



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

**January 30, 2015**

**TO:** Honorable Mayor and Members of the City Council  
**FROM:** Deanna J. Santana, City Manager *djs*  
**SUBJECT:** Council Study/Budget Issues Workshop

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**Overview**

The purpose of the workshop is to identify study issue priorities for the 2015 calendar year and budget issues priorities for the coming fiscal year.

**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 funds to be reduced from an existing project or operating program, or will require the identification of a new revenue source. Staff recommends any Council-prioritized study issues that require funding be resubmitted as a budget supplement for consideration within the context of all new requests for funding in the fiscal year FY 2015/16 Recommended Budget. This is consistent with past practice.

**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.
- 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 recommended for study; the priority is listed on Council's ranking sheets and on each department's Summary Worksheet.

### **Context for Decision Making**

As Council previously heard at Day 1 of the Strategic Planning Workshop held on August 21, 2014, Sunnyvale is a City organization that is resourced or built for operations and is very lean on capacity to advance new initiatives. Over the last decade, the City has had 200 fewer FTE equivalents to achieve day-to-day operations and this has a direct impact on available capacity to deliver services and take on new initiatives. Attached is a summary of the operational priorities and challenges currently being addressed by departments, which were presented to Council at its Strategic Workshop, Day 1. To help guide your decision making today, the following is the list of strategic goals established by Council on Day 2, September 2, 2014, of the Council Strategic Workshop:

1. Civic Center Campus and Main Library Modernization Project
2. Ability of Infrastructure to Support Development and Traffic
3. Open Space Acquisition Planning: Future of Golf Courses
4. Downtown Sunnyvale

As previously noted, Council is encouraged to drop rather than defer proposed study issues when a strong interest does not exist; secondary consideration should also be given when considering if a proposed study issue will contribute to the successful implementation/completion of the established Council goals. During the City Council's deliberations of study issues, I respectfully request that the City Council consider its priorities within the context of approved Strategic Priorities, capacity needed to advance operational priorities, and strategic areas of study (via study issues) that best meet the needs of the City.

### **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 or Boards and Commissions; any item proposed by a member of the public must be sponsored by one of these groups. New budget issues are due to the City Manager no later than three weeks in advance of the annual Study/Budget Issues Workshop. Council votes on each budget issue, deciding to either drop, defer, or refer each to the FY 2015/16 Recommended Budget. Budget issues that are referred to the Recommended Budget are considered as budget supplements. Service level changes proposed by staff will be identified and highlighted in the City Manager's Recommended Budget presented in May.

### **Study Issues Proposed for Initiation in 2015**

On February 24, staff will present a Report to Council identifying the study issues that can be initiated in 2015, consistent with Council's priority order and within departmental resource constraints. Once approved by Council, the study issue presentation dates will be added to the Tentative Council Meeting Agenda Calendar.

### **ATTACHMENT**

1. Operational Priorities/Challenges List, Day 1, Council Strategic Workshop

**OPERATIONAL PRIORITIES/CHALLENGES LIST  
DAY 1 - COUNCIL STRATEGIC WORKSHOP**

**ADMINISTRATIVE SERVICES**

**GAPS**

- HRD 1. Lack of Technology and Poor HRIS Functionality and Staff Resources to Enhance Service Delivery
- HRD 2. Inadequate Succession Planning Tools Responsive to Employee Turnover
- HRD 3. Need for Robust Training Program
- HRD 4. Lack of Funding and Staff Resources for Employee Wellness Program
- FIN 1. Technology is behind
- FIN 2. Staffing levels are not keeping pace with increasing demands
- FIN 3. Succession planning
- ITD 1. Project Management Skills and Standards
- ITD 2. Lean Staffing on Projects
- ITD 3. Weak GIS Program
- ITD 4. Weak Records Management Practices
- ITD 5. Large Inventory of Old Systems
- ITD 6. Historically Poor Strategic Vision to Acquisitions
- ITD 7. Staff Capacity for New Community Engagement Tools

**Opportunities:**

1. Stronger administrative infrastructure can strategically improve external service departments with direct services.
2. We have a strong framework for long term financial planning and making strategic investments in this context; we can continue to build on this foundation.
3. Increased resources are needed in the areas of technology, training, and staff numbers to improve efficient and effective service delivery and keep up with increased demands for service.
4. Financial systems replacement provides opportunity to review and improve how we operate and support the City.
5. New online tools can help us enhance and modernize our existing communications tactics making community engagement more effective.

