

MINUTES

FRIDAY, JANUARY 23, 2015 SARATOGA CITY COUNCIL SPECIAL MEETING CITY COUNCIL RETREAT

CALL TO ORDER

Mayor Miller called meeting to order at 9:02 a.m. in the Saratoga Foothill Club at 20399 Park Place, Saratoga.

ROLL CALL

PRESENT Mayor Howard Miller, Vice Mayor Manny Cappello, Council Members Emily Lo, Mary-Lynne Bernald, Rishi Kumar
ABSENT: None
ALSO PRESENT: James Lindsay, City Manager
Richard Taylor, City Attorney
Crystal Bothelio, City Clerk
John Cherbone, Public Works Director
Mary Furey, Finance & Administrative Services Director
Erwin Ordoñez, Community Development Director
Michael Taylor, Recreation & Facilities Director
Christopher Riordan, Senior Planner
Tony McFarlane, Finance Manager
Monica LaBossiere, Human Resources Manager
Brian Babcock, Administrative Analyst I
Mainini Cabute, Management Analyst II
Adam Henig, Recreation Supervisor
Bridget Eddings, Recreation Coordinator

REPORT OF CITY CLERK ON POSTING OF THE AGENDA

City Clerk Crystal Bothelio reported that the agenda for this meeting was property posted on January 15, 2015.

ORAL COMMUNICATIONS ON NON-AGENDIZED ITEMS

None

AGENDA TOPICS

1. Mid-Year Budget Review & Five Year Forecast

Finance and Administrative Services Director Mary Furey provided a report on the mid-year budget, five year forecast, and noted the City's Financial Policies were included in Council's packet for reference and discussed a couple of the modifications to the policies in yellow highlight. She then reviewed the City's major revenue groups.

Vice Mayor Cappello commented on the City's sales tax revenues and noted that they have stayed consistent despite changes in the economy.

Mayor Miller added that the City's sales tax revenues may not perfectly reflect sales taxes generated in the City of Saratoga, as allocations are adjusted occasionally to correct mistakes.

Finance and Administrative Services Director Mary Furey then provided an overview of the City's major expenditure categories. She noted that the City is doing well financially in the current fiscal year and revenues are expected to exceed expenditures. Mid-year budget adjustments are expected to be fairly minor.

Finance and Administrative Services Director Mary Furey then presented the five year forecast. Based on the assumptions used for the forecast, revenues are not expected to keep pace with expenditures in the long term. She explained the projected budgets are based on current programming direction and known financial conditions, and that projected outcomes are not set in stone.

Finance and Administrative Services Director Mary Furey introduced options for addressing the City of Saratoga's California Public Employees' Retirement System (CalPERS) Unfunded Accrued Liability (UAL). She presented four options:

- Option 1 – Pay As You Go
- Option 2 – Full Payoff with Bond / 30 Year Term
- Option 3 – Full Payoff with Bond / 20 Year Term
- Option 4 – Partial Payment Combined With Pay As You Go

She discussed the benefits of paying off the \$3.3 million portion of the UAL liability and recommended option 4 with funding from the Fiscal Stability Reserve, Working Capital Reserve, Capital & Efficiency Reserve, and Fiscal Year 2014/15 Budget Adjustments from Estimated Net Operations. The City would restore funding to these reserves in future fiscal years.

The City Council discussed the impacts and consequences of each of the options.

Mayor Miller noted that the consensus of the City Council was to proceed with option 4. However, the Council would provide final direction when discussion on all the budget items concluded.

Finance and Administrative Services Director Mary Furey proceeded to present information about the City's internal service funds and recommended changes. The IT Equipment Replacement Internal Service Funds did not include software system replacement costs in recent years and staff recommends raising the funding level of these funds to account for these costs. Additionally, a new internal service fund for Facility Furniture, Fixtures, and Equipment (FF&E) is recommended. She noted the new fund would affect the financial policy requiring the Recreation and Facilities Department to recover 65% of costs and recommended Council review the policy.

Mayor Miller stated he would like to keep the policy at 65% with an understanding that 65% is a goal.

Mayor Miller invited public comment on the item.

Nancy Kirk requested to speak and asked the City Council about Tax Equity Allocation.

2. Roadway Conditions & Pavement Management

Public Works Director John Cherbone introduced the item. He shared information about how street conditions are monitored using the Pavement Condition Index (PCI), explained how the PCI is calculated, and provided examples of roads within each PCI scale. The current PCI for the City of Saratoga is 69. During the recession, the City received grant funding to improve arterial roads. Consequently, the City's arterial's are generally in good condition while residential and collector streets fall lower on the PCI scale. Staff recommends allocating \$1 million to the pavement management program annually plus an additional \$300,000 to rehabilitate roads lowest on the PCI scale. This should allow the City to maintain a PCI of 69.

