance and utility costs, as well as custodial supplies and services and miscellaneous repairs. Program charge-backs are based on building space allocation and community use versus departmental use, as well as staffing and contract repair services and supplies utilized for maintenance.

- **Equipment Replacement** – this program provides for a consistent level of funding for the replacement of vehicles and equipment over an asset’s lifespan. This funding structure smoothes a department’s operating expenses by charging back an annual fee for assigned vehicles and equipment to a program, while the Internal Service Fund program reflects the actual fluctuating costs of acquisition and disposal of equipment, and the accumulation of funds for replacement. Program charge-backs are based on the assigned vehicle and equipment’s replacement cost and lifespan.
- **IT Equipment Replacement** – provides for the systematic charge-back of IT related equipment based on the amount and cost of equipment provided to each program over the lifespan of the equipment. This allows for an accurate cost of operations on an ongoing basis, and a consistent level of funding ensuring services are supported. IT Equipment includes desktops, monitors, servers, printers, laptops, telecommunication, and any technology related equipment. Charge-backs to the programs are based on the equipment assigned, the cost and lifespan of the equipment, and maintenance costs.

INTERFUND TRANSFERS AND BORROWING POLICIES

- Interfund Transfers typically reflect the transfer of funds from the General Fund for capital improvements, or from a Special Revenue or Internal Service Fund for an infrastructure improvement that is specific to that fund’s purpose, such as a capital improvement in a Landscape & Lighting District. Transfers to the General Fund are reimbursements for specific expenses, such as from the CDBG Special Revenue Fund for human service grants distributed from the General Fund.
- Transfers between funds are made in accordance with the adopted budget, or by Council approved budget adjustments.
- Any transfers between funds where reimbursement is not expected within one fiscal year shall be recorded as an interfund borrowing. Interfund borrowing is typically undertaken for cash flow purposes, and requires Council approval.

USER FEE COST RECOVERY POLICIES

- Fees collected for services provided will be reviewed and updated on an ongoing annual basis to ensure that fees reflect actual costs, in coordination with the Council’s direction on cost recovery policies.
- The Recreation and Facility Department’s General Fund programs consist of Recreation Services, Teen Services, and Facility Rentals. These programs are under a Council directive to achieve 65% Cost Recovery in light of the understanding there is a significant amount of community benefit derived from these programs which do not provide full cost recovery, such as CPR and CERT classes, facility usage for community meetings, and the sense of community that a recreation program builds in a city.
- The Community Development Department General Fund programs consist of Development Review, Advanced Planning, Code Compliance, and Building & Inspection Services. These programs have an undefined Cost Recovery Policy at this time due to substantive changes in the department’s fee structure, the unsettled economy, and the community benefit services provided outside of the individual fee based services. This policy to be updated at a later date.

FUND BALANCE BUDGET POLICIES *(additions to current policies)*

- The City will maintain a minimum fund balance reserve of at least 20% of operating expenditures in the General Fund for working capital cash balance. This minimum level is necessary to adequately provide for cash flow requirements and maintain the City’s credit worthiness.

- Actual revenue excess over expenditures in the Community Development Department's General Fund programs are to be allocated into the Development Reserve. For years of budgeted shortfall, up to one-third of the Development Reserve may be utilized to offset revenue shortfalls

CAPITAL IMPROVEMENT PLAN/BUDGET POLICIES

General Policies

- The Capital Improvement Plan (CIP) is an ongoing process through which the City identifies, prioritizes, and develops a multi-year plan for major capital expenditures and their associated funding sources, to improve and maintain the City's roadways, parks, facilities, and other infrastructure.
- The Capital Budget represents the current year's funding approval of the City's five-year Capital Improvement Plan.
- CIP Projects are the individually Council approved body of work within the CIP/Capital Budget.
- CIP Projects are defined as having a multi-year life, typically exceeding \$25,000 in cost, and resulting in assets or infrastructure improvements or efficiencies.

CIP Structure

- As the City is comprised of diverse infrastructure, the CIP is structured under four separate program areas: Streets Program, Parks & Trail Program, Facility Improvement Program, and Administrative Improvement Program. Each program area has further sub-classifications of projects to allow for the tracking of resources expended for specific types of work or by specific location.
- The Streets Program includes projects which develop and maintain the City's roadway infrastructure. Sub-categories include:
 - Street Repair & Resurfacing Projects
 - Roadway Safety Improvements
 - Landscape & Beautification Improvements
 - Sidewalks, Curbs & Storm Drains
 - Bridge & Hillside Support Projects
- The Parks & Trail CIP Program includes projects which develop or improve neighborhood and city parks and sport fields, bike and pedestrian trails, and open space areas throughout the city. Projects are grouped into types of park or trails, and then sub-classified by location to allow for the tracking of all projects over time by specific site. Primary categories are:
 - General / Citywide Park Improvements
 - City Parks
 - Neighborhood Parks
 - Sport Parks & Facilities
 - Trails & Open Space
- The Facility Improvement Program provides for capital maintenance and improvements of the city's buildings and structures. Projects in the Facility Program are classified by site to capture resource and improvement information. There are further sub-classifications within the site category by building. The program categories are:
 - City-wide Facility Projects

- Civic Center
- North Campus
- Village Historical Park
- Library Building
- The Administrative Improvement Program provides for major capital projects which improve or create efficiencies for administrative systems, processes, or functions. At this point, the Administrative Improvement Program is limited to three categories:
 - IT System Projects
 - Communication System Projects
 - IT Infrastructure Projects

CIP Funds

- Capital Improvement Funds are set up for each of the four CIP Programs to account for projects within the program area.
- The CIP Funds receive funding directly from designated sources, from General Fund transfers, and transfers from other Funds
 - The CIP Street fund receives funding directly from DOT Prop 42 (TCR) subventions, Road Impact Fees, CIP Project reimbursements, and from Transfers In.
 - The CIP Park & Trail Fund receives funding directly from Park in Lieu fees, and from Transfers In.
 - The CIP Facilities Fund receives funding directly from Theater Ticket Surcharge (for theater projects only), and from Transfers In.
 - The CIP Administrative Improvements Fund receives funding from Transfers In.
 - Traffic Safety project funding will be addressed as part of Council CIP Budget review

Grant Fund

- Grants for capital projects are to be pursued to maximize the use of capital funding dollars.
- Grant funded projects are approved in concept in the Capital Budget; however the project must be approved by the grantee with an award letter prior to beginning the project to ensure cost recovery.
- Grant funding comes from various sources, including federal, state, local, and private grants
- Grant requirements are to be followed accurately to ensure reimbursement submittals are accepted.
- Grant funded projects are to submit reimbursement requests on a quarterly or other regular basis to ensure the City is receiving grant funds on a timely basis.
- Transportation Development Act (TDA) Grant Revenues are to be allocated to alternative transportation programs designed to reduce automobile usage.

Gas Tax Fund

- Gas Tax subventions are restricted by the State for street-related purposes and are subject to compliance audits. CIP projects utilizing Gas Tax revenues will be restricted to street resurfacing and street maintenance projects in compliance with the State's regulations.
- Gas Tax Funds are to be accounted for in its own fund as required by the State.

Tree Fine Fund

- Tree fines resulting from code violation assessments are paid into this fund for utilization in the City’s forestry enhancement or replacement projects.
- Project expenditures include tree and shrubbery materials and installation costs, including the cost of irrigation for project area.

CIP Funding and Appropriations

- CIP allocations are approved on a project by project basis by Council, for use only for the authorized project (even within funds), in accordance with project parameters approved by Council.
- CIP allocations carryover to the following budget year, unless modifications are made to the project budget.
- Project funds remaining at the close of the project will be reallocated to another project by Council.
- CIP project budget adjustments must be approved by Council.

CIP Document (future)

- The Capital Budget is to be presented as an annual update to the five-year Capital Improvement Plan in a budget document each year, to include project parameters, financial and funding information, timeline, fund summaries, and any other relevant information.

FISCAL IMPACTS:

To be determined

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:

N/A

ALTERNATIVE ACTION:

N/A

FOLLOW UP ACTION:

To be determined

ADVERTISING, NOTICING AND PUBLIC CONTACT:

N/A

ATTACHMENTS:

Attachment A – Financial Policy Statements

CITY OF SARATOGA

FINANCIAL POLICIES

The City of Saratoga manages its financial, operational, and budgetary affairs in accordance with the following general policy statements. These policies represent long-standing accounting, budgeting, debt, investment, and reserve principles and practices, and are the foundation which guides the City in maintaining its financial stability.

