

**MINUTES
SARATOGA CITY COUNCIL RETREAT
SARATOGA PROSPECT CENTER
JANUARY 28, 2011**

Mayor Miller called the meeting to order at 9:10 a.m.

ROLL CALL

PRESENT: Mayor Howard Miller, Vice Mayor Chuck Page,
Councilmembers Manny Cappello, Jill Hunter, Emily Lo

ABSENT: None

ALSO

PRESENT: Dave Anderson, City Manager
Barbara Powell, Assistant City Manager
Richard Taylor, City Attorney
Ann Sullivan, City Clerk
Mary Furey, Administrative Director
John Cherbone, Public Works Director
Michael Taylor, Recreation Director
Chris Riordan, Interim Community Development Director
Michael Fossati, Assistant Planner
Kate Bear, City Arborist
Cynthia McCormick, Assistant Planner

REPORT OF CITY CLERK ON POSTING OF AGENDA FOR JANUARY 28, 2011.

Ann Sullivan, City Clerk, reported that pursuant to Government Code Section 54954.2, the agenda for the meeting of January 28, 2011, was properly posted on January 24, 2011.

ORAL COMMUNICATIONS

No one requested to speak at this time.

COMMUNICATIONS ON NON-AGENDIZED ITEMS

Chris Riordan, Interim Community Development Director, provided a brief report on a letter the City received from Saratoga resident Ron Hills regarding the interpretation of Artificial Turf/gravel as Impervious Coverage (code 15-06.370) and its impact on Saratoga Building Permit 09-0344.

COUNCIL DIRECTION:

Council agreed to discuss this issue further during the discussion of Agenda Item 3 on today's agenda – Community Development Department Work Plan.

1. **ICE BREAKER** – 9:15 AM

Council and staff participated in a short “Ice Breaker” exercise facilitated by City Clerk Ann Sullivan.

2. **HERITAGE TREES** – 9:25 AM

City Arborist Kate Bear presented the staff report.

City Arborist Kate Bear noted that at the November 3, 2010 City Council meeting, Council directed staff to bring the topic of heritage trees to the Council Retreat in January 2011. She added that in 2006 the City Council proclaimed a list of 20 large, old and majestic trees as a significant contribution to the City’s heritage; adding these trees are suggested for consideration as candidates for the City’s first heritage trees. She provided Council with a copy of the list of trees and suggested certain criteria be implemented when establishing heritage tree status. She concluded by noting that Council should decide who will determine how heritage trees get on the list and which city commission will oversee this list.

PUBLIC COMMENT

Jeff Schwartz:

- This is a great idea.
- Supports identifying and protecting heritage trees.
- There are two fees involved in this process and recommends council look at both; fee for removing tree and the appeal fee. The appeal fee is too high a price to appeal to the Council and in order to protect trees, Council should consider reducing this fee.

Citizen Allen:

- When I moved here in the 80’s the fee was much higher to remove a tree than it is currently.

Denise Goldberg, Vice Chair of Parks & Recreation Commission:

- Recommends Council look at current fees in comparison to other cities.

Mark Johnson, Chair of Parks & Recreation Commission:

- Supports the initiative to have a heritage tree preservation program.
- Currently there is nothing in place to protect our trees.
- Saratoga is defined by our trees.
- Parks & Recreation Commission is looking at acquiring trees for future generations in our community.

COUNCIL DISCUSSION

Councilmember Manny Cappello:

- Need to establish something regarding heritage trees. This will require a significant amount of discussion regarding the protection of designated heritage trees.

- Currently no one is in charge of heritage trees because as a City, we currently don't recognize heritage trees.
- Would like this issue placed on the priorities list for this year.
- Current fee structure is mismatched and doesn't provide for cost recovery in terms of tree removal permit and the appeal process.
- Look at fee structure as it applies to heritage protection; additional scrutiny may involve additional costs for tree removal permit process.
- Determine the benefits for having a tree designated a heritage tree.
- If you designate a tree to be a heritage tree on private property, property owner may not want to acknowledge this.
- Which commission would be best to handle this – Heritage Preservation or Planning Commission or combination of both?
- Some of the heritage trees are on private property and some are on public right-of-way.
- Would heritage tree designation carry over if property is sold?

Councilmember Jill Hunter:

- Thanked the Tree Adhoc committee for their hours of volunteer efforts regarding the heritage tree list.
- A study was conducted regarding heritage trees in the surrounding communities and Saratoga is slow in pursuing this project.
- Supports the Heritage Tree program and the city should move forward with this.
- Consider a fee change during the master fee schedule update; we are on a different level compared to other communities.
- Who is going to determine how trees get placed on the heritage list?
- Would this be a Heritage Preservation Commission task?
- Heritage Preservation Commission has always handled heritage trees in the past.
- 50% of the existing heritage trees are on private property.
- The Heritage Tree Society contacted each home owner that currently has a heritage tree on their property.
- The Bunya Bunya tree drops large pine cones.

Councilmember Emily Lo:

- Clear communication is very important to property owners that have a heritage tree on their property.
- Determine if heritage tree status remains with the property if the property is sold.
- The list of 20 large, old majestic trees could increase.
- Consider assigning this task to Parks and Recreation Commission.

Vice Mayor Chuck Page:

- It is important to move forward with this project.
- Recommends Heritage Preservation Commission be in charge of creating and maintaining a Historical Tree list.
- Care must be taken when creating the Historical Tree list and that no un-due requirements be placed on property owners with heritage trees on their property; especially if a heritage tree begins to show signs of failure.
- Re-evaluate current fee schedule to reflect actual cost.
- Fees may be affected by Proposition 26.
- Move forward with an ordinance to protect historical trees.

Mayor Howard Miller:

- There is a possibility that the current heritage tree list may be updated, such as trees in Kevin Moran Park.
- Important to identify heritage trees.
- Expressed concerns about taking too many steps all at once.
- Should document heritage tree list by taking photos of the trees.
- Use caution with Bunya Bunya trees.
- Determine “heritage” versus “historical” trees.
- Would be comfortable with the Heritage Preservation Commission starting the process to work on a heritage tree list.
- Concerns about imposing requirements upon property owners at this time.
- Should be voluntary input from property owner.
- Has fee concerns and recommends reassessing current fee schedule to be in line with actual costs; fees may be affected by Proposition 26.

COUNCIL DIRECTION

- Assign the Heritage Tree project to the Heritage Preservation Commission (HPC).
- Hold public hearings in order to receive input from the public.
- HPC to create a Heritage Tree list for voluntary designation.
- Staff to conduct a fee assessment to establish actual costs for fees and bring back to Council.
- Tree Fee structure should be reconciled to be in alignment with actual cost via the Master Fee process.
- Tree Adhoc Committee and City Arborist Kate Bear will bring back a staff report in March for Council to consider an improved process for tree permits, appeals, and fees.

Councilmember Emily Lo was open to assigning this project to either the Heritage Preservation Commission or the Parks and Recreation Commission.

Councilmember Jill Hunter supports Park & Recreation Commission to continue planting trees. Supports HPC creating a list; however, prefers a heritage tree designation list rather than voluntary list so the homeowner understands the value and importance of a heritage tree on their property.

3. COMMUNITY DEVELOPMENT DEPARTMENT **WORK PLAN** – 10:05a.m.

Mayor Miller noted that as a result of the public comments on non-agendized items today, Council added one additional item to this presentation for discussion – Impervious Coverage.