Vice Mayor Cappello commented that it would be extremely expensive to rebuild roads in the worst condition. Furthermore, roads that are currently in acceptable condition need to be maintained to prevent deterioration. The staff recommendation calls for rebuilding the worst roads over time while maintaining streets in good condition. Consequently, there may be some confusion about how the City selects streets to be repaved or rebuilt and it will be important to provide additional information about the City's pavement management efforts so that the public understands how roadways are selected for maintenance or reconstruction.

City Manager James Lindsay noted that in addition to the recommended funding for pavement management and roadway reconstruction, staff is also recommending a change to the City Council's financial policy to establish a performance target of attaining an average PCI of 70.

3. Fiscal Year 2015/16 Capital Budget

Finance Manager Tony McFarlane introduced the discussion on the Fiscal Year 2015/16 Capital Budget and began an overview of currently funded, unfunded s, and candidate capital projects.

The City Council reviewed the current, funded capital projects and considered removing the Big Basin Way Turnaround Feasibility Study (project complete), a request to increase funding for Village Creek Trail Design and Environmental Review by \$80,000, and whether the Civic Theater Master Plan Improvements should be moved to the unfunded capital project list.

Mayor Miller noted that Quito Road Bridges on the list of funded projects does not reflect the funding contributed from grant funds and other agencies. He also requested that the Quarry Park Master Plan Implementation be identified by phase.

Finance Manager Tony McFarlane then introduced projects on the unfunded capital project list for Council review.

The City Council reviewed staff recommendations for changes to the list of unfunded capital projects. The Council discussed whether to keep the Big Basin Way Turn Around Construction Project, the Saratoga Creek Trail, Civic Theater Master Plan Improvements, and Corporation Yard Gate on the list of unfunded capital projects.

Finance Manager Tony McFarlane proceeded to the candidate capital projects.

Mayor Miller raised concerns that the process for reviewing capital projects established by the City Council was not being followed. He noted that additional information about the candidate projects should have been made available to the City Council.

Vice Mayor Cappello suggested that the City Council hold a study session to conclude discussion and come to decisions on the mid-year budget, 5-year forecast, UAL, roadway conditions and pavement management program, and fiscal year 2015/16 capital budget. During the study session, staff could provide additional information on each of the candidate projects for the City Council to consider.

Mayor Miller also requested that the schedules provided by staff include City funding and grant funding information (whether already approved or anticipated).

The City Council agreed to conduct a study session as recommended by Vice Mayor Cappello.

4. Budget Wrap Up

Postponed to study session.

LUNCH BREAK & COUNCIL EXERCISE

During the lunch break, the City Council participated in a group exercise. Each Council Member was asked to answer the question, "What is quintessential Saratoga?" Council Members wrote as many responses as they wished on post-it notes. The Council was instructed to write one response or idea per note. The notes were then placed on boards and the Council grouped similar ideas or responses together. The City Council then identified an overarching concept for each collection of notes, establishing a group response to the question, "What is quintessential Saratoga?" Below are the group responses generated from the exercise.

- Integrated with Silicon Valley
- Special Saratoga Ambiance
- Great Environment
- NIMBY
- Kid Friendly
- Solid Infrastructure
- Tree City USA
- Affluent City

- Thriving, Happening Community
- Family Friendly
- Vibrant Business District
- Cozy Downtown
- Community Character
- Traffic Safety
- Quiet Neighborhoods
- Diverse Community
- Excellent Schools
- Senior Friendly
- Smart Citizens Who Care

5. Community Engagement

Administrative Analyst Brian Babcock provided a presentation on community engagement and communication in the City of Saratoga. He recommended expanding the City's reach by first updating and redesigning the City website to provide a better place to direct the public to and improve access from mobile devices, investing in a new email subscription tool to increase the City's audience base, and introducing a crowdsourcing tool to allow citizens with another way to participate in local government and weigh in on important decisions.

Mayor Miller invited public comment on the item.

Nancy Kirk requested to speak. She shared that she likes the City newsletter, The Saratogan. She suggested that the City provide residents with the option to subscribe to receive the newsletter by email instead of mail.

Council Members Lo and Bernald added that the City does have considerable reach and opportunity to communicate through tools like Nextdoor.com.

Mayor Miller noted that while the City has taken advantage of programs, like Nextdoor, the City currently has no tool dedicated to soliciting input from residents or engaging in a dialogue in an official manner.

Council Member Kumar added that he felt that the City could expand its reach through programs like Constant Contact and being mobile-friendly.