GENERAL FINANCIAL POLICIES:

- The City Council's financial based goals, objectives, and policies will be incorporated into and implemented with the City's Operating and Capital Budgets.
- Efforts will be coordinated with other governmental agencies and joint power associations to achieve common policy objectives, share the cost of providing governmental services, and support legislation favorable to cities at the state and federal level.
- The City will seek out, apply for, and effectively administer federal, state, local, and foundation grants which address the City's current priorities and policy objectives.

AUDITING AND FINANCIAL REPORTING:

- California State statute requires an annual financial audit of the City's financial records and transactions by independent Certified Public Accountants. The city will comply with Generally Accepted Accounting Principles (GAAP) and produce annual financial reports pursuant to Governmental Accounting, Auditing, and Financial Reporting (GAAFR) guidelines.
- Weekly check registers and monthly Cash and Investment Reports will be submitted for review and approval at City Council meetings. A mid-year budget status report will be presented at the City Council retreat.

APPROPRIATIONS AND BUDGETARY CONTROL:

- The City Council will adopt an annual balanced operating budget and the first year of an integrated five-year capital improvement plan budget, to be effective for the fiscal year running from July 1st through June 30th. Balanced budgets present budgeted sources in excess of budgeted uses. Operating and Capital Budgets are to align with the City's long-term financial goals.
 - Each year the Finance Department will provide an updated five year (or longer) financial forecast to the City Council prior to Council's review of the proposed annual budgets to provide a long-range fiscal perspective to the City's economic status.
 - Budgets are prepared on the same basis used for financial accounting and reporting: governmental fund types (General, Special Revenue, and Debt Service) are budgeted according to the modified accrual basis of accounting; proprietary funds (Internal Service Funds) and fiduciary funds are budgeted under the accrual basis of accounting.
 - The City Council maintains budgetary control at the fund level; any changes in total fund appropriations during the fiscal year must be submitted to the City Council for review and Council
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CITY OF SARATOGA

majority approval. Operating Budget appropriations lapse at the end of each fiscal year unless specifically re-appropriated by the City Council in the following fiscal year. Capital Budget appropriations are structured as a multi-year workplan; therefore project expenditure balances are carried forward to the following fiscal year as part of the annual budget adoption until funding is exhausted or the project is completed.

- The City Manager is authorized to implement the City's workplan as approved in the adopted budget. Within a specific fund, the City Manager may transfer appropriations between categories, departments, programs, and projects as needed to implement the adopted budget, provided no change is made to the total appropriation amount provided for any one fund.
- Recurring expenditures are to be funded with recurring revenues, or funds specifically designated for operational use. One time expenditures may be funded with one-time revenues or fund balances. Fund balance reserves are to be used for non-recurring one-time and capital projects.
- The CIP Streets/Pavement Management program has an established minimum annual funding goal of \$1,000,000, with Gas Tax Revenues and Road Impact Fees as designated funding sources. The \$300,000 of designated TEA proceeds previously transferred to the CIP Streets/Pavement Management program was reverted back to the General Fund effective with the FY 2008/09 budget.
- \$100,000 of TEA General Fund property tax revenues are designated for CIP Facility Improvements.
- The Recreation Department cost recovery rate is to exceed the California Parks & Recreation Society's (CPRS) average cost recovery rate for all California recreation departments as established in the current CPRS benchmarking report (approximately 65%).

REVENUE POLICIES:

- The City will encourage a diversified and stable revenue system to offset short-run fluctuations in any one revenue source.
 - Designated and legally restricted tax and revenue funding sources will be accounted for in the appropriate funds. General taxes and revenues not allocated by law or some other contractual agreement to other funds are accounted for in the General Fund. Capital project revenues are to be directly accounted for in the appropriate capital project fund.
 - The City establishes user charges and fees at a level that recovers the direct and indirect activity cost of providing a service or product. The City will consider market rates and charges levied by other municipalities of similar size for like services in establishing rates, fees, and charges. For services having partial cost recovery objectives, cost recovery ratios may vary according to policy objectives. A master schedule of User Fees is reviewed and updated each year to adjust fees to the established level.
 - The City will follow an aggressive policy of collecting local taxes and revenues due to the City through persistent follow-up procedures, and external resources as necessary.
 - Unrestricted donations, gifts, and bequests to the City in excess of \$5,000 must be brought to Council for approval and acceptance. All restricted donations, gifts and bequests must be submitted to the Council for approval prior to acceptance.
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CITY OF SARATOGA

EXPENDITURE POLICIES:

- All expenditures shall be in accordance with the City's purchasing policy, travel policy, credit card policy, or any other applicable guidelines.
- Expenditures are managed at the program level. Program managers are to ensure expenditures do not exceed the budgeted workplan and must take immediate action if at any time during the fiscal year an operating deficit is projected at year-end. Corrective actions may include expenditure reductions, or with Council approval, budget adjustments, service reductions, or service fee increases.

PURCHASING POLICY:

- The City's current purchasing policy, with an effective date of 4/23/2007, establishes purchasing authority levels, purchasing procedures, and requirements, for the procurement of supplies, equipment, and services, in conformance with Federal and State codes and regulations, and City Ordinance No. 2-45.
- Public Work projects which are governed by the State's Public Contract Code are excluded from provisions of the City's purchasing policy.
- Guidelines established by the City's Purchasing Policy directs the City's departments to purchase the best value obtainable, securing the maximum benefit for funds expended, while giving all qualified vendors an equal opportunity to do business with the City.
- All purchases exceeding \$5,000, up to \$25,000 require written quotes and must be approved by the Purchasing Officer or designee. All purchases exceeding \$25,000 must be authorized by the City Council.

FIXED ASSETS AND INFRASTRUCTURE:

- All assets with a cost equal to or greater than \$10,000 and a useful life of more than one year will be capitalized. Repairs and maintenance of infrastructure assets will generally not be subject to capitalization unless the repair extends the useful life of the asset.
- The City will sustain a long-range fiscal perspective through the use of a five-year Capital Improvement Plan designed to maintain the quality of City infrastructure, including streets, sidewalks, curbs and storm drains, lighting, building, parks, and trees.
- Asset information is to provide information for preparation of financial statements in accordance with GAAP, with emphasis placed on completion of GASB 34 requirements.

INTERNAL SERVICE FUNDS:

- Asset replacement and maintenance Internal Service Funds are to provide a consistent level of funding for asset replacement and building maintenance projects, and ensure sufficient funding is available for the regular maintenance and repair of the City's vehicles, equipment, and buildings. Internal Services Funds are established to both allocate operating costs to departments for support and maintenance services in the effort to distribute costs appropriately, and to stabilize the City's
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CITY OF SARATOGA

replacement and operational costs for the purpose of providing an accurate and balanced long-range fiscal perspective of the use of services and assets.

- Technology and Office Equipment replacement and maintenance Internal Service Funds are to provide a consistent level of funding for the replacement of technology assets and projects, and appropriately distribute support and maintenance costs to departments.
- The Liability and Workers Compensation Insurance Internal Service Funds are to maintain adequate reserves to pay all valid self-insured claims and insurance deductibles, including those incurred but not reported, in order to keep the insurance funds actuarially sound.
- Each Internal Service Fund will set recovery charges at rates sufficient to meet all operating expenses, depreciation, and cash reserve policy objectives.

FUND BALANCE RESERVES:

- Fund balance reserves in a governmental fund are classified as either Reserved or Unreserved Fund Balances, depending on purpose. Reserved Fund Balances represent funding set aside for established legal obligations and liabilities, and are not available for appropriation. Unreserved Fund Balances are comprised of both designated and undesignated fund balances, and are not legally obligated for a specific use.

Unreserved Designated Fund Balance Reserves represents funds identified by Council for an intended use; however as there is no legal obligation, the funds may be re-designated and utilized for another purpose if Council chooses. Unreserved Undesignated Fund Balance represents funds not yet identified for a specific use by Council, and is available for designation or appropriation.

