

MINUTES
MONDAY, APRIL 18, 2016
SARATOGA CITY COUNCIL SPECIAL MEETING

Mayor Cappello called the meeting to order at 6:08 p.m. in the Administrative Conference Room at City Hall at 13777 Fruitvale Avenue.

ROLL CALL

PRESENT: Mayor Manny Cappello, Vice Mayor Emily Lo, Council Members
Mary-Lynne Bernald, Howard Miller, Rishi Kumar

ABSENT: None

ALSO PRESENT: James Lindsay, City Manager
Crystal Bothelio, City Clerk/Assistant to the City Manager
John Cherbone, Public Works Director
Mary Furey, Finance & Administrative Services Director
Erwin Ordoñez, Community Development Director
Michael Taylor, Recreation & Facilities Director
Brian Babcock, Administrative Analyst I
Tony McFarlane, Finance Manager

ORAL COMMUNICATIONS ON NON-AGENDIZED ITEMS

None

AGENDA ITEMS

Review of the draft FY 2016/17 proposed General Fund Operating Budget, proposed Capital Improvement Project Funding, and updated Fiscal Policies.

Recommended Action

Council to review and provide consensus direction to staff on:

- 1) Draft FY 2016/17 Proposed Operating Budget
- 2) Revised FY 2016/17 Capital Project Funding Allocations
- 3) Updated Fiscal Policies

Finance and Administrative Services Director Mary Furey provided an overview of the items to be discussed during the study session and the materials provided in the agenda packet. She noted items of significance for Fiscal Year 2015/16, including higher than anticipated revenues due partly to one-time sources. As a result, revenues are not expected to increase as much as in Fiscal Year 2016/17. In the current fiscal year, expenditures in some areas were also lower than expected. Overall, the City will end the current Fiscal Year in good standing.

Finance and Administrative Services Director Mary Furey then proceeded to review the General Fund Summary, explained transfer of funds to various reserves, and noted some of the changes to the budget, including the addition of a full time Code Compliance Officer, transition of the engineering inspectors to the operating budget from the capital budget, Sheriff's Office salary increases, and an increase to the animal services contract with the City of San Jose. Funds were also added to the budget for traffic engineer services, legal expenses, and events.

Council Member Miller added that the Finance Committee carefully considered the proposed changes to the budget. For example, traffic engineer services were previously paid from the capital budget and transitioning these costs to the operation budget will provide the Traffic Safety Commission with more funds to make various safety improvements.

Finance and Administrative Services Director Mary Furey noted that one of the significant changes to the proposed budget for FY 2016/17 is the addition of a Code Compliance Officer and called attention to the memo provided in the packet with a sensitivity analysis of various staffing levels for the position.

City Clerk/Assistant to the City Manager Crystal Bothelio provided an overview of the sensitivity analysis.

Mayor Cappello invited public comment.

The following person requested to speak:

Joyce Hlava spoke in favor of funding a full time Code Compliance Officer position.

Vice Mayor Lo voiced concerns about how the City would respond if revenues declined after increasing the number of full time staff.

Finance and Administrative Services Director Mary Furey explained that there is flexibility in the budget to make adjustments if a recession hits. The City Council has been doing a good job of planning for the future and the City is in a financially secure position. If the City Council determines that a full time Code Compliance Officer is a priority then the budget can accommodate that choice.

Council Member Miller noted that the projections provided at the City Council Retreat in February 2016 do not suggest significant declines in revenues. He added that the Council is in a position that allows for an additional staff member, if that is a priority. While there is sufficient funding to cover the basics, hiring another staff member might have other implications, such as less funding for capital projects.

Mayor Cappello added that the City Council does have the option of dialing back the budget, if needed. The City Council did so during the last recession. So, there is flexibility in the budget if the City's revenues unexpectedly decline.

City Manager James Lindsay commented that the proposal to include a full time Code Compliance Officer in the budget represents the final step towards restoring service to pre-recession levels.

Council Member Miller requested clarification about funding for annual road maintenance.

Finance and Administrative Services Director Mary Furey and Finance Manager Tony McFarlane provided additional detail about the funding for annual road maintenance.

Council Member Miller noted that the actual funding for road maintenance in the FY 2016/17 capital budget may be much lower than shown in the proposed budget, depending on

the amount of funds expended in the current fiscal year. He asked the City Council to consider the implications hiring a full time Code Compliance Officer and how it will impact other priorities, such as road maintenance.

Council Member Bernald commented that increasing funds for roadways with the goal of improving the conditions and ratings of the City's roads is a good goal and the City should work towards it. However, the impacts to staff should also be considered. Staff members are being asked to perform assignments outside of their normal job descriptions and contract workers still require orientation to become familiar with the City of Saratoga. She shared her opinion that it is important to have an individual that can proactively engage and educate the community, as well as take responsibility for various Code Compliance duties that have been shuffled to other staff.

Mayor Cappello concurred that Code Compliance is a priority, but explained that Council Member Miller's point is to encourage the City Council to consider other priorities that may have to be sacrificed in exchange.