Interim Community Development Director Chris Riordan presented the staff report.

Mr. Riordan noted the Community Development Department (CDD) has four specific city ordinances they would like to update this year in their work plan, including the item *Impervious Coverage* that was added earlier today as a result of resident Ron Hills’ letter.

The following ordinances were presented by specific staff members as follows:

Sign ordinance – by City Attorney Richard Taylor:

City Attorney Richard Taylor noted our sign ordinance was established many years ago and hasn't been updated to reflect recent court decisions. He added the City can't enforce their current sign ordinance as it is inadequate and we need to implement a comprehensive update reflecting a new approach. He added it will require a high level of effort to educate and work with the community to determine what we can and cannot do within the perimeters.

Miscellaneous Zoning Code Update – by Interim CDD Director Chris Riordan

Interim CDD Director Chris Riordan noted this is a minor update to correct inconsistencies in the code and confusing language. Specific areas include:

Solar Panels – Section 15-80.030(f) states that with the approval of the CDD 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.

Change the Word “Adjacent” to “Abutting” – Recent case law has determined 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 (Commercial 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.

Large Project Signs – by Assistant Planner Cynthia McCormick

Assistant Planner Cynthia McCormick noted in 2009 the Council considered creating a new requirement to place large signs on properties with pending projects. At that time the 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. 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. This item would be assigned to the Planning Commission to determine the size of the sign, verbiage on the sign, sign material, and when to place the sign on the property.

2010 Carry over Items – by Richard Taylor

City Attorney Richard Taylor noted this is a follow up to last summer's discussion regarding the proposed ballot measure and some policy issues that were not included in the ballot measure. Council directed the Planning Commission to address those issues. They were to consider ordinance changes that would specify that mixed use projects may include less than 50% commercial space (if authorized by the Planning Commission) only if the project is less than five residential units and to specify that mixed use projects may use shared parking (if authorized by the Planning Commission) only if the project includes fewer than five residential units. Council also directed the Commission to consider a General Plan amendment to clarify the General Plan to provide that the higher densities currently allowed in the CN(RHD) district at Prospect and Lawrence Avenue are allowed only at that site and not elsewhere in the City.

Impervious Coverage –

Determine the interpretation of Artificial Turf/Gravel as Impervious Coverage (code 15-06.370).

PUBLIC COMMENT

Jeff Schwartz:

- Carryover items are important due to agreement with Council last year that they would be discussed this year.
- Not contingent with the ballot measure.

Mary-Lynne Bernald:

- Planning Commission would like impervious coverage discussion.
- Planning Commission needs direction on impervious coverage in HR zoning.
- Driveways sometimes take up majority of impervious coverage.
- Exceptions for height in commercial areas on Saratoga/Sunnyvale Road.

Jeff Schwartz:

- If you move forward with impervious coverage, you might want to include input from the community.

COUNCIL DISCUSSION

Councilmember Jill Hunter:

- It's bad economic times and that is why the signs are on the sidewalks.
- City is facing tough economic times as well.
- Address number of sidewalk signs.
- Biggest concern with signs is the size; we can regulate the size of signs.
- Neon signs are a concern.
- Saratoga is a big "walking" city and she supports the *Large Project Signs* in addition to the story poles.
- The City has typically held firm with the "no variance" requests.
- Doesn't feel the Planning Commission should go through each specific variance request to come up with the best decision, along with public input, for each specific request.

Councilmember Manny Cappello:

- Sign ordinance should be a priority for Council even though it is controversial and will take a lot of staff and attorney time; however, it is critical more so now than ever, and will be costly. We should make this the highest priority
- 2010 Carry over items is something Council committed to. We should address this and make this a high priority.
- All the items on the list are important and the Large Project Sign issue is nice; however, it should be the lowest priority.
- Story Poles alert the community that there is something more happening than just a single-story project and suggests using the criteria for story poles for a large development project to inform the community and that would not require a code change. Planning Commission can decide if the large sign is necessary for a specific project if property owner is in agreement.
- Agrees that with respect to variance requests, there are some areas in our Code that may need to be revisited. If we could address some of the Code issues surrounding variance issues, particularly in the area of site coverage, this would have to be brought before the public in the form of a ballot measure. The other item pertains to the height issue. Would like to see that item added to the list if we could as there are areas in the city where we allow two stories, such as in the commercial areas; yet we have a 20 foot limit, which is ambiguous. Which do we want to adhere to – the two-story or the 20 foot height limit? Would like to work it in our work plan this year, if we can, so that we can get the public input in that area.
- Impervious Coverage – If we make a change to our definition of impervious coverage, it will create other concerns regarding driveway material. This will require significant staff time and public input. If we address impervious coverage we need to address all potential areas for impervious coverage at the same time. The only area we can address at this time without impacting Measure G would be the definition of "impervious".

Councilmember Emily Lo:

- Feels all four of the listed items are important.

- Feels the sign ordinance update is long overdue and considers this a top priority.
- Carry over items should be addressed if this is what Council committed to.
- Addressing the impervious coverage at this time may create more ambiguity.
- There are many possibilities when it comes to considering the different types of material.

Vice Mayor Chuck Page:

- Considers the sign ordinance the number 1 priority.
- As a representative of the water commission the Impervious Coverage item should be addressed and considers this number 2 priority.
- 2010 Carry over items need to be addressed and rates these as priority 3 and 4.
- Planning Commission should look at the three separate carryover items and address them as to which one has more priority over the other.
- Not a fan of large project signs and considers this to be the lowest priority on the list. Rates Large Project Signs as number 5 on the priority list.
- Suggests not changing height limits. Allow Planning Commission to go through each specific instance and allow them to come up with the best decision based upon their varying knowledge and on public input.
- The public process is what gives the Planning Commission the direction and clarity. This is not something five people on the Council should dictate.

Mayor Howard Miller:

- Continually hears a lot of frustration regarding the sign ordinance.
- Business owners need to advertise more in a down economy.
- Sign ordinance will be challenging – will require public hearing and outreach and should get as much done as we can this year.
- Impervious coverage – we must address the water shortage issue.
- New materials are far more permeable than grass.
- We have an issue with respect to a specific type of synthetic material.
- If possible, would try to focus us down to the one issue, which is the water usage for landscape material choices rather than trying to address if you can build driveways out of high tech impervious material and whether inter-locking pavers are pervious or impervious.
- Miscellaneous Zoning Code Update should be updated every year with regard to ministerial updates. Take out the one issue that we identified – setback changes.
- Supports staff's proposals regarding solar and confusing words.
- 2010 Carry over items – Council did promise to make them an item of Council priority and they have been assigned to the Planning Commission for their consideration and recommendation. There is a policy decision to be made. However, in the process of considering these three items, it doesn't mean that the end result will be what everyone would like it to be. They are not "pre-agreed" to; they are items the Council agreed to look at in detail and will be addressed in the full process. The Planning Commission will see if they can make the findings or come up with reasonable solutions and then those items will come back to Council.
- Agrees with the concept that if the Planning Commission is always making the findings regarding variances and is granting the variance, then perhaps our Code is wrong. The philosophy is the Code is the law with regard to variances.
- If we wanted to change the height in the CV area that process could probably be done through the Planning Commission and City Council, which would be a long

and arduous process. It would be best to put it to the voters in the form of an Initiative.