**Challenges:**

1. Service delivery commitments minimize the ability of line departments for special projects, sometimes critically so.
2. Legacy of “doing more with less” is not sustainable for some administrative services.
3. Technology enhancements have not kept pace, yet could make us more effective and efficient, as well as provide the type of service that the community desires.
4. Additional and increasingly complex regulations require constant vigilance and communication to ensure compliance.
5. Staff levels can’t keep up with the demand for services requested by customer departments.

## **LIBRARY & COMMUNITY SERVICES AND PUBLIC FACILITIES**

### **GAPS**

- LCS 1. Main Library
- LCS 2. Parks and Recreation facilities
- LCS 3. Competing priorities for revenue generation and services.
- LCS 4. Fewer staff/Increasing expectations
- PGT 1. Golf program restaurants
- PGT 2. Park land acquisition strategy

### **Opportunities:**

1. Economy is improving. Window of opportunity for funding a new library. Other cities—Campbell, Cupertino, Mountain View planning new projects.
2. Robust development means increased Park Dedication Funds to ensure future improvements.

### **Challenges:**

1. Providing funding for a new library building.
2. Pressure to balance fiscal sustainability with the needs and desires of the community.

## **TRANSPORTATION, STREETS AND INFRASTRUCTURE**

### **GAPS**

- TSI 1. Sidewalk repair program – lengthy response time
- TSI 2. Neighborhood traffic calming program
- TSI 3. Website maintenance
- TSI 4. GIS data maintenance
- TSI 5. Traffic operations proactive oversight
- TSI 6. Long-range transportation planning
- TSI 7. Municipal Code updates
- TSI 8. Development review

### **Opportunities:**

1. Regional transportation funding availability
2. Expanding trails and open space
3. Extensive capital improvement program

### **Challenges:**

1. Traffic congestion
2. Aging City facilities
3. Increase use of technology

**PUBLIC SAFETY SERVICES****GAPS**

- DPS 1. Front line services
- DPS 2. Recruitment and Hiring

**Opportunities:**

- 1. Use of savings from FY13/14 for recruitment project in FY14/15
- 2. Implementation of new County-wide Radio System
- 3. Addition of new Fire Station and Public Safety Training Center

**Challenges:**

- 1. Recruitment of highly qualified candidates in competition with other public safety agencies
- 2. Overtime requirements related to current staffing and regional events
- 3. Preparation and response to increased development
- 4. Short-Term need to fill vacancies and resolve staffing levels

**ENVIRONMENT AND SUSTAINABILITY****GAPS**

- ESD 1. Separate organics collection (especially food)
- ESD 2. Update processing equipment (2021 rebuild)
- ESD 3. Funding for infrastructure
- ESD 4. Reliability and quality of recycled water
- ESD 5. Sewer lateral policy
- ESD 6. Funding and resources for stormwater system
- ESD 7. Resources needed to rebuild while operating
- ESD 8. Need for additional technology resources
- ESD 9. Need to keep up with rapidly expanding regulatory environment
- ESD 10. Funding for implementation of CAP
- ESD 11. Funding for analysis/possible implementation of CCA
- ESD 12. Existing fragile infrastructure may not support higher density growth

**Opportunities:**

- 1. Making a Zero Waste Leap in 2021
- 2. Repurposing the WPCP as a Resource Recovery Center
- 3. New Process Technologies/Bay Area leads in Environmental Initiatives

**Challenges:**

- 1. Funding (Especially for Infrastructure, Stormwater, and Climate Adaptation)
- 2. Rebuilding the WPCP While Maintaining Operations
- 3. Keeping up with New Regulations
- 4. Increasing Concerns about Water Supply

**COMMUNITY, ECONOMIC & WORKFORCE DEVELOPMENT****GAPS**

- CDD 1. Staff resources to meet service expectations
- CDD 2. Policy plans to define community vision and goals
- CDD 3. Resources and funding to meet housing needs
- CDD 4. Better social media/website tools for community engagement
- CDD 5. One Stop Permit Center needs modernizing
- CDD 6. More robust business and community engagement and consensus building
- CDD 7. More accessible business information (web, GIS)
- CDD 8. Community mobility and infrastructure improvements
- NOVA 1. Technology Solutions
- NOVA 2. Services for Special Populations
- NOVA 3. Labor Market Information (LMI) and reports

**Opportunities:**

1. Community diversity a strong asset
2. Regional economic growth/local revenue benefits
3. Sustainable community and developments
4. Skilled labor force/job growth

**Challenges:**

1. Tension between balanced growth/jobs and housing
2. Improvements needed in transportation, infrastructure and community facilities
3. Fiscal constraints/volatile market conditions
4. Community consensus building
5. Permit Processing Software