Council Member Kumar stated that he could see the view of Council Member Bernald. It is important to leverage staff judiciously, as well as be responsive to the priorities of residents. He noted that he has heard complaints about the conditions of City roads as well as increases in property crimes. He suggested that the Council could budget more money on neighborhood safety.

Vice Mayor Lo said she sees the value of having a full time Code Compliance Officer and that offering a part time position might reduce the pool of potential applicants. Her earlier comment regarding how the City would respond in a recession was really to assess whether the City could sustain an additional full time staff member.

Council Member Miller added that for the purposes of having a well deliberated discussion, the City Council should consider if there is greater benefit to adding a position other than the Code Compliance Officer.

Council Member Bernald referred to City Manager James Lindsay's comment that adding in the Code Compliance Officer would bring back a service that has been missing since the recession.

Mayor Cappello concurred and noted that while there are other areas where the City could use additional support, they have not been brought to his attention as a need.

Council Member Kumar expressed reservations about funding a full time Code Compliance Officer position in the budget. He wondered if residents might prefer to have the funds be spent differently. Perhaps funding could be used on roads or neighborhood safety.

Council Member Miller shared that when he was Mayor, he frequently received emails related to Code violation complaints.

Council Member Kumar said he felt that public education on public safety and crime prevention is a greater priority.

Council Member Bernald added that the Traffic Safety Commission is already working on educating residents on public safety.

Council Member Miller asked City Manager James Lindsay to weigh in.

City Manager James Lindsay observed that the City has consistently had an FTE count in the high 50s. Furthermore, it is difficult to contract out Code compliance work. Depending on financial conditions over the next year, he might propose additional staffing changes.

Council Member Miller shared that he is in support of a full time Code Compliance Officer and thought the proposal has been vetted thoroughly.

Council Member Bernald added she is in support of a full time Code Compliance Officer as well.

Vice Mayor Lo voiced support for a full time Code Compliance Officer.

Council Member Kumar noted that a full time Code Compliance Officer might help relieve some of the burden on the Sheriff's Office and expressed support for including the position in the City budget. He asked how weekend enforcement would be addressed.

City Manager James Lindsay explained that staff will be bringing forward a policy on the Code Compliance Program that will provide guidance for the Code Compliance Officer position, including prioritization of enforcement on weekends.

Mayor Cappello expressed support for a full time Code Compliance Officer.

MILLER/BERNALD MOVED TO **INCLUDE FUNDING FOR A FULL TIME CODE COMPLIANCE OFFICER IN THE FISCAL YEAR 2016/17 BUDGET**. MOTION PASSED. AYES: CAPPELLO, LO, BERNALD, MILLER, KUMAR. NOES: NONE. ABSTAIN: NONE. ABSENT: NONE.

Council Member Miller requested that the presentation of the proposed capital budget numbers indicate anticipated expenditures.

Mayor Cappello noted that the Saratoga Area Senior Coordinating Council (SASCC) is working to prepare an application to have Saratoga recognized as an Age-Friendly City. While there is no fee for the application, cities seeking the designation must get an assessment of the City's age-friendliness to help identify opportunities for improvement and chart progress.

Lisa Huening, SASCC President, provided information about applying to become an Age-Friendly City, including the application process and the Age-Friendly City assessment categories. She noted that the cost of the assessment is \$15,000.

Tylor Taylor, SASCC Board of Directors, provided additional information about the assessment.

Mayor Cappello noted that while the assessment may indicate areas for improvements, it does not obligate the City to take any particular action. The City can pick and choose from opportunities highlighted by the assessment.

Council Member Miller shared that he feels that Saratoga is already a very age-friendly city, though there are always things that can be done better. He expressed his support for allocating funds for the assessment.

Mayor Cappello added that a number of cities in the County expressed interest in seeking the Age-Friendly City designation during a recent Cities Association Meeting and the County is encouraging cities to apply for the designation. There is a possibility that the County will offer grant funds to support the effort.

Lisa Huening, SASCC President, noted that there is one city in the County – Los Altos – that has applied to become part of the Age-Friendly City network.

Tylor Taylor, SASCC Board of Directors, added that the amount of time it takes to complete the assessment depends on the vendor and depth of analysis. It would not require City staff time to complete. He noted that suggested improvements would not just impact older adults. While the assessment is focused on seniors, suggestions offered by the assessment would benefit everyone.

MILLER/BERNALD MOVED TO ALLOCATE \$15,000 FROM THE FY 2015/16 CITY COUNCIL DISCRETIONARY FUND TO SASCC FOR THE AGE-FRIENDLY CITY ASSESSMENT. MOTION PASSED. AYES: CAPPELLO, LO, BERNALD, MILLER, KUMAR. NOES: NONE. ABSTAIN: NONE. ABSENT: NONE.

Tony McFarlane, Finance Manager, transitioned to the capital budget and provided an overview of the list of projects the City Council selected for funding during the Council Retreat in February 2016.

Council Member Miller commented that during the Council Retreat, the Council agreed to allocate funding for an accessible park. The Youth Commission introduced the idea and since then it has broadened. Representatives of the City, including members of the Youth Commission and Parks and Recreation Commission, had the opportunity to visit the Magical Bridge playground in Palo Alto and are now in discussions with the Magical Bridge Foundation to bring a similar playground to Saratoga.