COUNCIL DIRECTION

The following ordinance priorities will be added to the Planning Commission 2011 Community Development Work Plan. The variance issue, including height limitations, won't be added to the work plan at this time.

- **PRIORITY NUMBER 1:**
 - A. SIGN ORDINANCE UPDATE – With the exception of Councilmember Hunter, Council rated the Sign Ordinance Update as their highest priority.
 - B. MEDICAL MARIJUANA MORATORIUM ORDINANCE – expires October 2011; will be addressed in July 2011.

- **PRIORITY NUMBER 2:**
MISCELLANEOUS ZONING CODE UPDATE – Excluding the Accessory Structure Set Back Change; this portion will be addressed separately by the Planning Commission.

- **PRIORITY NUMBER 3:**
2010 CARRY – FORWARD ITEMS – Council agreement that this item should proceed through the normal process and go through the Planning Commission and ultimately come back to the Council.

- **PRIORITY NUMBER 4:**
LARGE PROJECT SIGNS – Council agreed they would not be addressing a large project sign ordinance as a top priority at this time and if the Planning Commission wants to take the initiative to see project sign examples from another city or cities they could. Council recommended this item as an advisory/option item for the Planning Commission.

- **PRIORITY NUMBER 5:**
IMPERVIOUS COVERAGE – Council agreed they couldn't address the Impervious Coverage item in this year's work plan, however, they agreed the Planning Commission could address the "definition" of impervious coverage.

Mayor Miller declared a break at 11:25 a.m.

Mayor Miller reconvened the meeting at 11:40 a.m.

4. **SINGLE USE, DISPOSABLE BAGS** – 11:40 a.m.

City Attorney Richard Taylor presented the staff report.

City Attorney Richard Taylor noted many local governments are trying to find ways to reduce the use of single-use bags. Each time they attempt to proceed with the issue, they incur litigation from the bag industry and one of the big litigation issues has been the

failure to comply with CEQA – California Environment Quality Act. He added the City of San Jose has done a full environmental impact review and their ordinance will take effect January 1, 2012. Their ordinance prohibits the use of plastic bags and requires merchants to charge for paper bags. (*There are some exceptions to the use of plastic bag use, such as restaurants.*) He noted the City of Saratoga could pursue the same process/procedure for our City that the City of San Jose did. He also stated the issue is changing so quickly and does carry with it some litigation risk if the City chooses to pursue this issue.

Mayor Miller stated the position the Council for the City of Saratoga has taken is that we would wait and track all that is happening regarding this issue. This item was added primarily as an informational/update regarding the single-use plastic bag issue.

PUBLIC COMMENT

Joyce Hlava:

- Stated she is nervous about passing laws which we have no ability to enforce and that we need to look at what our resources are. We have one code enforcement person. How is Saratoga in a position to enforce this kind of regulation?

COUNCIL DISCUSSION

Vice Mayor Chuck Page:

- Recommends that our stand/policy is that we continue to wait until the State takes action.
- Many of our residents reuse plastic bags for other uses and so it really isn't a "single-use bag" for many people.
- You can also recycle plastic and paper bags by recycling them at the grocery store or placing them in the recycle bins curbside. The recycling company asks that you place all plastic bags in one bag and all paper bags in one bag before placing them in the recycle bins curbside.

Councilmember Jill Hunter:

- Adopt a wait and see attitude.

Councilmember Emily Lo:

- Not a priority at this time. Our community is environmentally conscious.
- The City of San Jose has many exceptions and it doesn't really change the shopping habit.
- Leave it as it is and not allocate any money for this issue.

Councilmember Manny Cappello:

- Prefers to leave it alone and not put money and resources into this, especially if it has potential litigation.
- Everything could change when the State takes their action.

COUNCIL DIRECTION

Continue to wait and monitor state, county, and regional efforts with respect to single-use disposable bags.

5. **PROPOSITION 26 OVERVIEW** – 12:00 noon

City Attorney Richard Taylor presented the staff report.

City Attorney Taylor noted this was an opportunity to provide Council a general sense of what this proposition is about. He noted Propositions 13 and 218 focused on the government's ability to impose and raise taxes. These propositions required a fifty percent voter approval for general taxes and a two thirds voter approval for special taxes.

Proposition 26 changed the definition of taxes to include "fees" collected by local governments and it exempted a number of fees. Any fee that is not exempt is now subject to voter approval and applies to new fees and increases in existing fees. Much of this may be subject to litigation.

He explained that Proposition 26 does not affect existing fees, only new fees and increases to existing fees. Even so, it is good to know that all of the City's existing fees appear to fall under one or more of the exceptions in Proposition 26. Increases to existing fees based on increased costs to the City will not be affected by Proposition 26. Even before Proposition 26 the City was subject to a general rule that you can't charge more for a city service than what that service costs us and the City has always followed that requirement. There is an exception for fees for use of City property such as parks and meeting rooms, you can charge more than the basic cost of service for these use/entrance fees. Proposition 26 maintains that exception for parks and other city property. He also noted that Proposition 26 makes it more difficult to charge different people different amounts for the same service (such as offering a discount for seniors or low-income families).

City Attorney Taylor noted that while Proposition 26 allows fees providing for full cost recovery, it does not require fees to be set that high. The portion of costs to be recovered by fees is at the discretion of Council.

City Manager Dave Anderson:

- In 2003 or 2005 Council asked staff to do a cost recovery study and establish a fee schedule.
- Council declined to implement full cost recovery for some fees.
- We have no fees that are above our costs.
- The City has an established methodology for proposed fees; we rely on the council to adjust the fee downward from full cost recovery if they feel that there are other values they need to balance. An example is appeal fees which are lower so that appeals are not precluded due to cost.

PUBLIC COMMENT

Jeff Schwartz:

- The City is good about identifying things and providing an incentive, like the solar projects.
- City isn't as good about subsidizing low cost items that would matter to residents, such as appeal costs for removing a tree. Residents shouldn't face a hardship in getting their voice heard in the City.

- Same kind of sensitivity we show to businesses should be applied to residents.

COUNCIL DISCUSSION

Vice Mayor Chuck Page:

- We do need to look at our fee structure.
- Staff could look at the tree appeal to see if it can be made more efficient; however, we shouldn't lower fees and incur additional costs.

Councilmember Manny Cappello:

- Our approach to establishing fees in terms of a balance between cost recovery and overall vision is good.
- As we move forward and look at our fees as a whole we will have further adjustments. Maybe some areas could be streamlined.

Councilmember Emily Lo:

- I believe we will be adequately informed if the City is affected by Proposition 26.

Councilmember Jill Hunter:

- Thanked staff for the informational update.
- Agrees with Councilmember Manny Cappello's comments.

Mayor Howard Miller:

- If Proposition 26 continues in its current form, the future of California will be one in which there are fewer and fewer places where the local jurisdiction can use the general fund to subsidize a service and all cities will be charging full recovery costs.

COUNCIL DIRECTION

No additional direction to staff at this time. The City is currently doing the right thing.

Mayor Miller declared a break at 12:25 p.m.

Mayor Miller reconvened the meeting at 12:30 p.m.

6. BUDGET OVERVIEW – 12:30 p.m.

Administrative Services Director Mary Furey presented the staff report.

