

**MINUTES  
WEDNESDAY, MAY 11, 2020  
SARATOGA CITY COUNCIL SPECIAL MEETING**

Mayor Miller called the virtual Special Meeting to order at 6:04 p.m. via teleconferencing through Zoom.

Prior to Roll Call, the Mayor and City Clerk explained that the City Council meeting was conducted pursuant to provisions of the Brown Act and a recent Executive Order issued by the Governor to facilitate teleconferencing to reduce the risk of COVID-19 transmission at public meetings. Ordinarily the Brown Act sets strict rules for teleconferencing. The Governor's Executive Order has suspended those rules. The Executive Order does require that public agencies continue to notice meetings in advance and provide members of the public an opportunity to observe the meeting and offer public comment. The City Council met all of the applicable notice requirements and the public is welcome to participate in this meeting. Information on how the public can observe the meeting and provide public comment was also shared. Additionally, the Mayor explained that votes would be taken through roll call.

**REPORT ON POSTING OF THE AGENDA**

City Clerk Debbie Bretschneider reported that the agenda for this meeting was properly posted on May 8, 2020.

**ROLL CALL**

**PRESENT:** Mayor Howard A. Miller, Vice Mayor Mary-Lynne Bernald,  
Council Members Manny Cappello, Yan Zhao, Rishi Kumar. (All  
Council members appearing via teleconference.)

**ABSENT:** None

**ALSO PRESENT:** James Lindsay, City Manager  
Crystal Bothelio, Assistant City Manager  
Debbie Bretschneider, City Clerk  
Mary Fury, Administrative Services Director  
John Cherbone, Public Works Director  
Debbie Pedro, Community Development Director  
Dennis Jaw, Finance Manager  
(All staff members appearing via teleconference)

City Clerk Debbie Bretschneider confirmed all City Council members could hear the meeting proceedings and no doubts were expressed regarding the identities of the individuals representing themselves as City Council Members.

**ORAL COMMUNICATIONS ON NON-AGENDIZED ITEMS**

None

## AGENDA ITEMS

FY 2020/21 Budget Study Session Review

**Recommended Action:**

Council to review and provide consensus direction to staff on:

- 1) Recession Impacts
- 2) Draft Proposed FY 2020/21 Operating Budget
- 3) Draft Proposed FY 2020/21 Fiscal Policy Changes
- 4) Draft Proposed FY 2020/21 Capital Project Funding Allocations
- 5) Finance Committee recommendations
- 6) Additional budget funding requests

Mary Furey, Finance & Administrative Services Director, discussed the economic impacts of COVID-19 on the City of Saratoga's revenues, noting that the City will be impacted differently than other Santa Clara County cities because the City of Saratoga's revenue structure is comprised primarily (approximately 60%) of Property Taxes, while two other severely impacted revenue streams of Sales Tax and Transient Occupancy Tax (TOT) are only about 6.5% of revenues combined, whereas other cities are much more dependent on these two streams. She explained that Property Tax revenues are a much more stable revenue stream, and that if assessed valuation do decrease, the impact would not be effective until the FY 2021/22 fiscal year, and this would leave the City time to prepare. She further explained decreases would only impact more recently acquired properties as those properties would be valued more closely to current assessed valuation amounts, therefore the overall impact to the City is expected to be minimal, that we would likely only experience no-growth rather than decreases in revenue.

Mary Furey, Finance & Administrative Services Director, also noted the City has seen immediate impacts from decreased Services Charges and Permit revenues and Rental Income due to the Shelter-in-Place orders, and that the sudden recession has caused Interest Income to decrease in the current year, and is expected to decrease further into FY 2020/21. The Director noted staff is monitoring trends, and that while budget projections were provided, revenue modifications may be presented in the Proposed Budget at the June 3, 2020 City Council Meeting.

Mary Furey, Finance & Administrative Services Director, provided a summary review of the FY 2019/20 General Fund, and expected Net Operations, then requested City Council direction on whether the Hillside Reserve Loan should be repaid in full or in part.