Mayor Cappello invited public comment on the item.

The following person requested to speak:

Ann Waltonsmith, Hakone Foundation President, spoke in favor of the Hakone Gardens filtration system project.

Tony McFarlane, Finance Manager, noted several project changes since the City Council Retreat. First, funding for the Community Wildfire Protection Plan is no longer necessary as the County of Santa Clara Fire Department received grant funding to prepare a plan that will encompass Saratoga. Staff recommends defunding the project and applying \$15,000 towards the website/intranet project and the remaining \$10,000, plus \$40,000 from Council Discretionary funds, to a Citywide Transportation Needs Assessment, a new \$50,000 proposed capital project.

Council Member Miller explained that the Citywide Transportation Needs Assessment will allow the City to understand who is coming and going within the City.

Mayor Cappello added that he shared the concept of the assessment with the West Valley Mayors and Managers group and invited the other West Valley cities in participate in the assessment.

Council Member Miller observed that there is a lot of speculation about the traffic coming into and leaving the City, but no firm data on traffic patterns in the City. With a number of important transportation decisions in the City's future, data on traffic and transit will be critical. Ultimately, it will help the City have more educated discussions about Saratoga's transportation needs.

Council Member Bernald shared a story highlighting how challenging and time consuming it is to use public transportation in Saratoga.

City Manager James Lindsay commented that the assessment may help Saratoga secure grant funds for transportation projects. The City of Saratoga would likely lead the assessment project, if other West Valley cities participate.

Mayor Cappello returned to discussion on the proposal for an all-inclusive park. As Council Member Miller noted, the original vision for the project has grown. After the initial site visit to the playground in Palo Alto, the Mayor met with the Magical Bridges Foundation Director and Terrie Creamer with the Saratoga Monte Sereno Community Foundation to discuss opportunities to raise funds to pay for an all-inclusive playground in El Quito Park.

Council Member Bernald added that recent discussions with County staff suggested that there may be funding available for the project through the County.

Council Member Miller noted that a playground of this nature would require more maintenance than a typical playground.

Council Member Bernald suggested getting an endowment to cover maintenance of the playground.

Vice Mayor Lo also advised getting the support of residents living near the park before proceeding.

Council Member Miller suggested that if there is support for the project, the City could then engage the neighbors. He also noted that the proposed funding for the Magical Bridges Playground comes from the \$160,000 initially proposed for the all-inclusive playground that the Council agreed to include in the proposed FY 2016/17 capital budget. The all-inclusive playground project would then become an unfunded project in the capital improvement plan. He added that funds from the City would only account for a small portion of the total project cost. The remaining funds would come from fundraising or other sources.

Vice Mayor Lo expressed concerns regarding the transition from an accessible playground to the Magical Bridges playground, as it represents a significant change in scope. Additionally, she noted that if funds are not raised, project funds might never get used.

City Manager James Lindsay explained that the projects that initially proposed the accessible playground, the Youth Commission and Parks and Recreation Commission, have both been engaged and are supportive of using the proposed funds for a Magical Bridges playground.

MILLER/BERNALD MOVED TO **SUPPORT THE PROPOSED CHANGES TO THE CAPITAL PROJECTS FOR FISCAL YEAR 2015/16 AND 2016/17.** MOTION PASSED. AYES: CAPPELLO, LO, BERNALD, MILLER. NOES: NONE. ABSTAIN: NONE. ABSENT: KUMAR.

Finance and Administrative Services Director Mary Furey introduced discussion on the fiscal policies. She noted that the proposed changes were introduced at the City Council Retreat in February and at that time, Council was asked to submit any requested changes to her. The requested changes have been incorporated into the proposed policies and are highlighted in yellow. Finance and Administrative Services Director Mary Furey then reviewed some of the proposed fiscal policy changes.

Council Member Miller and Mayor Cappello provided additional information on the Finance Committee's suggested changes to the Facility Replacement Reserve, as well as some of the other proposals to change the fiscal policies.

MILLER/LO MOVED TO **INCORPORATE THE PROPOSED FISCAL POLICIES AS PRESENTED IN THE PROPOSED FY 2016/17 BUDGET.** MOTION PASSED. AYES: CAPPELLO, LO, BERNALD, MILLER. NOES: NONE. ABSTAIN: NONE. ABSENT: KUMAR.

MILLER/BERNALD MOVED TO **MAKE NO CHANGES TO THE DRAFT FY 2016/17 PROPOSED OPERATING BUDGET.** MOTION PASSED. AYES: CAPPELLO, LO, BERNALD, MILLER. NOES: NONE. ABSTAIN: NONE.

ADJOURNMENT

BERNALD/LO MOVED TO **ADJOURN THE MEETING AT 8:32 P.M.** MOTION PASSED. AYES: CAPPELLO, LO, BERNALD, MILLER. NOES: NONE. ABSTAIN: NONE.

Minutes respectfully submitted:

Crystal Bothelio, City Clerk
City of Saratoga