- Adequate reserves are to be maintained for all known liabilities and established City Council and community directed initiatives.
 - At year-end, after the City's financial records are finalized and audited, revenues in excess of expenditures and funding obligations close out to Unreserved Undesignated Fund Balance. Council established \$500,000 as the base amount for Undesignated Fund Balance. Any accumulated available funding in excess of \$500,000 is to be held for appropriation to Capital Improvement and Cost Efficiency projects in the following budget process.
 - Year-end undesignated fund balance distribution is to be prioritized as follows:
 1. Funding of legal obligation and liability reserves
 2. Repayment of borrowing from Fund Balance Reserve to established levels
 3. Replenishment of Unreserved Undesignated Fund Balance to \$500,000
 4. Designation of remaining funds for Capital Improvement and Cost Efficiency Projects
 - Reserved Fund Balance reserves are to be maintained on an on-going basis for the following legal obligations and liabilities:
 1. Petty cash
 2. Retiree Medical (liability amount determined at year-end)
 3. Development Deposits (liability amount determined at year-end)
 - Unreserved Designated Fund Balance reserves are to be maintained on an on-going basis for the following Council established purposes:
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CITY OF SARATOGA

1. Operations Reserve (Established on July 1, 1999 at \$2,000,000 to provide working capital cash flow for the General Fund. Interest earnings are applied at fiscal year-end at LAIF interest rate.)
2. Economic Uncertainty established at \$1,500,000
3. Designated for Liability Claims
4. Development Services Fund Balance
5. Environmental Services Fund Balance

TREASURY MANAGEMENT:

- California Government Code Section 53600; City of Saratoga Municipal Code Section 2-20.035; and Section 16.0 of the City of Saratoga Investment Policy require the City Council to annually review and approve the City's Investment Policy.
- It is the policy of the City of Saratoga to invest public funds in a manner which will provide the maximum security with the highest investment return, while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of funds.
- The Finance & Administrative Services Department shall prepare and present to the City Council in sufficient detail to show the financial condition of the City at month end, the cash and investments balance by fund, and fund balances by fund type.

LONG-TERM DEBT:

- Long-term Financing Debt will be confined to capital improvements or special projects that cannot be financed from current revenues, and is to be used only if the debt service requirements do not negatively impact the City's ability to meet future operating, capital, and cash reserve policy requirements.
- The term for repayment of long-term financing will not exceed the expected useful life of the project.

RISK MANAGEMENT POLICY:

- The City is insured for up to \$25 million of general liability, auto, and property damage claims through the Association of Bay Area Government's (ABAG) Pooled Liability Assurance Network (PLAN) Corporation. The City is self-insured for the first \$25,000 for general liability and auto claims; property damage after \$5,000 and third party auto claims after \$10,000.
 - Workers Compensation claims are insured after the first \$250,000 through ABAG and an excess coverage policy. The coverage provides an employer liability limit of \$5,000,000 per occurrence, and workers' comp per occurrence limit of \$100,000,000. The City participates in a Workers Compensation risk pool for the first \$250,000 of coverage, known as SHARP (Shared Agency Risk Pool). Workers' Compensation claims are managed by a third party administrator.
 - The City's role in managing its risk management program is to be preventative in nature which will be accomplished through careful monitoring of losses, working closely with the third party administrator, and designing and implementing programs to minimize risk and reduce losses.
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SARATOGA CITY COUNCIL RETREAT 2011

MEETING DATE: January 28, 2011

AGENDA ITEM:

DEPARTMENT: Community Development

CITY MANAGER: Dave Anderson

PREPARED BY: Chris Riordan, Senior Planner

DIRECTOR:

SUBJECT: Economic Development in the City of Saratoga

RECOMMENDED ACTION:

Review report and determine appropriate process.

REPORT SUMMARY:

Over the past several years the topic of Economic Development in the City of Saratoga has been discussed at several City Council meetings. The topics have ranged from creating a Vision for the Village, creating an Economic Development Community Advisory Committee, and a Village Economic Development Committee. The Mayor has asked that this item be agendized for discussion at the retreat to provide direction to staff on the subject of economic development.

DISCUSSION:

Depending on the direction of the City Council there are several methods to organize a group of people to study the Economic Development of the City of Saratoga as follows:

1. As an ad hoc committee. This would consist of two Council members. They would investigate issues as directed by the Council and report back. Their meetings would be informal and would not require public notice. Following their final report to the City Council the ad hoc would cease operations.
2. As Council-Planning Commission advisory committee. This would consist of two Council members and two Planning Commissioners. Like the ad hoc, the committee would investigate issues as directed by the Council and report back to the Council. These meetings would be formal and would require public notice and procedures in accordance with the Brown Act. Following their final report to the City Council the committee would cease operations.
3. As a community advisory committee. A community advisory committee would include any number of Saratoga residents as determined by the Council and could include Council members and Planning Commissioners if desired. The committee would

investigate issues as directed by the Council and report back to the Council. Alternatively they could report to the Community Development Director who is responsible for economic development issues (this would be similar to the Pedestrian, Equestrian, and Bicycle Trails Advisory Committee that advises the Public Works Director). The Committee could be for a limited term (e.g., until it makes its final report to Council) or operate on a long term basis. These meetings would be formal and would require public notice and procedures in accordance with the Brown Act.

4. As a Commission. A Commission would be a standing body created to provide advice to the City Council on an ongoing basis. It would be structured similar to other City Commissions such as the Historic Preservation Commission or Parks and Recreation Commission. These meetings would be formal and would require public notice and procedures in accordance with the Brown Act.
5. As a civic engagement process. A consultant could be hired, such as Common Sense California, which has an expertise in conducting large community engagement processes. This method could be used for creating a vision for the Village or other projects requiring a high level of community involvement.

FISCAL IMPACTS:

The formation of an ad hoc committee would require minimal staff time and would not require any formal noticing of the meetings. Staff would attend the meetings in an advisory capacity. Work generated from the ad hoc committee would be implemented as part of the staff work program. An advisory committee or commission would require additional staff time to comply with Brown Act requirements and to provide the level of support that Council directs staff to provide to the Committee or Commission. Depending on the types of projects pursued by the committee or commission it may be possible to have work performed by volunteers. The costs associated with a civic engagement process would be based on the size of the project and the level of involvement of the consultant.

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:

There would be no Committee or Commission to actively promote Economic Development in the City of Saratoga.

FOLLOW UP ACTION:

As directed.

ATTACHMENTS:

None



SARATOGA CITY COUNCIL

MEETING DATE: June 16, 2010

AGENDA ITEM:

DEPARTMENT: Community Development

CITY MANAGER: Dave Anderson

PREPARED BY: John F. Livingstone, AICP

DIRECTOR: John F. Livingstone, AICP

SUBJECT: Village Vision

RECOMMENDED ACTION:

Direct Staff Accordingly.

REPORT SUMMARY:

At the April 21st City Council meeting the Council expressed interest in creating a vision for the Saratoga Village within the next 18 months. The Council requested that staff agendize the item for formal discussion at a future City Council meeting. Staff contacted consultants from Common Sense California, who assist cities with the civic engagement process. In a recent phone conversation they recommended against starting a civic engagement process that may be impacted by the Initiative that was filed May 26, 2010.

The “Vision” was originally initiated by Council members Chuck Page and Howard Miller. Based on the recommendation of the consultant from Common Sense California they are recommending that the visioning process be delayed until the results of the initiative process are known.

FISCAL IMPACTS:

Delaying the project would have no fiscal impact. If the project was to proceed the costs required for a visioning process would depend upon the scope and duration of the process.

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:

N/A

ALTERNATIVE ACTIONS:

The City Council could recommend that the Village Visioning process proceed.

FOLLOW UP ACTION:

As directed.

ADVERTISING, NOTICING AND PUBLIC CONTACT:

This item was posted as a City Council agenda item and was included in the packet made available on the City's website in advance of the meeting. A copy of the agenda packet is also made available at the Saratoga Branch Library each Monday in advance of the Council meeting and residents may subscribe to the agenda on-line by opting in at www.saratoga.ca.us. Notice of this meeting was properly posted at City Hall and published in the Saratoga News.

ATTACHMENTS:

None

1. **VILLAGE VISION**

STAFF RECOMMENDATION:

Direct Staff Accordingly.

Community Development Director John Livingstone presented the staff report.

Mayor King invited public comment.

The following person requested to speak on this item:

Kathleen Casey

No one else requested to speak on this item.

PAGE/MILLER MOVED TO **DELAY ENTIRE VILLAGE VISION PROCESS UNTIL AFTER THE INITIATIVE ISSUE HAS BEEN RESOLVED.** MOTION PASSED 5-0-0.



SARATOGA CITY COUNCIL

MEETING DATE: October 6, 2010

AGENDA ITEM:

DEPARTMENT: Community Development

CITY MANAGER: Dave Anderson

PREPARED BY: John F. Livingstone, AICP

DIRECTOR: John F. Livingstone, AICP

SUBJECT: Formation of an Economic Development Community Advisory Committee

RECOMMENDED ACTION:

Review report and direct Staff accordingly.

REPORT SUMMARY:

At the July 21st City Council meeting during Oral Communications on Non-Agenda Items a resident asked the City Council to create a committee to promote new retail establishments in the Village. Council member Chuck Page expressed interest in appointing a volunteer citizen committee to advise the Council on the issue. The City Council requested that staff agendize the item for formal discussion at a City Council meeting.

DISCUSSION:

The City Council may direct staff on the formation and goals of the committee.