She proceeded to provide an overview on the following items:

1. Mid-Year Budget Status –
the budget continues to be a work in progress. She added the revenues are good in terms of our projections, the economy has impacted interest rates, and expenses are holding except for a few items, which will require a budget adjustment.
2. Forecast Highlights –

The future looks stable without major cuts to core services; however, we may need to dip into the Reserve Fund to balance the budget. She noted the rates will increase for PERS – 1%, medical, and insurance; adding the PERS cost for the City is low compared to most cities.

3. 2011 Budget Calendar:
 - April 25 – Council Budget Study Session
 - May 18 – Public Hearing for proposed budget
 - June 15, 2011 Budget brought back for adoption
4. Budget Policies and Practices –
Purpose of budget policies and practices is to improve the financial processes.

PUBLIC COMMENT

None

COUNCIL DISCUSSION

Councilmember Jill Hunter:

- Voiced a concern that the Finance Committee consists of two people. They do a great job; however, they are essentially deciding what happens before the proposed budget is brought before the Council at a public hearing. Those council members that aren't on the Finance Committee aren't as well informed about the budget.
- Would like to have a study session where the finance situation, including fees, is discussed prior to the proposed budget public hearing.
- Wants to bring in the value system for the City of Saratoga.
- Should be more study sessions regarding the fee schedule.

Councilmember Emily Lo:

- Understands there is a budget study session to discuss the budget prior to the public hearing.
- Feels neutral on the budget process and must experience one budget cycle to see if additional public hearings prior to budget public hearing are necessary.

Councilmember Manny Cappello:

- Feels a budget study session prior to the budget public hearing is invaluable.
- Learns a lot from an informal discussion, such as in a study session.
- Would like to see more Council study sessions for various topics.
- Would like to see a study session scheduled regarding the fee schedule.

City Manager Dave Anderson:

- Staff is always available to discuss the budget with all council members at any time and recommends council members meet with staff whenever they have questions regarding specific budget concerns and questions regarding the fee schedule to receive additional clarity on these items. He noted the Finance Committee does not establish budget policy; they make recommendations to the Council. The recommendation would be included in a staff report for Council's discussion and decision at a scheduled council meeting.

Vice Mayor Chuck Page:

- Doesn't feel a study session is needed to discuss the fee schedule.
- The budget study session is an opportunity for Council to discuss the budget, define or refine budget policies, and provide staff with the information needed to create the budget.
- Feels a public hearing at a Council meeting is the best method to discuss the budget, including fees, as it is a televised meeting and anyone from the public can speak at this meeting and give their input to the budget process.
- Finance Committee doesn't create the budget.
- Most items discussed during the Finance Committee meeting are on the regular Council meeting agenda for Council discussion that same evening.

Mayor Howard Miller:

- Finance Committee does very little decision making on the level that has been expressed regarding budget issues. The meeting is usually held prior to a council meeting and is open to anyone that is interested in attending.
- Feels Council Study Sessions are not an opportunity to learn. Council members should meet with staff individually to learn about issues. A study session by its very nature has an obscuring factor on the transparency of government as opposed to discussion at a regular council meeting. Prefers to be as transparent as possible and opposes study sessions because this removes the council from public view.
- Recommends all council members read the finance policies attached to this staff report as it is very informative.
- Tree fee, tree removal process, and appeal process should be agendized as a separate item for discussion at a council meeting.
- The mid-year budget adjustment is scheduled on the February 2, 2011 Council meeting.
- There are some policies Council should look at regarding Economic Uncertainty Fund and Hillside Reserve Fund.

COUNCIL DIRECTION

Council decided a separate Study Session to discuss the fee schedule was not necessary at this time.

Council directed staff to:

- Prepare a staff report addressing the Mid-Year budget adjustment at the first meeting in February – February 2, 2011.
- Tree Adhoc Committee and City Arborist Kate Bear bring back a staff report in March for Council to consider an improved process for tree permits, appeals, and fees. The tree fees will be addressed during the annual User Fee review.

- Mid-Year Budget Status – No direction.
- Forecast Highlights – No direction
- Budget Calendar – No direction
- Budget Policies & Practices – No direction

5. DETERMINE ECONOMIC VITALITY PROCESS – 1:20 p.m.

Mayor Miller stated that over the years there have been blue ribbon commissions, panels, and items all related to “what do we want the future of our city to look like”. That is what this item is intended to be – how we go through a process to decide what the future is going to be. Discussion has occurred about economic vitality, the Village vision, zoning ordinances, and economic incentives. How do we unify that and how do we put together a process that lets us move through public input and policy decisions to a point where we can move forward on a vision for our future that we all support and that the citizens support.

The goal today is the “process” – not necessarily the “ends”.

City Manager Dave Anderson presented the staff report.

He noted that in the area of economic development over the last year, we had two issues that were deferred until after the November election, to be addressed at the Council Retreat. The first issue was presented to the Council on June 16, 2010. The focus of this report was the Village Vision and it suggested a village engagement process. The decision was to defer this until after the November election due to a number of economic development initiatives moving forward and Measure Q.

The second issue was presented to the Council on October 6, 2010. Earlier in the year residents asked the Council to form a committee to promote new business development in the Village. In addition to these issues they had some concerns over the low occupancies in shopping centers city wide. This turned out to be caused by the purchases of some shopping centers, termination of leases, and the affects of a long recession. Some of the issues presented in the October 6, 2010 report were: vision for the future, economic vitality, building height and number of stories, parking, business attraction and retention. Some of the methods suggested for this process included: use of a consultant, citizen engagement process through Common Sense California, and a Community Advisory Committee.

City Manager Dave Anderson referred to a handout reflecting Saratoga sales tax from 1989 – 2010. He noted that overall for all shopping centers, except the Village, business sales tax numbers have been quite level even through the period of the economic recession. He added this indicates that predominant sales in these districts are inelastic and they indicate a large percentage of sales for staples, such as groceries.

The Village has gone from more general merchandise to leisure oriented business over the last 20 years. If you look at the wider community you have Big Basin State Park, Hakone Gardens, Mountain Winery, and Montalvo. In the Village you have restaurants, day spas, service businesses, and a cluster of wine tasting establishments – all of which are “leisure”. A consultant would say that the City has one of the best clusters of leisure service businesses in the nation. Businesses moving into the Village are catering to this segment of the market.

PUBLIC COMMENT

Jeff Schwartz:

Economic vitality and Village are two levels – one more specific than the other. Economic vitality is a city issue; the Village and its economic vitality are much more specific. There is another level – what is our Vision? Discussion of economic vitality and not recognizing that you are throwing in the vision of the city is a part of the vision of the city. Those are reflected in the value statement. If there is discussion about where is the City going, it has to be much broader than vitality, economic vitality, and it should start with values, mission and vision. Start from the top down if we are going to be broad. If we aren't going to be very broad we as a city should at least acknowledge and refer to the values and see if we are well founded in what we are pointing to. If it's economic vitality, can we be clear when we talk about the Village vs. the city's economic overview and when we talk about where the City is going.

Marilyn Marchetti:

I notice the Adhocs are basically city council members. We should have some balance and diversity and have a couple business owners and residents on them. I like the reference to “grand new marketing theme on leisure” – this is very good. Also, I would like to bring back the Arts Commission; they were instrumental in bringing those leisure packages together. Setting precedence and making exceptions to our rules on height limits does have something to do with vitality issues. People are asking for exceptions regarding height limits ever since the ballot measure and once we set precedence it is going to cause issues and that is a huge concern of mine.