Mary Furey, Finance & Administrative Services Director, then presented the staff report on the proposed FY 2020/21 Operating Budget, including a summary of General Fund draft proposed revenues, expenditures, and estimated year-end fund balance, and following that, a high-level summary activity review of the City's other funds.

Mary Furey, Finance & Administrative Services Director, provided a summary of the revisions in the proposed FY 2020/21 Fiscal Policy Statements and requested staff be allowed to continue revising the policy with a review by the Finance Committee.

Dennis Jaw, Finance Manager, provided a summary to the proposed FY2020/21 Capital Improvement Plan (CIP) Budget, which captures the Council direction given at the CIP Budget Study Session on March 4, 2020.

Dennis Jaw, Finance Manager, provided the Finance Committee Recommended Changes, funding recommendations from the Wildfire Task Force, and asked for Council direction.

John Cherbone, Public Works Director, spoke on information he had received that day regarding preliminary VTA Grant Funding decisions, noting the Saratoga Village to Quarry Park Walkway Capital Project would most likely not receive funding in FY 2020/21.

Mayor Miller invited public comment on the item.

The following people requested to speak:

Chuck Page, Wildfire Task Force Chair, spoke about the budget recommendations from the Task Force.

No one else requested to speak.

**BERNALD/CAPPELLO MOVED TO GIVE STAFF DIRECTION FROM CITY COUNCIL ON THESE ITEMS:**

**1) REPAY IN FULL THE HILLSIDE RESERVE FUND LOAN OF \$500,000 FROM FY 2019/20 NET OPERATION REVENUE,**

**2) STAFF TO CONTINUE TO REVISE THE FY 2020/21 FISCAL POLICY STATEMENTS, WITH REVIEW BY THE FINANCE COMMITTEE,**

**3) REALLOCATE \$75,000 OF THE FUNDING SET ASIDE FOR THE SARATOGA VILLAGE TO QUARRY PARK WALKWAY CAPITAL PROJECT TO FUND THE WILDFIRE TASK FORCE FY 2020/21 BUDGET RECOMMENDATIONS AS FOLLOWS:**

- **A ONE-TIME ADDITIONAL ALLOCATION OF \$25,000 TO THE SANTA CLARA COUNTY FIRESAFE COUNCIL, AND**
- **\$50,000 TO A WILDFIRE PREVENTION PROGRAM CAPITAL PROJECT SUBJECT TO USE AS ALLOWED BY A POLICY THAT WILL BE DEVELOPED BY THE FINANCE COMMITTEE.**

**4) TERMINATE THE \$50,000 OF ANNUAL FUNDING TO THE RISK MANAGEMENT CAPITAL PROJECT, AND REPURPOSE THE FUNDING ALLOCATION AS FOLLOWS:**

- **\$25,000 TO THE ANNUAL PUBLIC ART INFRASTRUCTURE CAPITAL PROJECT, AND**
- **\$25,000 TO THE ANNUAL PARKS, TRAILS, GROUNDS, AND MEDIANS CAPITAL PROJECT**

**5) TRANSFER \$150,000 OF THE REMAINING FUND BALANCE FROM THE CLOSEOUT OF FOUR PRE-PROP 13 LANDSCAPE & LIGHTING DISTRICT ZONES TO THE NEW QUITO NEIGHBORHOOD CAPITAL PROJECT.**

MOTION PASSED BY VERBAL ROLL CALL. AYES: MILLER, BERNALD, ZHAO, CAPPELLO. NOES: NONE. ABSTAIN: NONE. ABSENT: KUMAR.

## **ADJOURNMENT**

BERNALD/CAPPELLO MOVED TO **ADJOURN THE SPECIAL MEETING AT 8:26 P.M.** MOTION PASSED BY VERBAL ROLL CALL. AYES: MILLER, BERNALD, ZHAO, CAPPELLO. NOES: NONE. ABSTAIN: NONE. ABSENT: KUMAR.

Minutes respectfully submitted:

Debbie Bretschneider, City Clerk  
City of Saratoga