FISCAL IMPACTS:

The formation of a Community Advisory Committee would require minimal staff time. A City Council member or staff could attend the meetings in an advisory capacity. Work generated from the committee would be implemented as part of the staff work program. The Brown Act would apply to an advisory committee requiring some noticing.

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:

There would be no Committee to work on issues related to Economic Development in the City.

ALTERNATIVE ACTION:

Continue to rely upon the existing Economic Development programs and activities.

FOLLOW UP ACTION:

As directed.

ADVERTISING, NOTICING AND PUBLIC CONTACT:

This item was posted as a City Council agenda item and was included in the packet made available on the City's web site in advance of the meeting. A copy of the agenda packet is also made available at the Saratoga Branch Library each Monday in advance of the Council meeting and residents may subscribe to the agenda on-line by opting in at www.saratoga.ca.us. Notice of this meeting was published in the Saratoga Newspaper on April 20th.

ATTACHMENTS:

None

1. **FORMATION OF AN ECONOMIC DEVELOPMENT COMMUNITY ADVISORY COMMITTEE**

STAFF RECOMMENDATION:

Review report and direct Staff accordingly.

Community Development Director John Livingstone presented the staff report.

Mayor King invited public comment.

The following person requested to speak on this item:

Kathleen Casey, Saratoga resident.

No one else requested to speak on this item.

Mayor King closed the public comment.

Council concurred that an Economic Development Community Advisory Committee should be created to determine the needs of the Village. They also agreed that this Committee should consist of two consumers, two business owners, and two Council Members.

In addition, Council agreed to create an Adhoc consisting of Councilmembers Cappello and Miller, with the first goal after the new Council has been seated, to define the specifics, including the objectives and makeup of the Committee, and to report back to Council in December.

CAPPELLO/PAGE MOVED TO **CREATE AN ADHOC COMMITTEE CONSISTING OF COUNCILMEMBERS MANNY CAPPELLO AND HOWARD MILLER TO DETERMINE THE OBJECTIVES AND MAKE UP OF THE ECONOMIC DEVELOPMENT COMMITTEE AFTER THE NOVEMBER COUNCIL ELECTION.**
MOTION PASSED 5-0-0.

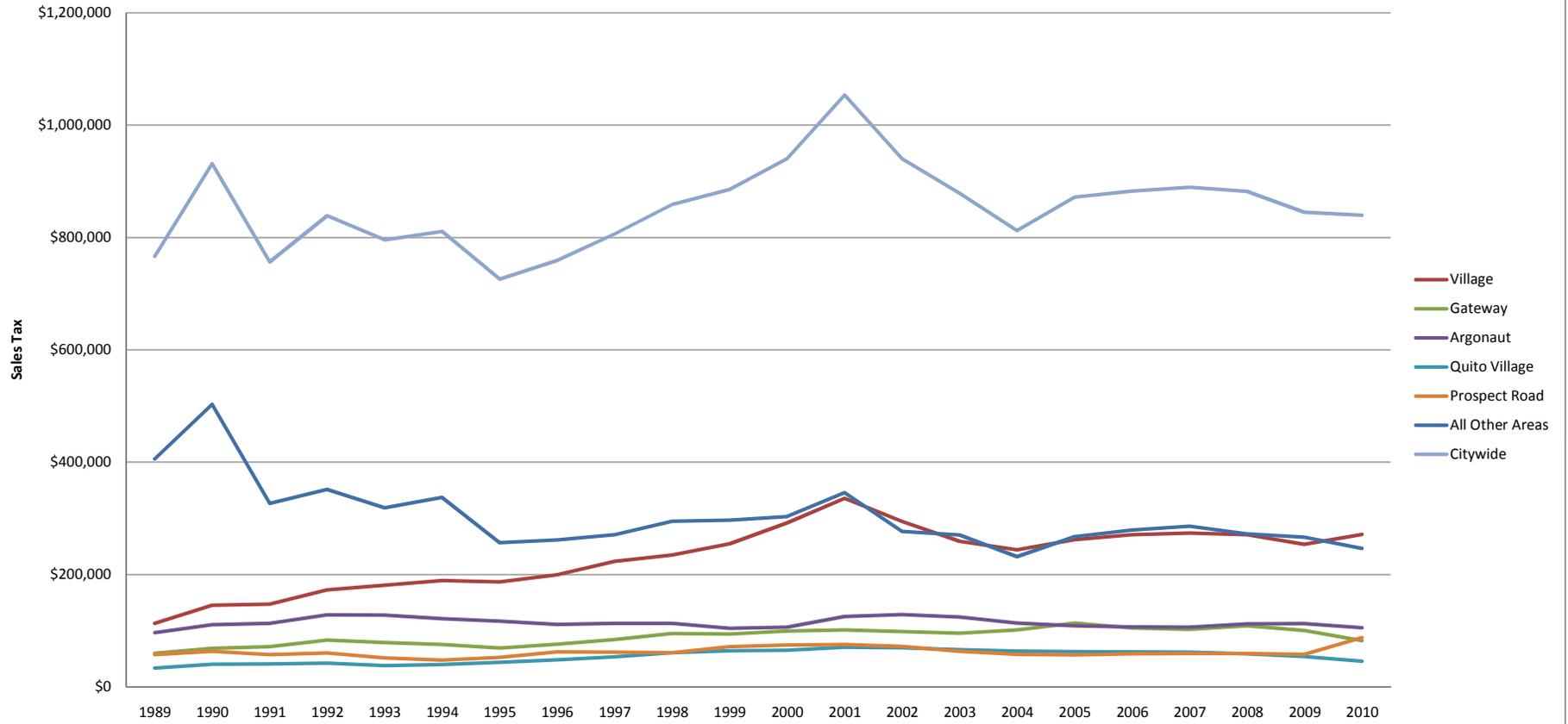
COUNCIL DIRECTION:

Council directed Staff to move forward with the application format and application process.

Year	Village	Gateway	Argonaut	Quito Village	Prospect Road	Citywide	All Other Areas	%Other vs All	%Shopping Ctrs vs All	%Village vs All
1989	\$113,162	\$59,906	\$96,713	\$33,385	\$57,400	\$766,141.00	\$405,575.00	52.94	47.06	14.77
1990	\$145,332	\$68,717	\$110,459	\$40,381	\$63,477	\$931,390.00	\$503,024.00	54.01	45.99	15.60
1991	\$147,196	\$71,677	\$113,250	\$40,643	\$57,566	\$756,775.00	\$326,443.00	43.14	56.86	19.45
1992	\$172,821	\$83,114	\$128,471	\$42,023	\$60,450	\$838,482.00	\$351,603.00	41.93	58.07	20.61
1993	\$181,057	\$78,654	\$127,932	\$37,797	\$51,332	\$795,752.00	\$318,980.00	40.09	59.91	22.75
1994	\$189,451	\$75,541	\$121,505	\$39,594	\$47,521	\$810,990.00	\$337,378.00	41.60	58.40	23.36
1995	\$186,667	\$69,220	\$117,031	\$43,714	\$52,433	\$725,557.00	\$256,492.00	35.35	64.65	25.73
1996	\$199,650	\$75,872	\$111,362	\$48,053	\$62,171	\$758,964.00	\$261,856.00	34.50	65.50	26.31
1997	\$223,343	\$84,123	\$113,186	\$53,411	\$61,642	\$806,536.00	\$270,831.00	33.58	66.42	27.69
1998	\$234,650	\$95,012	\$112,913	\$60,635	\$60,635	\$858,681.00	\$294,836.00	34.34	65.66	27.33
1999	\$255,001	\$94,077	\$104,077	\$64,210	\$71,438	\$885,586.00	\$296,783.00	33.51	66.49	28.79
2000	\$291,700	\$99,635	\$106,187	\$65,206	\$74,486	\$940,216.00	\$303,002.00	32.23	67.77	31.02
2001	\$335,219	\$101,173	\$125,502	\$70,739	\$75,315	\$1,053,487.00	\$345,539.00	32.80	67.20	31.82
2002	\$294,164	\$98,231	\$128,869	\$69,517	\$72,283	\$940,034.00	\$276,970.00	29.46	70.54	31.29
2003	\$259,066	\$95,568	\$124,227	\$66,033	\$63,327	\$878,795.00	\$270,574.00	30.79	69.21	29.48
2004	\$243,887	\$101,320	\$113,778	\$63,537	\$57,967	\$812,180.00	\$231,691.00	28.53	71.47	30.03
2005	\$262,060	\$113,728	\$108,644	\$62,953	\$56,849	\$871,823.00	\$267,589.00	30.69	69.31	30.06
2006	\$270,665	\$104,828	\$106,505	\$62,431	\$58,767	\$882,482.00	\$279,286.00	31.65	68.35	30.67
2007	\$273,620	\$102,345	\$106,201	\$61,741	\$59,544	\$889,510.00	\$286,059.00	32.16	67.84	30.76
2008	\$271,121	\$108,774	\$111,934	\$58,756	\$59,439	\$882,266.00	\$272,242.00	30.86	69.14	30.73
2009	\$253,721	\$100,206	\$112,402	\$53,764	\$58,087	\$844,768.00	\$266,588.00	31.56	68.44	30.03
2010	\$271,209	\$82,453	\$105,343	\$45,891	\$87,919	\$839,409.00	\$246,594.00	29.38	70.62	32.31