Ron Fugal:

I would like to talk about the process. How do you get to a point of understanding what our vision is? There hasn't been a fair cross section drawn as to the diversity of the city. It doesn't always get reflected in the elected representatives that we have. There is a lot to be learned. You've mentioned public forums, ad hoc sessions, study sessions – all good things; however, they don't bring things together. Need to look at vision statement that embraces the majority of the citizen's views as to why we came to Saratoga, why we live here, and why we want to maintain a specific decorum in the city. We need to understand the sustaining value systems and why people want to stay here. A community that is supportive fits with my economic values and life style.

Planning Commissioner Linda Rodgers:

When conducting the housing element study session there was a public meeting where people came to talk about what they wanted to see in the Village and how they would like to see it developed. We had a professional facilitator at that meeting and we came away with a lot of recommendations. The process worked well once and it may be the way to go for the future. In terms of what kinds of things we should look at, we can't really look at policy and values without looking at some of the basic economics of today. According to economists, people are spending the highest percentage of their budget on recreational leisure activities. We need to take advantage of that. We should consider public meetings with facilitators.

Planning Commissioner Mary-Lynne Bernald:

It is important that our children be included in some manner when this topic is discussed; they are our future.

Gene Zambetti:

To dove tail on the comments of [Linda Rodgers] the commissioner, we met at the fire station and discussed the housing element one time. Prior to that we discussed the parking requirement – relief of excess parking spaces, and I believe the only thing missing from these discussions was input from people coming and going to schools. People that live in and around the Village really want to have another grocery store or hardware store; however, with the economic trends I don't think you will get that to happen. It could be a group that meets and talk about getting Hakone and Montalvo, when that destination point is reached by the customer or the citizen, there should be some incentive for them to spend some money in the Village, such as some type of service provided or product sold.

Planning Commissioner Joyce Hlava:

I would like to see the City hire someone on a part time or full time basis to get the job done – economic development. Until you decide exactly what you want the future to be there is no point in hiring someone to do anything to get there. This is not just the Council's responsibility; it is the entire city's responsibility. Saratoga does and always has had a real vision for what the city is and how it should be developed. We all have a shared consensus on residential development and how that was done. What we don't have shared consensus on is "what do we want" because it is seldom discussed. The easiest thing to do would be to make this an all residential community; rezone all the commercial areas and make them all residential. Everyone would have to go to Cupertino or Los Gatos to buy things. That is obviously an extreme. The other extreme is everyone in our city will be self-sufficient; we will have grocery stores and hardware stores, etc. We don't have a defined consensus on what we want commercial areas to be, or do, or provide for us. We've talked about the visioning process, hiring a consultant, having a series of public meetings, or the Blue Ribbon Commission. Merchants always attend these meetings; how do we keep the residents' interests high and engaged in discussions? It is difficult to get residents to come out and talk about commercial areas of the city when they are focused on their neighborhood and schools. Get a consensus on what the Village needs.

Patrick, Business owner of Uncorked:

Agrees with having a plan for the Village. Most of my customers are concerned about what is not happening in the Village. They are beginning to think the Council feels it is more acceptable to have empty buildings in the Village than to have retail. I need to know what the Council's direction is going to be so that I can make a choice about staying or leaving. We need to have public discussion as to what is the direction going to be for the Village.

Saratoga Chamber of Commerce President Vicki Seelig:

I believe the visioning process needs to include lots of people including the youth. The economic vitality of the Village is important and it is also important for all the other business districts.

Jeff Schwartz:

I have some disagreement with Commissioner Joyce Hlava. I don't feel residents are in as much agreement when it comes to cutting edge decisions. There are some disagreements with specific issues regarding economic development and economic

vitality. The larger the scope, the more difficult it is to develop specific plans; have some combination of economic realities; recognize realistic constraints in the Village. The Village isn't dying, it is tracking the economy. We do have a unique combination of arts and history in Saratoga – Montalvo, Mountain Winery – combined with a turn of the century history that Saratoga represents. If we could find a way to package that we could be a “destination”. It will take effort and that is something the City could do. People who like wine, performing arts, beauty, and our history – they will help the vision in bringing together the assets we have.

Planning Commissioner Tina Walia:

We are a small city with unique character. I agree with Councilmember Page's suggestion that we need a visioning study. We are addressing a multi-dimensional problem in the Village. We are looking at the economic vitality and yet we are trying to look at the historic character and wanting to maintain that. I believe a cohesive approach – looking at the architecture and the economic perspective and tying that together. A better approach for the long-term vision would be to break this all down into smaller short-term pieces. We have an opportunity to bring more tourism to our community compared to neighboring communities.

Pragati Grover:

I think it is easy to believe the Village is suffering due to the economy. On the school side, a lot of families are moving out of the community due to unemployment, and they can't afford to live in Saratoga. During the recent council campaign I always heard people say that it is a great place to live because the Village has wine tasting bars and high-end restaurants; however, people would like to see more family-oriented restaurants that are less expensive. Also, we need to remember the other areas in the community – not just the Village.

End of public comment – 2:04 p.m.

COUNCIL DISCUSSION

Mayor Howard Miller:

- The economic vitality of the Village is the economic vitality of the entire City. Citizens have asked “what is our master plan for how we want to see the city or the Village preserved or developed”? The Council has done some things to help the Village. We have the Façade Program and we have created an AdHoc Committee that oversees that program. We have tried little things and I think the goal for today would be about what we can do in terms of stepping back and re-engaging the public, and moving forward with concrete policies and programs – some of which could be large and extensive that will move us out of a mode of everyone complaining about the Village into a mode of everyone looking forward to and working towards the future goal of the Village. We have to decide to today if we are going to address the entire city or just the Village. Within those contexts are we going to address purely the economic, or what has been mentioned – both architectural and economic input. Or, there is the other multitude of areas that we could address. I don't want to engage in another Blue Ribbon commission/panel public input process to decide what to do. We have been through a lot, this won't be easy, and it may take quite a while; however, we need to see if we can get past

rhetoric and see if we can achieve a real vision. What is it going to be for us and for the citizens for the future of the City?

Vice Mayor Chuck Page:

- From the visioning standpoint it was the Village vision; it wasn't the city visioning.
- We have a great value statement – we should believe in that. If it's wrong – then we start all over. We reset our values; let's come up with a new vision. A vision is – what do you want this community to be in 10 years?
- If we do that process, get an outside group like Common Sense California who have done this process before. A consultant wouldn't tell us what to do; it is a facilitator to help us determine what we need to do in order to develop and grow.
- Go out into the community, to neighborhood associations, to churches, to tennis clubs, and golf courses; go into their environment and gather their input.
- Part of that would require some semblance of education. Find out what would make you want to go to the Village and what would you like to see in the Village, etc. You have to go out to the public to get this information.
- If we attempt this, it should be a specific area, not the entire city.
- From an economic development aspect – there are some entities that go out and find businesses. If you hire a city staff person, you've spent more money to get results, which is not cost effective.
- It's never been about the economics of bringing in sales tax revenue; it's about bringing in vitality in terms of foot traffic.
- It isn't a function of the City to bring in businesses. What we need is something like a tour director/travel agent; someone who can put together tour packages.
- I wouldn't mind seeing a group of interested citizens who have said they would like to see specific things in the Village get together and learn what works and what doesn't work and then try to make it a reality. This is a leisure destiny community, not a grocery store community. I would also like to see the businesses get together and tell us what they would like to see in the Village; these are the kinds of businesses that would compliment us and help us bring in a good mix of people.
- It isn't about what we want; it is about what you would want.
- If we have the funds, go out and do that visioning exercise for the Village.
- I did envision going out to the schools to gather their input.
- Parking concerns – possibly a parking garage between Fourth and Fifth Streets.
- Sensors in parking garage/areas that will tell people where available parking spaces are.
- City sponsored – not City funded, valet parking in specific areas in Village.