Vice Mayor Cappello shared his opinion that it will be important to establish a foundation and make strides in increasing the City's reach before participating in a crowdsourcing tool to engage citizens online.

Council Member Lo said that she would like the City website to be mobile-friendly.

Council Member Bernald concurred she felt building the City's subscription base is important.

The City Council concurred that they would like to see the City website updated and requested staff return with a plan for broadening citizen engagement and communications.

6. Commission Roles & Work Plans

Mayor Miller introduced the item and explained that all the Commissions have been invited to present their work plans for feedback from the City Council.

Alexandra Nugent, Chair of the Heritage Preservation Commission, presented the following work plan:

Short Term – Remainder of FY 2014/15

1. Add properties to the Heritage Resources Inventory including Landmark and Mills Act properties
2. Add new trees to the Heritage Tree Inventory
3. Evaluate heritage resources along Big Basin Way
4. Update website design, resource links, and add FAQs
5. Community outreach efforts:
 - Participate at Blossom Festival, Arbor Day, and America in Bloom
 - Continue to liaise with the Saratoga Historical Foundation and their events
 - Articles for the Saratogan and Saratoga News on the importance of being listed on the City’s Heritage Resources Inventory and Heritage Tree Inventory

Long Term – FY 2015/16

1. Evaluate heritage resources in the City
2. Develop an HPC Handbook that includes mission, goals, procedures, training resources and reference links
3. Evaluate creation of a Cultural Landscape Inventory (i.e. Kathryn Kennedy Vineyards and the cactus garden on Bountiful Acres Way)
4. Community outreach efforts:
 - Develop standard information articles to appear 3 or 4 times a year in the Saratoga News
 - Continue participation in appropriate community events
 - Create flyers on the Heritage Preservation Commission, Heritage Trees, and a Heritage Resources Inventory & Historic Landmark Q&A
 - Create photo album on Heritage Trees and Big Basin Properties

Lauren Marty, Chair of the Library Commission, presented the following work plan:

Project	Desired Outcome
Work with library staff in brainstorming sessions on current and upcoming programs.	Commissioners to assist with the current programs and give input to library staff on other possible opportunities.

Work with the Saratoga Library to get the library building categorized as a California Heritage Building.	To bring further recognition to the Saratoga Library, thus elevating its status even further and gaining more library memberships.
Increase the amount of marketing for the library by collaborating with the library staff on ways to communicate to the community.	Increase community's knowledge of the library's resources, as well as grow the number of Saratoga Library cardholders who could take advantage of these resources.
Create a Library Resources Template or one-page flyer, to simplify the amount of resources the library offers. This will make communication of resources easier.	Engage the community further on what the library has to offer. Gain more library memberships.
Identify and contact leaders of local organizations and community groups.	Identify local organizations and community groups that could benefit from connections with the library. The next step is to contact leaders of these organizations. Commissioners and library staff would invite leaders to informational meetings to discuss library resources. Project would help expand membership with local leaders.

Renée Paquier, Chair of the Parks and Recreation Commission, presented the following work plan:

Project	Objective	Tasks
Movie Night	To build stronger community relations and gathering families by hosting events at City parks	Continue outdoor movie night series in the summer until a community champion volunteers to take over the effort.
Let's Walk Saratoga	To continue promoting a healthy lifestyle by informing residents about park and trail locations and amenities.	Coordinate guided walks at the Quarry Park and trails in Saratoga to support the City's Let's Move! initiative and continue to build participation rate.
Nesting Boxes	To enhance biodiversity and greater understanding of urban wildlife.	Consider working with West Valley College Parks Management Department to monitor the nesting boxes beginning in November to prepare for the 2015 calendar.

Leonard Almalech, member of the Planning Commission, presented the following work plan:

Short Term Work Items Remainder of FY 2014/15

- Story Pole Standardization / Certification

- Modify existing story pole regulations to include consistent construction and design methods and certification of accuracy standards
- Short Term Rentals – Home Exchange/Swapping
 - Reviews issues related to short term residential rentals and consider appropriate regulations

Long Term Work Items for FY 2015/16

- Village Design Guidelines
 - Review and update guidelines and illustrations – last updated in January 1991
- Update Village Parking Regulations
 - Review surplus parking standards in C-H zoning district
- Non-Conforming Structures
 - Review existing standards which use existing construction cost valuation as a method of limiting modification or expansion of non-conforming structures and simplify these standards
- Lawn Signs
 - Modify sign regulation to minimize the number of lawn signs which can be installed on individual parcels.

The City Council directed the Planning Commission to remove lawn signs from the Commission's long term work plan and advised the Commission to consider the Village Design Guidelines and Update to Village Parking Regulations following completion of a larger Village visioning process to be undertaken in the next year or two. The City Council also commented upon the need for additional education about parking options in the Village, including valet. The City Council added that it would provide further direction on the scope of non-confirming structures at a future meeting.