Quarter 1 of each year

Saratoga Sales Tax 1989-2010



2010-11 Budget Proposal of Pending Facilities Projects

Project Priority	Fund Source	Account #	Project Description	estimated amount	bid amount	Status	Estimated Completion	actual encumbered expense
1	GF	TBA	Electrical service upgrade at Historical Park	\$ 30,000.00	\$ -	Proposed	2011	\$ -
2	GF	TBA	Re-key Civic Center complex - Phase II	\$ 35,000.00	\$ -	Proposed	2011	\$ -
3	GF	TBA	Replace and repair defective fixtures	\$ 39,000.00	\$ -	Proposed	2011	\$ -
4	GF	TBA	Roof Repairs at Community Center	\$ 12,000.00	\$ -	Proposed	2012	\$ -
5	GF	TBA	Alarm Repairs	\$ 10,000.00	\$ -	Proposed	2012	\$ -
6	GF	TBA	Replacement of roofing on portable buildings	\$ 39,000.00	\$ -	Proposed	2012	\$ -
7	GF	TBA	Re-seal Admin Building exterior	\$ 20,000.00	\$ -	Proposed	2012	\$ -
8	GF	TBA	Leveling of the Pre-School Portable	\$ 10,000.00	\$ -	Proposed	2012	\$ -
9	GF	TBA	Window replacement on City Hall Admin wing	\$ 40,000.00	\$ -	Proposed	2013	\$ -
10	GF	TBA	Replace carpet in Community Center halls and office	\$ 15,000.00	\$ -	Proposed	2013	\$ -
11	GF	TBA	Replace carpet in Senior Center halls and offices	\$ 15,000.00	\$ -	Proposed	2013	\$ -
12	GF	TBA	Repair skylight in Friendship Hall	\$ 15,000.00	\$ -	Proposed	2013	\$ -
13	GF	TBA	Energy Efficient Controls for Civic Center	\$ 20,000.00	\$ -	Proposed	2013	\$ -
14	GF	TBA	Wash station in Adult Care restroom	\$ 25,000.00	\$ -	Proposed	2014	\$ -
15	GF	TBA	Facility furnishings (chairs, tables, appliances, etc.)	\$ 50,000.00	\$ -	Proposed	2014	\$ -
16	GF	TBA	Replacement of roofing at SASCC and ACC	\$ 80,000.00	\$ -	Proposed	2014	\$ -
17	GF	TBA		\$ -	\$ -	Proposed		\$ -
18	GF	TBA		\$ -	\$ -	Proposed		\$ -
19	GF	TBA		\$ -	\$ -			\$ -
20				\$ -	\$ -			\$ -
21				\$ -	\$ -			\$ -
22				\$ -	\$ -			\$ -
23				\$ -	\$ -			\$ -
24				\$ -	\$ -			\$ -
25				\$ -	\$ -			\$ -
26				\$ -	\$ -			\$ -
27				\$ -	\$ -			\$ -
28				\$ -	\$ -			\$ -
TOTAL				\$ 455,000.00	\$ -	\$ -	\$ 32,200.00	\$ -

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2010-11 Budget Proposal of CDBG Projects

Project Priority	Fund Source	Account #	Project Description	estimated amount	bid amount	Status	Estimated Completion	actual encumbered expense
1	CDBG	TBA	ADA compliant ramp at Heritage Museum*	\$ 9,000.00	\$ -	Designed	2011	\$ -
2	CDBG	TBA	ADA compliant Customer Service areas *	\$ 120,000.00	\$ -	Proposed	2012	\$ -
3	CDBG	TBA	ADA compliant signage at all City Buildings *	\$ 12,000.00	\$ -	Proposed	2013	\$ -
4	CDBG	TBA	Replace noncompliant fixtures *	\$ 100,000.00	\$ -	Proposed	2013	\$ -
5	CDBG	TBA	ADA Prioritization Project - phase 1 *	\$ 120,000.00	\$ -	Proposed	2014	\$ -
6	CDBG	TBA	ADA Prioritization Project - phase 2 *	\$ 40,000.00	\$ -	Proposed	2015	\$ -
7	CDBG	TBA	ADA Prioritization Project - phase 3 *	\$ 50,000.00	\$ -	Proposed	2015	\$ -
8	CDBG	TBA	Visual and Audio Alarms *	\$ 60,000.00	\$ -	Proposed	2016	\$ -
9	CDBG	TBA		\$ -	\$ -			\$ -
10	CDBG	TBA		\$ -	\$ -			\$ -
11	CDBG	TBA		\$ -	\$ -			\$ -
12	CDBG	TBA		\$ -	\$ -			\$ -
13	CDBG	TBA		\$ -	\$ -			\$ -
14	CDBG	TBA		\$ -	\$ -			\$ -
15	CDBG	TBA		\$ -	\$ -			\$ -
16				\$ -	\$ -			\$ -
17				\$ -	\$ -			\$ -
18				\$ -	\$ -			\$ -
19				\$ -	\$ -			\$ -
20				\$ -	\$ -			\$ -
21				\$ -	\$ -			\$ -
22				\$ -	\$ -			\$ -
23				\$ -	\$ -			\$ -
24				\$ -	\$ -			\$ -
25				\$ -	\$ -			\$ -
26				\$ -	\$ -			\$ -
27				\$ -	\$ -			\$ -
28				\$ -	\$ -			\$ -
29				\$ -	\$ -			\$ -
TOTAL				\$ 511,000.00	\$ -	\$ -	\$ 16,109.00	\$ -

* also listed in unfunded CIP proposal

2010-11 Budget Proposal of Ticket Surcharge Funded Projects

Project Priority	Fund Source	Account #	Project Description	estimated amount	bid amount	Status	Estimated Completion	actual encumbered expense
1	TSF	TBA	Theater Improvements	\$ -	\$ -			\$ -
2	TSF	TBA	Replace Boiler / HVAC System	\$ 70,000.00	\$ -	Need Design	2011	\$ -
3	TSF	TBA	Lighting and Electrical Replacement	\$ 50,000.00	\$ -	Need Design	2011	\$ -
4	TSF	TBA	Sound System Replacement	\$ 40,000.00	\$ -	Need Design	2011-12	\$ -
5	TSF	TBA	New Front Doors	\$ 6,000.00	\$ -	Need Design	2012	\$ -
6	TSF	TBA	Replace Masonite Flooring on Theater Stage	\$ 60,000.00	\$ -	Designed	2012	\$ -
7	TSF	TBA		\$ -	\$ -			\$ -
8	TSF	TBA		\$ -	\$ -			\$ -
9	TSF	TBA		\$ -	\$ -			\$ -
10	TSF	TBA		\$ -	\$ -			\$ -
11	TSF	TBA		\$ -	\$ -			\$ -
12	TSF	TBA		\$ -	\$ -			\$ -
13	TSF	TBA		\$ -	\$ -			\$ -
14	TSF	TBA		\$ -	\$ -			\$ -
15	TSF	TBA		\$ -	\$ -			\$ -
16				\$ -	\$ -			\$ -
17				\$ -	\$ -			\$ -
18				\$ -	\$ -			\$ -
19				\$ -	\$ -			\$ -
20				\$ -	\$ -			\$ -
21				\$ -	\$ -			\$ -
22				\$ -	\$ -			\$ -
23				\$ -	\$ -			\$ -
24				\$ -	\$ -			\$ -
25				\$ -	\$ -			\$ -
26				\$ -	\$ -			\$ -
27				\$ -	\$ -			\$ -
28				\$ -	\$ -			\$ -
29				\$ -	\$ -			\$ -
TOTAL				\$ 226,000.00	\$ -	\$ -	\$ 8,046.00	\$ -

