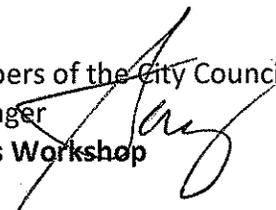


**CITY OF SUNNYVALE
OFFICE OF THE CITY MANAGER**

January 26, 2012

TO: Honorable Mayor and Members of the City Council
FROM: Gary M. Luebbers, City Manager
SUBJECT: Council Study/Budget Issues Workshop



Overview

The purpose of the workshop is to identify study issue priorities for the 2012 calendar year, identify and address budget issues, and review the Tentative Council Meeting Agenda Calendar proposed for 2012.

This Council packet augments the workshop binder that you received in December. It includes:

- Final Workshop Agenda
- Memo to Council from the city manager
- New study issues proposed during or after the January 10 public hearing and any revised study issues (on blue paper to differentiate them from previously submitted issues)
- New budget issues (also on blue paper) proposed during or after the January 10 public hearing
- An updated draft of the 2012 Tentative Council Meeting Agenda Calendar

Study Issues

The study issues process lays the foundation upon which Council examines and establishes City policy each year. The process allows the City Council to consider and compare at one time all policy topics of interest or concern, as identified throughout the calendar year by members of the public, boards and commissions, City Council members or City staff. In this manner, the 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. Council may also drop a study issue from any further consideration, or defer the examination of a study issue to a future calendar year.

Study Issues with a Fiscal Impact

Any non-budgeted costs to complete a study will require a budget modification be approved by Council. Due to the current fiscal environment, any study issue that will require a budget modification will also require funds to be reduced from an existing project or operating program, or will require the identification of a new revenue source. Staff recommends any study issues that Council prioritizes that require funding be resubmitted as budget supplements for consideration within the context of all new requests for funding in the fiscal year 2012/13 Recommended Budget. This is consistent with the approach that Council took for all 2011 study issues.

Ranking Process

At this workshop Council will be asked to review potential study issues one department at a time following the steps suggested below:

- By Department, Council questions or clarification on any study issue submitted (includes new items for 2012 and deferred and *below the line* items from 2011)
- Before ranking, issues may be combined, dropped or deferred from ranking consideration by a majority vote of Council.
- Council discussion and deliberation

Council is encouraged to drop rather than defer proposed study issues when a strong interest does not exist, as it is possible that an item can find its way onto the calendar even though there is little interest in it. This is a poor use of Council and staff time that could be better directed to other priorities or a department's internal study program.

Staff Recommendation and Priority Ranking

Please note that each study issue paper has a section for staff's recommendation which indicates whether or not staff thinks the issue should be considered by Council as a priority, deferred to the next year, dropped from further consideration at this time, or no recommendation. In addition, each department has submitted a priority rank for each issue that is not recommended for drop or deferral; the priority is listed on Council's ranking sheets and on each department's Summary Worksheet – this is another way to provide Council with information that will assist in the priority-ranking process.

Budget Issues

Budget issues are proposals to add a new service, eliminate a service or change the level of an existing City service. Budget issues can be proposed by the City Council, Boards and Commissions, or staff; any item proposed by a member of the public must be sponsored by one of these three groups.

Council action on proposed budget issues is limited to dropping or deferring the issue and requires a majority vote. Any budget issues not dropped or deferred will be referred to the City Manager for inclusion in the FY 2012/13 Recommended Budget.

Tentative Council Meeting Agenda Calendar for 2012

On February 28 staff will present to Council those issues that can be completed in 2012, consistent with Council's priority order and within departmental resource constraints. Proposed presentation dates will be noted in the Draft 2012 TCMAC, also scheduled for review by Council on February 28.