



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

**January 29, 2016**

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

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**Overview**

The purpose of the workshop is to identify study issue priorities for the 2016 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 2016/17 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 policy issue should be considered by Council as a priority, deferred to the next year, dropped from further consideration at this time, or no recommendation. Because issues are sponsored throughout the year, staff also provides a priority rank in January of proposed issues. Providing this in January, allows the City Manager to comprehensively review all proposed issues. The priority is shown on Council's ranking sheets and on each department's Summary Worksheet.

### **Context for Decision Making**

As Council heard at the most recent Strategic Planning Workshop (January 14, 2016), 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. To help guide your decision making today, the following is the list of policy priorities established by Council and still underway:

1. Civic Center Campus and Main Library
2. Ability of Infrastructure to Support Development and Traffic
3. Open Space Acquisition Planning: Future of Golf Courses
4. Downtown Sunnyvale
5. Improved City Processes and Services through the use of Technology (*added in 2016*)

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 2016/17 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 2016**

On February 23, staff will present a Report to Council identifying the study issues that can be initiated in 2016, 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.

Sincerely,



Deanna J. Santana  
City Manager