2010-11 Budget Proposal of Library Maintenance Fund Projects

Project Priority	Fund Source	Account #	Project Description	estimated amount	bid amount	Status	Estimated Completion	actual encumbered expense
1	LMF	TBA	Construction of Library Book Drop Overhang	\$ 50,000.00	\$ 49,000.00	to Council 2/2	2011	\$ -
2	LMF	TBA	Painting and Staining of Library Exterior	\$ 20,000.00	\$ 20,000.00	Awaiting Bids	2011	\$ -
3	LMF	TBA	Library Exterior Improvements	\$ 40,000.00	\$ 40,000.00	Awaiting Bids	2012	\$ -
4	LMF	TBA		\$ -	\$ -			\$ -
5	LMF	TBA		\$ -	\$ -			\$ -
6	LMF	TBA		\$ -	\$ -			\$ -
7	LMF	TBA		\$ -	\$ -			\$ -
8	LMF	TBA		\$ -	\$ -			\$ -
9	LMF	TBA		\$ -	\$ -			\$ -
10	LMF	TBA		\$ -	\$ -			\$ -
11	LMF	TBA		\$ -	\$ -			\$ -
12	LMF	TBA		\$ -	\$ -			\$ -
13	LMF	TBA		\$ -	\$ -			\$ -
14	LMF	TBA		\$ -	\$ -			\$ -
15	LMF	TBA		\$ -	\$ -			\$ -
16				\$ -	\$ -			\$ -
17				\$ -	\$ -			\$ -
18				\$ -	\$ -			\$ -
19				\$ -	\$ -			\$ -
20				\$ -	\$ -			\$ -
21				\$ -	\$ -			\$ -
22				\$ -	\$ -			\$ -
23				\$ -	\$ -			\$ -
24				\$ -	\$ -			\$ -
25				\$ -	\$ -			\$ -
26				\$ -	\$ -			\$ -
27				\$ -	\$ -			\$ -
28				\$ -	\$ -			\$ -
29				\$ -	\$ -			\$ -
TOTAL				\$ 110,000.00	\$ 109,000.00	\$ -	\$ 6,034.00	\$ -

* funded from previous LMF budget



SARATOGA CITY COUNCIL RETREAT 2011

MEETING DATE: January 28, 2011

AGENDA ITEM:

DEPARTMENT: City Attorney

CITY MANAGER: Dave Anderson

PREPARED BY: Richard Taylor

DIRECTOR: Richard Taylor

SUBJECT: SB 375 and Possible Santa Clara County Subregional Housing Needs Allocation Process

RECOMMENDED ACTION:

Review report and provide direction to staff.

REPORT SUMMARY:

A major state-mandated regional planning process is underway in the Bay Area that will affect Saratoga's next Housing Element Update. The Metropolitan Transportation Commission (MTC) and Association of Bay Area Governments (ABAG) are preparing a Sustainable Communities Strategy for the nine county Bay Area region. That plan will form the basis for ABAG's next round of housing allocations to cities and counties. Jurisdictions in Santa Clara County are currently considering whether they should work together developing a methodology for allocating housing targets within the County rather than deferring to the default ABAG process. This report provides background on the regional planning process and on proposals for a subregional housing allocation process focused on Santa Clara County.

DISCUSSION:

In 2008 the State legislature passed SB 375 requiring preparation of integrated land use and transportation plans on a regional level. The plans, known as Sustainable Communities Strategies (SCS), are to lay out a framework for reducing greenhouse gas emissions from cars and light trucks. Among other requirements, the SCS must identify residential areas sufficient to accommodate all the region's housing needs for the next 25 years. This part of the plan will then be used in the otherwise longstanding process of allocating fair share housing numbers to cities and counties in the SCS planning area. (Note that this staff report presents a very short summary of the numerous and sometimes complex provisions of SB 375. A more detailed summary of the legislation is attached and links to useful web resources are presented at the end of the staff report.)

The Sustainable Communities Strategy

In the Bay Area, the SCS is being prepared by MTC and ABAG, working closely with the Bay Area Air Quality Management District and the Bay Conservation and Development Commission. The SCS must be completed by 2013. The SCS must include land use and transportation plans that can work together to achieve a 7 percent per capita reduction in Bay Area greenhouse gas emissions by 2020 (relative to 2005 levels) and a 15 percent per capita reduction target for 2035. These are likely to include programs to place housing near jobs and/or transit, create more walkable/bikeable communities, etc. The SCS will become a part of the Regional Transportation Plan and federal and state funding for transportation projects will need to be consistent with that plan.

The land use plans and policies in the SCS will not be directly binding on local governments. The SCS, for example, may call for high density development near all transit centers, but local governments with transit centers will not be obligated to amend their general plans to accommodate that development. However, SB 375 does seek to encourage local governments to conform their plans to the SCS. For example, it includes provisions allowing streamlined CEQA review for certain types of projects that are consistent with the SCS. In addition, of course, federal and state transportation dollars will be targeted to projects that are found to be consistent with the SCS. The SCS will also affect local governments through the Regional Housing Needs Allocation Process as discussed below.

The Regional Housing Needs Allocation Process

Since 1969 local governments in California have been required to adequately plan to meet the existing and projected housing needs of all economic segments of the community. As part of that process in the Bay Area, ABAG makes a “Regional Housing Needs Allocation” (RHNA) for each city and county. That RHNA (sometimes also called a “fair share allocation”) forms the basis for the periodic updates of the Housing Element. In its last Housing Element update, for example, Saratoga’s RHNA was for 292 units: 57 market rate, 77 for moderate income families, 68 for low income, 90 for very low income and 45 for extremely low income.

Under SB 375, ABAG is required to make future RHNA allocations consistent with the SCS. ABAG expects to issue RHNA numbers for Bay Area cities and counties in 2013. The jurisdictions will then have 18 months to complete their Housing Element updates. SB 375 mandates that all zoning changes needed to implement those updates must be adopted within three years of updating the Housing Element.

As contemplated by state law, ABAG typically makes RHNA allocations through a standard modeling process, applying the same criteria for jurisdictions across the region. State law also provides for an alternative process. Under the alternative, one or more jurisdictions may form a subregion. Although the process is complex, the general approach is that ABAG makes an allocation to the subregion and the subregion makes further allocations among the participating jurisdictions. During the last RHNA process Saratoga expressed interest in participating in a subregional process but there were not sufficient geographically appropriate other jurisdictions

interested to make the process worthwhile.

In anticipation of the next RHNA allocations in 2013 there have been expressions of interest in pursuing a subregional process for Santa Clara County and all the cities in the County. The Silicon Valley Leadership Group has urged local cities to take this approach (see letter attached) and the Santa Clara County Association of Planning Officials (SCCAPO) recently recommended that the County and cities pursue a subregional program that would:

1. Ensure a fair share distribution of total housing growth and affordable housing within the County.
2. Allocate housing growth strategically around major transportation corridors respecting infrastructure constraints and the unique natural resources of Santa Clara County.
3. Foster collaboration between jurisdictions and provide a framework for resource / housing allocation trade-offs.
4. Use the ABAG methodology as a baseline so as not to reinvent an entirely new methodology.
5. SCCAPO will serve as the body to coordinate the subregional dialogue on the subregional RHNA process.
6. Be developed in the most cost effective and time efficient way possible.

The SCS planning process and potential subregional RHNA program provide opportunities for cities to participate in regional planning efforts in ways that have not been fully explored before.

Sources of More Information

<http://www.onebayarea.org> – MTC/ABAG website for SB 375 implementation

<http://www.ca-ilg.org/SB375> -- Institute for Local Government background materials on SB 375

FOLLOW UP ACTION:

Direct staff accordingly.

ATTACHMENTS:

Silicon Valley Leadership Group Letter of November 19, 2010
ABAG/MTC Background report on SB 375



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(408)501-7864 Fax (408)501-7861

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Established in 1978 by
DAVID PACKARD

November 19, 2010

Dear Santa Clara County City Managers,

I write on behalf of the Silicon Valley Leadership Group regarding the consideration of forming a subregion for the Regional Housing Need Allocation (RHNA) for the 2014-2022 planning period.

By way of background, the Silicon Valley Leadership Group, founded in 1978 by David Packard of Hewlett-Packard, represents more than 325 of Silicon Valley's most respected employers on issues, programs and campaigns that affect the economic health and quality of life in Silicon Valley, including energy, transportation, education, housing, health care, tax policies, economic vitality and the environment. Leadership Group members collectively provide nearly one of every three private sector jobs in Silicon Valley.

Our members compete with regions such as Austin, Portland, and Bangladesh for top talent. The home prices in Silicon Valley make it difficult to recruit and retain world class employees. Therefore, it is vitally important to our companies that there is an adequate supply of homes to fulfill the demand.

The RHNA process serves to help cities proactively plan for homes. In the past, the process has been flawed and controversial and has not always led to positive results. We believe that forming a subregion in Santa Clara County could offer the following benefits:

1. Local control: Land use decisions are made at the local level. By forming a subregion, local jurisdictions – not the region – will drive the discussion and determine for themselves a fair way to distribute the numbers.
2. Opportunity for meaningful dialogue: A subregional process allows the all the jurisdictions in Santa Clara County to have a serious dialogue together about how our county can grow responsibly. Having a county-wide RHNA discussion can be helpful especially as jurisdictions start implementing SB 375 and the Sustainable Communities Strategy.

