



Council Meeting: January 5, 2010

SUBJECT: Annual Public Hearing - Potential Council Study Issues and Budget Issues for Calendar Year 2010

BACKGROUND

A **study issue** is a topic of concern that can result in a new City policy or a revision to an existing policy. A **budget issue** represents a new City service or a change in the level of an existing City service (including possible elimination). With the exception of emergency issues, Council reviews all study and budget issues once a year at the annual Study/Budget Issues Workshop.

Study and Budget Issues Process

The study issues process provides a method for identifying, prioritizing and analyzing policy issues important to the community. This process provides a structured approach for addressing the large number of issues that are raised each year, allowing Council to rank the issues and set priorities within the limits of time and resources.

The budget issues process provides a method for identifying and addressing proposals to add a new service, eliminate a service, or change the level of an existing service.

Major Steps in the Process Leading to the Public Hearing

- Study and budget issues are proposed year round by Council, boards and commissions, the public, or the city manager.
- Staff prepares study issue papers or budget issue papers for all qualifying issues. These issue papers describe the topic of concern, providing information Council will use to determine whether or not to further explore each issue. The study issue paper is designed to capture the intent and interests that led to the issue being identified in the first place. The purpose of the budget issue summary form is to briefly summarize the issue and provide an initial estimate of the fiscal impact.
- In October and November, boards/commissions review proposed budget and study issues and prioritize proposed study issues under their purview; these rankings are forwarded to Council for consideration.

EXISTING POLICY

The Study/Budget Issue process is an integral part of the City's Planning and Management System (PAMS).

Budget issues are addressed by Budget Policy A.1.2 of the Fiscal Sub- Element of the General Plan, which states, "A Fiscal Issues Workshop will be held each year prior to preparation of the City Manager's Recommended Budget to consider budget issues for the upcoming Resource Allocation Plan."

DISCUSSION

This public hearing is a critical step in the City's policy-setting process. A number of policy issues have been submitted for possible study by City Council in calendar year 2010. The purpose of the hearing is to invite public comment on the relative importance of proposed issues, and for the public to suggest new issues for Council's consideration. Issues proposed at the public hearing by a member of the public must be sponsored by Council in order to be further considered at the Study/Budget Issues Workshop. Council sponsorship of study issues requires a minimum of two Councilmembers.

Staff has advised the board and commission chairs that this is the appropriate time for them to testify on issues recommended by their board or commission. In preparation for this public hearing, staff has prepared write-ups of the study issues and budget issues proposed to date. Copies of these "study issue papers" and "budget issue papers" may be viewed at the library, the City Clerk's office, and/or by accessing the City's Study Issues Web site at <http://StudyIssues.inSunnyvale.com>. Copies will also be available to the public on the evening of January 5 on the tables just as one enters the Council Chambers. Accompanying this report to Council is a binder that contains department lists of issue papers proposed to date.

Should new issues be added during the January 5 public hearing, those issue papers will be developed and distributed to Council as soon as possible prior to the January 29 workshop. The deadline for Council-initiated study issue papers this year is January 8 – three weeks prior to the Workshop.

Next Steps

On January 29, Council will conduct a workshop devoted to a review of all proposed study and budget issues and a determination of whether or not to study them in more detail. Council first selects the issues that will be dropped from further consideration or deferred to future years. Remaining study issues are prioritized or ranked by Council and forwarded to the city manager. Remaining budget issues are not ranked, but those receiving majority support from Council are forwarded to the city manager for consideration in the upcoming fiscal year budget. Public testimony at the workshop is limited.

Following the Council workshop, and based on Council's priority rankings, the city manager identifies the number of Council-ranked study issues that can be

completed during the calendar year without disrupting service delivery or modifying service levels set by Council. Staff updates the Tentative Council Meeting Agenda Calendar for the coming year, identifying when the results of staff's study of specific policy issues will be brought back to Council for action. Lower priority issues ranked by Council, but not placed on the Council calendar, are automatically reconsidered during the next year's study issue process.

All budget issues forwarded to the city manager are returned for Council's consideration in the context of the city manager's recommended budget for the next fiscal year in the form of *budget supplements*, which indicate whether they are recommended by the city manager. These *supplements* are considered by the city manager in the context of all of the other City projects and services, are automatically forwarded for Council's consideration, but are not automatically recommended for funding.

For many years this process has provided both City Council and City staff with a valuable planning and management tool, allowing Council to set priorities for examining policy issues, and allowing staff to balance this work with the delivery of day-to-day City services.

FISCAL IMPACT

There is no fiscal impact associated with this report. Each issue paper provides information regarding fiscal impact where warranted, including an estimated cost of studying the issue, and estimated implementation costs.

It is important to note, however, that when the General Fund Long-Term Financial Plan was adopted it was fully balanced to the twentieth year. Any unbudgeted increase in costs (including those needed to study an issue) will require Council to identify a corresponding revenue increase or service level decrease in another service area. A list of the proposed 2010 study issues that would require additional budget for a study to be undertaken will be included in Council's Workshop packet.

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

The public hearing is open to the public and public testimony regarding study issues and budget issues will be heard by Council. Copies of study and budget issue papers may be viewed by accessing the City's Study Issues Web page at <http://StudyIssues.inSunnyvale.com>.

The January 29 workshop is open to the public and will be televised live and rebroadcast on KSUN, Channel 15. Consistent with past Council practice, however, public testimony will be limited.

ALTERNATIVES/RECOMMENDATIONS

No action is needed at this time. Councilmembers may request new study issues and/or budget issues brought up by the public in the course of the public hearing be developed for review at the Annual Study Issues/Budget Issues Workshop. A minimum of two Councilmembers is required to sponsor a study issue.

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