John Chen, Traffic Safety Commissioner, presented the following work plan:

- Continue to investigate, review and analyze traffic safety issues raised by the Community
- Promote education to the Community regarding traffic, bicycle and pedestrian safety
- Continue to refine the TSC process to find ways to improve website information and communication to the public.
- Establish guidelines for Traffic Calming as needed
- Review projects on the Capital Improvement Project list and prioritize for funding

Bridget Eddings, Recreation Coordinator and liaison to the Youth Commission, presented the following work plan:

- Participate and lead a session at the bi-annual YAC Attack, a Northern CA one-day conference for youth commissions. Conference provides an assortment of ideas for commissions to utilize in Saratoga.

- Inform more youth about the Youth Commission by working closely with all local schools and improve the community involvement by participating in community based events such as the Witchy Walk, the Tree Lighting Ceremony, Lunar New Year Celebrations, and Arbor Day.
- By continuing to offer Walk-One-Week, residents can increase their exercise, help the environment, and mitigate traffic congestion.
- To reach out to even more youth and teen residents, the Youth Commission plans to organize and sponsor city-wide middle school dances.
- Develop educational forums, similar to Pizza and Politics, during non-election years to help engage teens about other important aspects of adulthood.

Vice Mayor Cappello said that he thought youth often feel as though they have to accept the world as is. However, they have the capacity to invoke change and they can be heard as part of the process. We can start with the Youth Commission to explore ways of communicating with the rest of the youth in the community to engage them and give them a sense that they have the capacity to participate in the civic process, make a difference, and be part of the conversation.

The City Council took a short break.

7. Department Work Plans

City Manager James Lindsay introduced the item, explaining that each Department provided a short and long term work plan. He shared his intention to replace the quarterly City Council priority reports with the annual work plans.

The City Council concurred with the suggestion.

City Manager James Lindsay then introduced Sheriff's Office Captain Rick Sung to speak about the Sheriff's Office efforts in the City of Saratoga.

Captain Rick Sung provided information about Sheriff's Office response to calls for service, reported crimes, and other services provided by the Sheriff's Office in 2014. He added that the Sheriff's Office plans to hold the crime prevention forum annually.

The City Council requested that the Sheriff's Office plan for three presentations per year – the annual crime prevention forum, a presentation on cyber security/preventing cyber bullying, and a presentation for the annual homeowners/neighborhood association meeting.

Mayor Miller recommended that the City conduct an audit of its technology security practices to ensure the City is secure.

City Manager James Lindsay said the technology security audit would be added to the 2015/16 budget.

8. Retreat Wrap Up

The City Council summarized direction and action for follow up on each of the City Council Retreat agenda items.

Mid-Year Budget Review & Five Year Forecast

The City Council expressed that it is leaning towards option 4 for the City's CalPERS Unfunded Accrued Liability (UAL).

Final direction on the mid-year budget and UAL will be given at the study session.

Roadway Conditions & Pavement Management

Final direction on funding for pavement management and a potential change to the City Council's financial policy to establish a performance target of attaining an average PCI of 70 will be given at the study session.

Fiscal Year 2015/16 Capital Budget

The Council directed staff to schedule a study session to finalize direction on mid-year budget review, five year forecast, roadway conditions and pavement management, and fiscal year 2015/16 capital budget. Additionally, the City Council directed staff to prepare detailed descriptions of candidate capital projects and identify funding sources for capital projects (City funding versus grant funding or other outside sources).

Budget Wrap Up

To be done at the study session.

Community Engagement

The City Council concurred that the first step in increasing the City's engagement efforts is to update the City website to make it more accessible, easier to use, and mobile-friendly, then consider options to increase email subscribers and provide opportunities to engage residents online. Staff was directed to return with a plan for the City Council to consider.

Commission Roles & Work Plans

The City Council reviewed work plans for each of the Commissions. The Planning Commission was directed to remove lawn signs from its work plan and consider Village Design Guidelines and Update to Village Parking Regulations after a long term vision for the Village is established.

Department Work Plans

The City Council reviewed Department Work Plans and requested that the Sheriff's Office plan for three presentations per year, including an annual crime prevention forum, presentation on cyber security/bullying, and presentation during the annual Joint Meeting with Saratoga homeowner/neighborhood associations. Additionally, staff was asked to conduct an audit of the City's technological security practices.

ADJOURNMENT

Mayor Miller adjourned the meeting at 4:30 p.m.

Minutes respectfully submitted:

Crystal Bothelio, City Clerk
City of Saratoga