We understand that local governments face many challenges, including resource scarcity. We believe there is promise in pursuing a Santa Clara County subregion and are eager to help support this effort.

Sincerely,

Bena Chang
Senior Associate, Housing and Transportation

cc: Planning Directors in Santa Clara County

One Bay Area

California Senate Bill 375 (2008) aims to reduce greenhouse gas emissions through development of a Sustainable Communities Strategy, which integrates transportation and land-use planning. It's a tall order to be sure. But it's also a great chance to leave our nine-county San Francisco Bay Area in better shape for future generations. The Strategy will need to reflect the region's progressive values, and be developed in close collaboration with local elected officials and community leaders.

Focus on Reducing Transportation-Related Greenhouse Gas Emissions

The law calls upon metropolitan planning organizations (MPOs) in 18 regions in California to develop an integrated transportation, land-use and housing plan known as a Sustainable Communities Strategy (Strategy), with the ultimate goal of reducing greenhouse gas emissions for cars and light-duty trucks. In the Bay Area, this involves the Metropolitan Transportation Commission (MTC), as the MPO, and the region's Council of Governments, the Association of Bay Area Governments (ABAG).

SB 375 also waives certain requirements of the California Environmental Quality Act (CEQA) for projects in regions that develop a Sustainable Communities Strategy. The Strategy must integrate planning for transportation, land use and housing. Specifically, it must:

1. Identify specific areas in the nine-county Bay Area to accommodate all the region's projected population growth, including all income groups, for at least the next 25 years; and
2. Try to achieve targeted reductions in greenhouse gas emissions from cars and light trucks.

The Benefits of Integrated Land Use and Transportation:

- Integrating land uses (jobs, stores, schools, homes, etc.) and encouraging more complete communities can reduce automobile trips and emissions.
- Clustering more homes, jobs and other activities around transit can make it easier to make trips by foot, bicycle or public transit.
- Planning land uses and transportation together can help improve the vitality and quality of life for our communities, while improving public health.

Goals Rooted in Economy, Environment and Equity

The Strategy will reflect the “Three E” goals of sustainability — Economy, Environment and Equity. The vision will be crafted with guidance from local government officials and Bay Area residents to help support a prosperous and globally competitive economy, provide for a healthy and safe environment, and produce equitable opportunities for all Bay Area residents. The Strategy will establish targets or benchmarks for measuring our progress toward achieving these goals.

Who will prepare the Bay Area’s Sustainable Communities Strategy?

ABAG and MTC will develop the Strategy in partnership with the Bay Area Air Quality Management District and the San Francisco Bay Conservation and Development Commission. The four regional agencies will team with local governments, county congestion management agencies, local planning and public works directors, city and county managers, public transit agencies, interested residents, stakeholders and community groups to ensure that all those with a stake in the outcome are actively involved in the Strategy’s preparation.

Despite the daunting list of agencies and officials involved, the strategy will focus on a simple and fragile fact: there is only one Bay Area to pass on to our children and grandchildren.

What’s the relationship between the Sustainable Communities Strategy and the Regional Transportation Plan?

MTC must adopt the Sustainable Communities Strategy as part of its next Regional Transportation Plan (RTP) for the Bay Area, which is due in 2013. Because state and federal law require everything in the plan to be consistent, the RTP’s investments must be consistent with the Strategy and must be judged to be realistically achievable in the RTP’s 25-year planning horizon. This also means the Strategy must be in sync with local land-use plans.

What’s the relationship between the Sustainable Communities Strategy and the Regional Housing Need Allocation?

ABAG administers the state-required Regional Housing Need Allocation (RHNA). State law requires that the RHNA follow the development pattern specified in the Sustainable Communities Strategy. ABAG will adopt the next RHNA at the same time that MTC adopts the RTP. Local governments will then have another 18 months to update their housing elements. Related zoning changes must follow within three years.

Aren’t we already building sustainable communities in the Bay Area?

Yes! Local leaders have been pursuing more compact growth to help revitalize older communities, reduce travel time and expense, bolster the existing transportation system, control the costs of providing new infrastructure, conserve resources, promote affordability, and generally improve the quality of life for Bay Area residents. Responding to the regional agencies’ [FOCUS](#) initiative, over 60 local governments have voluntarily designated more than 120 Priority Development Areas (PDAs), where much new growth would be concentrated.

Located within existing urbanized areas and served by high-quality public transit, PDAs consume only about 3 percent of the region's land area but are being planned by their local jurisdictions to house over half of the region's projected population growth to the year 2035. FOCUS and associated incentive programs, like MTC's Transportation for Livable Communities initiative, provide a solid foundation upon which to build the Sustainable Communities Strategy.

How do I get involved in the Sustainable Communities Strategy?

For more information, [sign up to receive regular updates](#) on the Bay Area's Sustainable Communities Strategy, call 510.817.5831, or email info@onebayarea.org.

Background

- [Air Resources Board Adopts Greenhouse Gas Reduction Targets](#)
September 2010
- [Fact Sheet: SB 375](#) (PDF)
- [Policies for the Bay Area's Implementation of SB 375](#) (PDF)
- [UNDERSTANDING SB 375: Public Participation Requirements](#) (PDF)
- Planning Process Chart:
 - [Phase 1 Detail for 2010](#) (PDF)
 - [Phase 2 Detail for 2011](#) (PDF)
 - [Phases 3 & 4 Detail for 2012-13](#) (PDF)
- [Chaptered version: SB 375](#) (PDF)
- [Regional Targets Advisory Committee Recommendations to CARB - Re: SB 375](#) (PDF)

[Transportation, Land Use and Greenhouse Gases: A Bay Area Resource Guide](#) (PDF)
September 2009



SARATOGA CITY COUNCIL RETREAT 2011

MEETING DATE: January 28, 2011

AGENDA ITEM:

DEPARTMENT: Recreation & Facilities

CITY MANAGER: Dave Anderson

PREPARED BY: Michael Taylor

DIRECTOR: Michael Taylor

SUBJECT: Alcohol in City Parks and Facilities

RECOMMENDED ACTION:

Staff recommends the formation of a Council Adhoc or an Advisory Committee to assist in creating a consistent policy concerning alcohol use in City-owned parks and facilities, returning to Council by April 20 with ordinance recommendations that meet the desire of the community, and are clear and enforceable.

REPORT SUMMARY:

The use of alcohol in two City parks is restricted under Chapter 11 Parks and Recreation, of the Saratoga Municipal Code.

Several Articles in this Chapter contain confusing, apparently contradictory, and unclear language. For example, according to Article 11-05.051, “No person shall consume... any alcoholic beverage within Wildwood Park at any time between 12:01am Monday and 8:00am Saturday each week, without first having obtained a group use permit.”

Under Article 11-05.052, alcohol in El Quito Park is expressly forbidden at any time without a permit. The use of alcohol in other City parks is not regulated by Ordinance.

Additionally, confusion exists over the number of people comprising a group that requires a use permit. Article 11-10.010a states “...group consist of ten or more persons...”, however Article 11-05.050a requires a special permit “by any pre-advertised assemblage or group of persons twenty-five or more in number.” This discrepancy has resulted in numerous questions by potential renters.

There are no direct City ordinances concerning alcohol use in City facilities. Staff has included alcohol use as part of the general Facility Use Policy (Attachment A). According to that Policy, at private events held at Saratoga facilities, alcoholic beverages may be served only after the Permission to Serve Alcohol form is completed. Use of alcohol at any event requires a certificate of insurance, naming the City of Saratoga, its officers, officials, employees, agents, and volunteers as additional insured, in the amount of \$1 million. Certificate must be submitted at

least thirty (30) days prior to the event. For events larger than 30 people, additional security is required.

A non-profit group or organization wishing to sell alcoholic beverages, or charging an admission price which includes alcoholic beverages will be required to obtain, at their own expense, the appropriate license from the Alcoholic Beverage Control Department. Saratoga is one of only a few cities that allow alcohol at events honoring children (e.g. Quinceañera, etc.).

DISCUSSION:

Do the park ordinances mean *only* permitted groups (of 10 or more [11-10.010a] or 25 or more [11-05.050c]) are allowed alcohol? Are permits not required on weekends at Wildwood Park?

The issues are many and staff has had difficulty interpreting and explaining the policies to the public. Questions arise such as “Do we need a permit for a champagne toast?” “Is a permit required for a bottle of wine with our picnic dinner?” Yes in some parks, no in other parks; yes if alcohol is for sale, no if it is free; no during the week, yes on weekends, etc. The answer is not ambiguous, but can be confusing to the park/facility user.