Councilmember Jill Hunter:

- Thinks most people agree that they don't like traffic in Saratoga.
- It's an education process and great to have citizens as a part of that process.
- We've met with business owners and merchants.
- The last five new stores in Saratoga are owned by residents of Saratoga.
- We have lots of tourists visiting Saratoga and we need to develop that more.
- We need to make Saratoga a “destination”.
- We have wine tasting places, pampering places, great restaurants. It is already going that direction.
- Education is very important.

- Should be able to go to City website to see what is happening in Saratoga.
- Not in favor of bringing in a consultant to handle this situation other than “Main-Street” people.
- Has seen a big improvement since December. Most residents don’t like a lot of congestion and traffic in Village.
- Concerned about seeing the “glass half empty” rather than “half full”.
- Would like to have a citizen group that gives Council recommendations.
- I have already seen improvements in the Village.

Councilmember Manny Cappello:

- From a process standpoint we should focus our efforts as narrowly as we can and that would be on the Village.
- Likes the visioning aspect; has concerns that it could be an effort resulting in diverging opinions.
- Supports a dialog that encompasses a diverse group of citizens on a regular basis as this may be a long process.
- Start that dialog and get it in place; there will be some areas of consensus.
- Focus on two areas: what do we envision our Village to look like – both in terms of its appearance as well as its feel, pedestrians, and types of businesses.
- What type of Village serves the needs of our community the best; what is going to draw our citizens to the Village on a regular basis? If we can answer that in terms of a “vision” we will have served our community the best that we can.
- Many of our citizens don’t go into the Village because it doesn’t serve their needs.
- We need to make an effort to engage as much of the citizenry as possible.
- Would like to see at least one councilmember take part in the outreach sessions – in a revolving fashion.

Councilmember Emily Lo:

- We need to do something about the economic vitality issue.
- My hope is that we can come up with an objective during this entire exercise.
- What are the deliverables?
- Would like to see more value added to this exercise.
- What is the definition of economic vitality?
- What is the occupancy rate benchmark in our Commercial District?
- Is hopeful that we can arrive at some long term and short term solutions.
- In favor of bringing in a facilitator who can incorporate ideas from different stake holders.
- Supports Saratoga Creek development as long as it is in the context of economic vitality.

Mayor Howard Miller:

- Concerns that many of these processes create contentious issues.
- Circulation on Big Basin is a difficult issue – Round-About concept at end of street.
- We spend a lot of time looking at projects and have used a piecemeal approach.
- Need connectivity.
- The Village has a great natural resource – Saratoga Creek frontage area; Saratoga/Sunnyvale Road through Fourth Street, Wildwood Park and beyond.

- We should come up with a visioning process that will encompass large, long-term change.
- Conviction and goals are necessary.
- It isn't necessarily about how many sales tax dollars are generated; it is about how we provide something that all of our citizens feel good about.

COUNCIL CONSENSUS

- Village vision – not city-wide vision.
- Organization/Consultant/Facilitator to assist.
 - Approaches:
 - ❖ Main Street
 - ❖ Commonsense California
- Involve as many stakeholders as possible including: Youth, merchants, building owners, church groups.
- Engage long-term vacant property owners in process.
- Will involve considerable educational process for citizens and business owners.
- 10-year goal with short-term and long-term.
- Saratoga Creek development as potential component to promote economic vitality.
- Parking and circulation
 - ❖ Turn-around/Round-about
 - ❖ Consolidated municipal lot between Third Street and Highway 9
 - ❖ Parking structure

COUNCIL DIRECTION

- Staff should prepare a detailed staff report on this item for a Council meeting or a Study Session by the end of June. Include several third party presentations on approaches to the economic vitality concern. If only two presenters, schedule it for a regular council meeting; if there are 3 to 5 presenters, schedule a study session.
- Presenters should be prepared to give at least a five minute presentation.
- Presenters should include:
 - ❖ Main Street
 - ❖ Common Sense California
- Publicize/public notices, outreach to schools, citizens, businesses.

6. PUBLIC WORKS UPDATE – 3:00 p.m.

Public Works Director John Cherbone presented the staff report.

Highway 9 Safety Improvement Project –

Public Works Director Cherbone noted currently there are three phases to this project and there may be Phase IV and Phase V in order to complete the more

difficult phases of the project which may include right-of-ways from different parties. Phase I, a multi-jurisdictional project with Monte Sereno – lead agency on the grant application, Los Gatos – lead agency in terms of construction procedures, and Saratoga completing their section. The bicycle lanes were completed from Saratoga to Los Gatos. This phase was completed in 2009.

We are currently working on Phase II, which is the first phase of the pedestrian improvements and should be completed towards the end of 2011. The grant for this phase was secured by the City of Saratoga.

We are currently designing Phase III and funding for this project came from Caltrans. This phase will focus on road and bicycle safety improvements at the Austin Way and Highway 9 intersection. This phase should also be completed towards the end of 2011 and by then we will know if we will receive a grant to begin Phase IV.

City Manager Dave Anderson added that this has been a very high profile three or four jurisdiction project that included council liaisons from the other jurisdictions as well as seeking input from the public by noticing numerous public meetings.

PUBLIC COMMENT

No one requested to speak on this item.

Village – Phase II –

Public Works Director Cherbone noted the City received two grants for improvements on Big Basin in the Village. The first grant was applied to intersection improvements such as the bulb-out at Fourth Street. The bulb-out improvements at the major intersections were done in order to enhance pedestrian safety. There are a few items remaining to be completed in Phase I of this project including the completion of the improvements at Third Street.

We received a 1.2 million dollar grant for Phase II which will be used to begin bulb-out improvements on Fifth and Sixth Streets. This phase will begin in late spring or early summer of 2011 and will include all new energy efficient street lights and poles, installation of the mid-block crosswalk with lights, enhancement of the spur on Highway 9 including the removal of damaged sidewalks and replacement with decorative paving. Kiosks will be placed at different key locations, not just at Blaney Plaza. There will be improved signage directing people to parking areas and other areas of interest.

PUBLIC COMMENT

Marilyn Marchetti:

Inquired if the bulb-out curbs could be painted red to prevent parking?

[Public Works Director Cherbone responded they would not be painted red as there are “no parking” signs posted].

Planning Commissioner Joyce Hlava:
Voiced concerns about the length of time the Fourth Street construction took to complete the improvements and the impact to businesses.

Paul Hernandez:
Noted that if a turnaround/round-about is constructed it be located at 6th Street.

(Public Works Director Cherbone responded the only potential location for a turnaround/round-about would be at the end of Big Basin.)

No one else requested to speak on this item.

Quarry Property Acquisition –

Public Works Director Cherbone noted the City is considering purchasing the quarry property from the Mid Peninsula Open Space District, adding this property is located very close to Hakone and has great trail options. He added the City is in the process of conducting the environmental study process and negotiating the contract documents with the County and the Open Space District. In addition, with the acquisition of this property, trails can be connected from Hakone through this property, through Skyline Park and on to the Pacific Ocean. This is a long term plan and both the County and the City are involved in discussions of this trail.

City Attorney Richard Taylor added the environmental review and the negotiated contract will allow for a 30-day public review process by next January.

PUBLIC COMMENT

Marilyn Marchetti:
Asked what the completion date would be for the quarry property acquisition.

[City Attorney Richard Taylor responded that after the environmental review process is completed it could be presented to the Saratoga City Council in April. It will also be presented to the Mid Peninsula Open Space District Board of Directors, and to the County for approval. The property acquisition process could be completed by June.]

Paul Hernandez:
Asked if there is another piece of private property involved between Hakone and the quarry property?

[Public Works Director Cherbone noted that there are conditions in the general plan that whoever purchases that specific property between Hakone and the quarry property must support an easement allowing trail connection of the Hakone property and the quarry property.

No one else requested to speak on this item.

COUNCIL DIRECTION

None.

Mayor Miller declared a break at 3:28 p.m.
Mayor Miller reconvened the meeting at 3:40 p.m.

Facilities Update – by Recreation Director Michael Taylor

Director Taylor noted there are two current projects. The key-less access to city hall buildings project which will begin the first week in February. He added this project is funded, has been approved by Council, and is a Phase I CIP project from 2010. If that project is satisfactory staff will begin Phase II.

The second current project is the Saratoga Library Book Drop Overhang which is funded and approved by Council. The original low bidder withdrew their bid and that item will be on the February 2, 2011 Council meeting agenda for Council's approval to reassign the contract.

The facilities department has been focusing on safety, security, and compliance this past year. Staff has recently completed the Americans with Disabilities Act (ADA) compliance audit with the help of an ABAG risk assessment. We are in the final stages of prioritizing all of our ADA compliance issues and the next round of our facilities projects will focus on safety, security, and ADA compliance.

Director Taylor referred Council to a table of prioritized projects that was provided to them. He noted that historically Council allocates \$100K to the facilities department to complete necessary projects. He stated one of the requirements of the ADA audit is that staff has to have a plan in place to address the ADA non-compliance issues within five years. The projects don't have to be completed within those five years; however, we are required to have a plan in place and many of the items on the referenced table are noted on that list.

In addition, he referred to potential CDBG projects. He noted staff prioritizes the projects regarding handicap access in different phases and submits applications for grants. The completion goal is 2015.

The next list of projects is funded through the theater ticket surcharge. This list includes replacing and upgrading the HVAC system. They are considering moving the audio system.

The last list - Saratoga Library Maintenance Fund provides for annual exterior maintenance to the library.

Mayor Miller inquired about the status of the approved solar installation.

Public Works Director Cherbone noted his department is drawing up plans for the parking structure which will be located in the Corporation Yard and once that is completed the entire project should be completed by the end of summer 2011. He added one company has already submitted plans for the proposed parking structure.

PUBLIC COMMENT

No one requested to speak on this item.

COUNCIL DIRECTION

None.

7. **SB 375** – 4:00 p.m.

City Attorney Richard Taylor presented the staff report.

Attorney Richard Taylor noted the State legislature passed SB 375 in 2008 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 designed to reduce 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. He stated it is a complicated process; however, the regional plans that are developed will be the basis for allocating fair share housing numbers to cities and counties in the SCS planning area. One of the goals of SB 375 is to have housing near transit and the job market. It isn't very prudent to put high density housing in Saratoga because we don't have public transit in Saratoga or a large job market.

Historically, the City of Saratoga has taken a "wait and see" approach and let other cities take the lead. The question for Council is what level of involvement does Council want the City to have in these planning processes. A number of entities in Santa Clara County are considering doing a sub-regional housing allocation process. Jurisdictions in Santa Clara County are currently considering whether they should work together in developing a methodology for allocating housing targets within the County rather than deferring to the default ABAG process. This method will take more staff time and more engagement. Another suggestion would be that we create something like our Clean Water Joint Powers Agency before West Valley cities collaborate and we hire a consultant or agree that a one-person staff will take the lead and we all contribute.

Attorney Richard Taylor noted that Council should think about the level of effort the City wants to engage in and does recommend the City have more vigilance on this process than we have in the past. Staff could come back with suggestions as to what the City should do based on that level of effort.

City Manager Dave Anderson noted that Santa Clara County would have to be in agreement to this new methodology and they have indicated they will use the ABAG model for the first cycle as we don't have the ability to do our own calculations within the prescribed time frame. He also noted this will require a certain amount of vigilance on our part and we should not be passive, we have to be engaged in the process on an ongoing basis.

PUBLIC COMMENT

Planning Commissioner Tina Walia:
Noted she would be looking for guidance from the Council.

No one else requested to speak on this item.

COUNCIL DISCUSSION

Mayor Howard Miller:

- Not quite sure how Santa Clara County, VTA and ABAG will proceed at this time.
- Believes every city has legitimate reasons why the numbers that have been presented do not apply to them individually; we have to be an equal to them.
- Do we want to pursue the regional or non-regional – ABAG approach?

City Attorney Richard Taylor:

- The cities that are actively involved will have an incentive to promote things that they do not want to the cities that are not actively participating.

City Manager Dave Anderson:

- If the majority of the cities in our county are participating it would be in our best interest to be actively involved. If they are not, then it is a moot point.
- At this time it seems like it is 50-50.
- We have agendized the Sub-regional Housing Allocation item for the February 16, 2011 Council meeting and we could use that opportunity to bring a current status to Council regarding the involvement of the County and individual cities.

Vice Mayor Chuck Page:

- What is the level of commitment?
- Who would be recommended to participate – staff or council members?
- Would need to know the meeting commitment prior to making a decision.
- Prefers to be on the SB 375 side as a leader in the process, not at the end of the process.

Mayor Howard Miller:

- There are two decisions; one is the Sub-regional decision which Council will make at the February 16, 2011 Council meeting and the second decision is how involved our city should be regarding the two processes.
- VTA seems to have a role in this.
- Will need to make a decision regarding how much effort we will want to put into this: a Council adhoc, staff participation, or volunteer involvement.

COUNCIL DIRECTION

Council agreed they will need to make a decision regarding how much effort the City is willing to invest in this project.

- Bring this item back for discussion at the February 16, 2011 Council meeting.
- Include two approaches to this issue in the staff report:
 - ❖ Regional Allocation process.
 - ❖ Non-regional – ABAG approach.

8. ALCOHOLIC BEVERAGES IN PARKS – 4:20 p.m.

Recreation Director Michael Taylor presented the staff report.

Director Taylor noted there are a number of issues regarding the use of alcohol in city parks. Staff, with the approval of Council, has developed an administrative policy whereby any time alcohol is provided the Recreation Department requires an alcoholic beverage permit. If alcohol is sold, County ABC Guidelines must be followed along with a certificate of insurance. He added alcohol is allowed in all city parks with the exception of two parks – Wildwood Park during certain hours requires a use permit and alcohol at El Quito Park is expressly forbidden at any time without a permit. In addition, there is no ordinance and no regulation governing the use of alcohol in city facilities.