Problems arise when park/picnic rentals are accepted online without a vetting process to determine the possible need for a use permit. This lack of accountability is confusing and may increase the City's potential liability. There is also an issue in that some groups that would require a permit do not reserve picnic areas at all and rely on a first-come, first-served right to the park.

The regulations have not had a complete update in over 15 years and staff has found them to be difficult and confusing to enforce.

To address these issues, Council may decide to:

1. Make no changes and leave existing policy in place.
2. Create a Council AdHoc Committee to discuss alcohol in parks and facilities with the goal to return to Council by April 20 with recommendations.
3. Assign this ordinance for review in the regular Community Development Department Work Plan.
4. Assign this ordinance for review in the regular Parks and Recreation Commission Work Plan.
5. Take some other action not listed and provide direction to staff accordingly.

FISCAL IMPACTS:

The formation of an ad hoc committee would require minimal staff time and would not require any formal noticing of the meetings. Staff would attend the meetings in an advisory capacity. Work generated from the ad hoc committee would be implemented as part of the staff work program.

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION:

There would be no change in the existing regulations concerning alcoholic beverages in City-owned parks and facilities. Staff would continue to enforce current policies.

FOLLOW UP ACTION:

As directed.

ATTACHMENTS:

Attachment A – City of Saratoga Facility Use Policy



City of Saratoga Facility Use Policy

RESERVATIONS

- All Saratoga facility reservations are made on a first come, first served basis. The Facility Reservation form must be completed and delivered to the office of the Community Center. The completed Facility Reservation form must be accompanied by the Processing Fee and Security Deposit.
- City of Saratoga initiated and/or sponsored activities, programs or meetings will be given priority use of Saratoga facilities.
- Reservations may not be made more than one year in advance of date of use. If one year before the date requested falls on a Saturday, the reservation may be made on the preceding Friday. If one year before the date requested falls on a Sunday, the reservation may be made on the following Monday.
- Rental groups must vacate the Community Center facility by 1:00 A.M. on Friday and Saturday and 12:00 A.M. on Sunday through Thursday. All Saratoga Prospect Center activities must end by 10:00pm and the premises vacated by 11:00pm.
- The City of Saratoga reserves the right to refuse rental of the facility.

PROCESSING FEE & SECURITY DEPOSIT

- The non-refundable Processing Fee (\$35.00) is to be paid at the time the Facility Reservation form is completed.
- The Security Deposit (\$300.00 or \$500.00) is to be paid at the time the Facility Reservation form is completed and it is to be in the form of check or cash. Security Deposits are refunded within one month after the date of the event. If there are additional charges, damage to the building or contents, overtime, or maintenance charges, then a deduction will be made from the Deposit and the balance refunded. If the Deposit does not cover the charges, the applicant will be responsible for additional fees. If the clean-up is not completed the entire Deposit shall be forfeited.
- All checks are to be made payable to the City of Saratoga.
- There are no refunds for hourly Rental Fees that have been contracted and have not been used.
- Applicants may only exceed their reservation time limit if facility schedules and staff availability permit it.
- No storage of additional materials (rental dishes, decorations, chairs, etc.) is permitted without prior approval.

CANCELLATION POLICY

- If the event is cancelled between 6 and 12 months in advance one third of the Deposit will be forfeited. Between 3 and 6 months cancellation notice will result in forfeiture of two thirds of the Deposit. An additional \$15.00 processing fee is charged for all cancellations. The City will retain 100% of the Deposit if the cancellation is less than 3 months from the event.
- If notification of cancellation is made less than thirty days in advance of the event, the entire Rental Fee will be forfeited.

NON-PROFIT GROUPS

To be eligible for the non-profit rental fee rate, it is necessary to meet the following criteria:

- Be non-profit 501c3 (or similar) and show evidence thereof.
- At least 51 % of persons in membership or attending the function are Saratoga residents.
- Event is open to the public, advertised as such and is for public benefit.
- Non-profit groups requesting use of Saratoga facilities for the purpose of fund-raising or when an admission fee is charged pay regular rental fees. A special rate (75% of regular fee) is available for non-profit fundraisers where an admission fee is charged. This 25% off regular rental special rate is available once per fiscal year per non-profit group.

SET UP & CLEAN UP

- The applicant is responsible for the set up and clean up of the event.
- Set up and clean up time must be included in the use time and appropriate fees will be charged.
- Clean up responsibilities include:
 - *Cleaning and returning tables and chairs to proper storage areas.
 - *Removing all decorations (use blue masking tape only).
 - *Emptying trash and garbage cans into the outdoor dumpster.
 - *Excess debris on floors must be swept.
 - *Brooms and mops will be provided.
 - *Cleaning supplies and ladders are not provided.
- Kitchen use and clean up responsibilities include:
 - *The garbage disposal is to be used for food wastes only – (NO coffee grounds).
 - *The stove, sinks and counters are to be wiped clean.

USE OF ALCOHOL

- At private events held at Saratoga facilities, alcoholic beverages may be served only after the Permission to Serve Alcohol form is completed.
- Use of alcohol at any event requires a certificate of insurance, naming the City of Saratoga, its officers, officials, employees, agents, and volunteers as additional insured, in the amount of \$1 million. Certificate must be submitted at least thirty (30) days prior to the event.
- For events larger than 30 people, additional security is required.
- A non-profit group or organization wishing to sell alcoholic beverages, or charging an admission price which includes alcoholic beverages will be required to obtain, at their own expense, the appropriate license from the Alcoholic Beverage Control Dept.

- A 24 hour liquor license can be acquired at the:

Alcoholic Beverage Control Dept.
100 Paseo de San Antonio, Suite 119
San Jose, CA 95113 (408) 277-1200

ROOM CAPACITIES

The numbers listed below are room capacities determined by the Fire Marshall.

	Standing	Sitting
Multipurpose Room	400	190
Senior Center	275	130
Dance Studio	45	30
Patio Room	50	40
Arts & Craft Room	50	40
Warner Hutton House	60	40
Saratoga Prospect Center Grace Building Main Room	80	50
Saratoga Prospect Center Grace Building Meeting Room	20	12
Saratoga Prospect Center Friendship Hall	346	150

GENERAL REGULATIONS

- An employee of the City of Saratoga shall be present during all hours of use of the facility. The employee on duty will be responsible for control of lights, equipment and the opening and closing of the facility. The Facility Attendant will usually be in the main office and will be available to answer any question regarding use of the building.

The staff person is not responsible for set up or clean up.

- Groups composed of minors must be supervised by one (1) adult for each ten (10) minors at all times while they are using the facility.
- The use of nails, staples, screws, etc. on walls, table or other equipment is not permitted. Blue Masking Tape, if used, must be carefully removed immediately following the event.
- Applicant will be responsible for any damage to facilities and must leave facilities in the same condition received, including areas outside of building.
- The City of Saratoga is not liable for accidents, injuries or loss of individual property in connection with use of Saratoga facilities. The City may require proof of insurance coverage.
- Users shall observe, obey and comply with all applicable City, County, State and Federal laws.
- Approval for use will not be granted to persons under 21 years of age.

- The lobby areas are not available for use during functions without advanced approval.

Saratoga Facility Rental Fees

Processing Fee

The non-refundable Processing Fee of **\$35.00** is to be paid at the time the Reservation form is completed.

Security Deposit

The refundable Security Deposit of **\$300.00** (refundable Security Deposit for Saratoga Prospect Center Friendship Hall is **\$500.00**) is to be paid at the time the Reservation form is completed.

Rental Fees

The Rental Fees are to be paid 30 days in advance of event.

COMMUNITY CENTER

Multipurpose Room w/kitchen	\$120/Hour
Senior Center Room w/kitchen	\$110/Hour
Community Center or Senior Center Kitchen	\$55/Hour
Patio Room	\$55/Hour
Dance Studio	\$50/Hour
Arts & Craft Room	\$50/Hour
Garden Patio	\$225/Day*

**Available only when renting a room w/kitchen.*

WARNER HUTTON HOUSE

House & Garden	\$115/Hour
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SARATOGA PROSPECT CENTER

Friendship Hall w/kitchen	\$120/Hour
Friendship Hall Kitchen	\$ 55/Hour
Grace Main Room	\$100/Hour
Grace Conference/Meeting Room	\$ 40/Hour

AVAILABLE DISCOUNTS

Saratoga Residents	10% of Rental Fee
Non-Profit Organizations	50% of Rental Fee
Non-Profit Fundraisers	75% of Rental Fee (limit one event per fiscal year)

Only one discount will be applied