Director Taylor concluded by noting that staff has prepared five varying options that Council may consider which are:

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.

PUBLIC COMMENT

Parks and Recreation Commissioner Denise Goldberg:
It would be nice for staff to be consistent with all the parks.

COUNCIL DISCUSSION

Councilmember Jill Hunter:

- Would be supportive of removing the restrictions on Wildwood Park and El Quito Park.

Councilmember Emily Lo:

- Inquired about the park rental policies of neighboring cities.

[Director Taylor noted staff has not done a comparable neighboring city comparison and could do so if Council directs staff to do so].

Councilmember Manny Cappello:

- Policies should be consistent with all city parks.
- Asked if this project should be addressed by the Parks & Recreation Commission to see what best suits the City of Saratoga.

Vice Mayor Chuck Page:

- Suggests the Parks & Recreation Commission look at what other cities do and come back to Council with a recommendation.

Mayor Howard Miller:

- Inquired about the Information Technology Department providing a box on the on-line application for applicants to check if they plan to serve alcohol or not. (RecTrak capability).
- Vast majority of our parks don't have any issues.
- Voiced a concern that past Councils implemented specific rules on these specific parks to solve real problems.
- Uncomfortable about imposing additional restrictions on parks where there haven't been any restrictions.
- Wouldn't mind reassessing these two parks to see if the restrictions should be removed or unify them so they are consistent with the other parks.
- Would support surveying other communities to see what they do.

COUNCIL DIRECTION:

- Council directed staff to assign this project to the Parks and Recreation Commission
- The Commission should see what other cities do and bring their recommendations back to Council at a future Council meeting.
- Parks and Recreation Commission will recommend the Council either remove the restrictions or make no changes and leave existing policies in place.
- Information Technology Department to look into "vetting" options on the on-line application through RecTrack.

9. WRAP UP – RECONCILE PRIORITIES – 4:40 p.m.

Council members and staff addressed each agenda item for clarification and confirmation regarding Council's consensus and direction to staff on each agenda item.

COUNCIL DIRECTION SUMMARY:

1. HERITAGE TREES –

Council Direction:

Council agreed this was an important item that needs to be addressed now and directed staff to:

- Assign the Heritage Tree project to the Heritage Preservation Commission (HPC).

- Hold public hearings in order to receive input from the public.
- HPC to create a Heritage Tree list for voluntary designation.
- Staff to conduct a fee assessment to establish actual costs for fees and bring back to Council.
- Tree Fee structure should be reconciled to be in alignment with actual cost via the Master Fee process.
- Tree Adhoc Committee and City Arborist Kate Bear will bring back a staff report in March for Council to consider an improved process for tree permits, appeals, and fees.

2. COMMUNITY DEVELOPMENT WORK PLAN –

Council noted the proposed ordinance updates would be addressed by the Planning Commission and directed staff to add the following ordinance priorities to the Planning Commission 2011 Community Development Work Plan. The variance issue, including height limitations, won't be added to the work plan at this time.

- **PRIORITY NUMBER 1:**
 - A. SIGN ORDINANCE UPDATE
 - B. MEDICAL MARIJUANA MORATORIUM ORDINANCE –
Moratorium expires October 2011; will be addressed in July 2011.
- **PRIORITY NUMBER 2:**
MISCELLANEOUS ZONING CODE UPDATE – Excluding the Accessory Structure Set Back Change; this portion will be addressed separately by the Planning Commission.
- **PRIORITY NUMBER 3:**
2010 CARRY – OVER ITEMS – Council agreement that this item should proceed through the normal process and go through the Planning Commission and ultimately come back to the Council.
- **PRIORITY NUMBER 4:**
LARGE PROJECT SIGNS – Council agreed they would not be addressing a large project sign ordinance as a top priority at this time and if the Planning Commission wants to take the initiative to see project sign examples from another city or cities they could. Council recommended this item as an advisory/option item for the Planning Commission.
- **PRIORITY NUMBER 5:**
IMPERVIOUS COVERAGE – Council agreed they couldn't address the Impervious Coverage item in this year's work plan, however, they agreed the Planning Commission could address the "definition" of impervious coverage.

3. SINGLE USE, DISPOSABLE BAGS –

Council directed staff to continue to wait and monitor state, county, and regional efforts with respect to single-use disposable bags.

4. PROPOSITION 26 OVERVIEW –

No additional direction to staff.

5. BUDGET OVERVIEW –

Council decided a separate Study Session to discuss the fee schedule was not necessary at this time.

Council Direction:

- Prepare a staff report addressing the Mid-Year budget adjustment at the first meeting in February – February 2, 2011.
- Tree Adhoc Committee and City Arborist Kate Bear bring back a staff report in March for Council to consider an improved process for tree permits, appeals, and fees. The tree fees will be addressed during the annual User Fee review.

Regarding specific budget items, Council noted the following:

- Mid-Year Budget Status – No direction.
- Forecast Highlights – No direction
- Budget Calendar – No direction
- Budget Policies & Practices – No direction

6. DETERMINE ECONOMIC VITALITY PROCESS –

Council Consensus:

- Focus on Village vision, not a city-wide vision;
- Utilize an organization/consultant/facilitator to assist, such as: Main Street and/or Commonsense California;
- Stakeholder involvement including; youth, merchants, building owners, church groups;
- Engage long-term vacant property owners in the process;
- Vision process will involve considerable educational process for citizens and business owners;
- 10 Year goal with short-term and long-term;
- Saratoga Creek development as potential component to promote economic vitality;
- Parking & Circulation: Turn-around/Round-about, consolidated municipal lot between Third Street and Highway 9

Council Direction:

- Staff should prepare a detailed staff report on this item for a Council meeting or a Study Session by the end of June. Include several third party presentations on approaches to the economic vitality concern. If only two presenters, schedule it for a regular council meeting; if there are 3 to 5 presenters, schedule a study session.

- Presenters should be prepared to give at least a five minute presentation.
- Presenters should include:
 - ❖ Main Street
 - ❖ Common Sense California
- Publicize/public notices, outreach to schools, citizens, businesses.

7. PUBLIC WORKS UPDATE –

No direction given to staff.

8. SB 375 –

Council Direction:

Council agreed they will need to make a decision regarding how much effort the City is willing to invest in this project.

- Staff should bring this item back for discussion at the February 16, 2011 Council meeting.
- The staff report should include two approaches to this issue:
 - ❖ Regional Allocation process.
 - ❖ Non-regional – ABAG approach.

9. ALCOHOLIC BEVERAGES IN PARKS –

Council Direction:

- Staff should assign this project to the Parks and Recreation Commission.
- The Commission should see what other cities do and bring their recommendations back to Council at a future Council meeting.
- Parks and Recreation Commission will recommend the Council either remove the restrictions or make no changes and leave existing policies in place.
- Information Technology Department to look into “vetting” options on the on-line application through RecTrack.

PUBLIC COMMENT

None

10. **ADJOURNMENT** – 5:00 p.m.

Mayor Miller thanked everyone for coming and he thanked staff for all their efforts in preparing for the 2011 Council Retreat. There being no additional business Mayor Miller asked for a motion to adjourn.

PAGE/CAPPELLO MOVED TO **ADJOURN THE COUNCIL RETREAT AT 5:00PM.** MOTION PASSED 5-0-0.

Respectfully submitted,

Ann Sullivan, CMC
City Clerk