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Date	Ver.	Action By	Action	Result
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REPORT TO COUNCIL

SUBJECT

2022 City Council Priority Setting Session

BACKGROUND AND DISCUSSION

In 2021, the City Council held its annual Priority Setting Session (Session) on February 1 and 2, 2021 and a Priority Check-in on August 17, 2021. On February 8, 2022 the City Council will meet for the annual 2022 Priority Setting Session, this Session builds on the Council’s past efforts. Specifically, the 2022 Priority Setting Session will include the following sections:

1. Welcome - Where We Are
2. Budget Update and 10-Year Financial Forecast
3. Accomplishments on Council Priorities and State of the Organization
4. Governance Check-In with Council
5. 2022 Council Priorities Strategy--Unfunded Council Initiatives (030) & 2022 Critical Priorities

Attached to this report is a matrix (Attachment 1) that summarizes various referrals and policy priorities and their status. It is important to note that there will be several opportunities for public comment and to receive input from the community. Following the review of the City’s fiscal position and organizational capacity and a governance check-in, the City Manager and session facilitator will lead the Council in a discussion of critical priorities and how to balance future priorities against the City’s current resources and condition.

It is important to note early on that this is not a “business as usual” Session. The City is entering its:

- Third year of working through COVID uncertainty and its impacts to the City’s General Fund fiscal health, City services, and workforce,
- Six-months without a permanent City Attorney and the significant impact to the entire City organization for lack of adequate legal support needs, and
- Window of opportunity to course correct by reaching agreement on a critical path and critical priorities.

Our organization is not the same organization that it was in February 2021, when this Council first met in this format with the hope of the recently developed vaccines that allowed for us to plan to “reopen” the economy and restore our pre-COVID strategies. Unfortunately, two COVID-19 variants further impacted our strategic plans and, as a result, we are a very different organization with significantly less capacity, less General Fund revenue and a larger workload that continues to grow.

If we look at the next nine months (February - November 2022), there is an opportunity to collectively lead toward favorable ballot measure and budget balancing outcomes that stabilize the organization and maximize preserving services. If we miss this opportunity and continue a “business as usual” approach, we guarantee that the organization will continue down a path of more service and fiscal uncertainty. Indeed, we are on a critical path to address a critical priority with nine months to change the trajectory. In short:

- We need successful revenue ballot measures that stabilize the General Fund, both by measures that maintain the status quo and invest in operational revenue to preserve current services levels and invest in infrastructure (current measures will not bring new revenue for new services, at best they preserve service levels and may allow for some investment in recently reduced service resulting from COVID,
- By November 2022, the following five months (November 2022 to May 1, 2023) we will either be:
 - A) Reducing/eliminating more staff/services to balance the estimated \$19.6+ million deficit (See Budget Update and 10-Year Financial Forecast) and any other adverse impacts that come from failed voter approved ballot measures (with potential loss of \$25-30 million eliminated from the General Fund)

OR,

- B) Evaluating revenue from voter-approved ballot measures that allow for us to preserve current service levels and potentially unfreeze positions.
- This critical path requires us to think strategically and critically about how we spend the next nine months and use our extremely limited staff capacity to prevent further destabilization of our organization
- COVID impacts and Fiscal and Operations Sustainability require our full attention
- If we stabilize our fiscal foundation, from a stable fiscal condition and healthy community and

workforce, all things are possible!

It is not all bad news. Allow for me to end this section of this report with some good news: ***We have been here before and we can do this again!***

We know what we need to do and how to get this work done. If you will recall, in 2017 the City had a projected \$116 million deficit and, by 2020, we were able to get the projected deficit down to as low as \$3.3 million and build up the City's General Fund Budget Stabilization Reserve's to unprecedented levels never experienced by the City. It is this work that has allowed for the City to prevent further service loss from COVID induced impacts.

How did we do it? It took Council and staff discipline to stay focused on what we need, (not what would be nice to have), create workforce capacity for City staff to complete this priority work by removing non-urgent/non-priority work from our workload, and by minimizing distractions that pulled us away from our critical path and critical priority. That is what we need again, this is not hard to do but requires focus.

If we anchor to an aligned goal, ***we can do this!***

SESSION FACILITATOR

This Session will be facilitated by Dr. Shawn Spano, who has led the City over the past years through this annual process and is familiar with the City's and Council's work. Dr. Spano has over 25 years of experience working with city government and public organizations. He is a specialist in designing and facilitating public forums, meetings, training workshops and off-site retreats with elected officials, executive staff, middle managers, commissions and boards, and residents. He also facilitated the Council's Session in February and August 2021 and is familiar with their previous discussions.

BUDGET UPDATE AND 10-YEAR FINANCIAL FORECAST

As one of the City's major fiscal management and strategic planning tools, staff revised the 10-Year General Fund Forecast (Forecast) that will serve as a foundation for evaluating the long-term financial condition of the City. The Forecast provides a starting point for evaluating priorities, identifying risk factors and vulnerabilities, understanding trade-offs moving forward, and developing potential mitigation actions. In the short-term, the 10-Year Forecast also provides a revised value for projected deficit or surplus: in this case, the Forecast indicates the efforts needed now to address the deficit with actual, known risk.

At the Session, staff will present the updated Forecast and discuss the implications to the City's strategic planning and action. The proposed FY 2022/23 Budget Principles will also be presented for approval (Attachment 2). The Budget Principles provide a general framework and approach for developing the City's budget in a fiscally prudent manner. The proposed Principles have been revised to acknowledge the drop of the Budget Stabilization Reserve to 15% of expenditures in FY 2022/23.

The Forecast reflects the latest information on the City's projected revenues and costs. It will show a substantial **General Fund ongoing shortfall of \$19.6 million in FY 2023/24 to be addressed in the next biennial operating budget.** This is a largely a result of COVID-19 induced impacts on City revenues, with improvement in the remaining years of the Forecast.

As has been noted in the past two years, the City's General Fund has been significantly impacted by the COVID-19 global pandemic, with declines starting at the end of FY 2019/20. As an example of

our response, staff immediately implemented cost control measures in FY 2019/20, such as a hiring freeze and limiting as-needed staffing and non-personnel expenditures, to help offset the loss in revenue. These efforts have assisted by not adding to the deficit. Budget balancing actions were also necessary in FY 2020/21, as well as in the FY 2021/22 and FY 2022/23 Biennial Operating Budget that was approved in June 2021. The City used federal stimulus funding and other one-time reserves as a major budget balancing component to help bridge the gap and allow more time for economic recovery. While the use of these one-time funds has enabled the City to preserve many services through the FY 2021/22 and FY 2022/23 Biennial Budget period, an ongoing shortfall is projected to remain after that point, and those reserves or federal allocations no longer exist to extend services.

Staff will also present a potential budget balancing strategy that relies on a combination of increased and stabilized revenues, expenditure reductions and the use of our limited remaining reserves. Actions that increase revenues include improving the cost recovery of fees, tax measures, and ensuring other funds are paying their fair share of costs.

The Session will also include discussion on potential ballot measures for the June and November 2022 elections (See 2022 Ballot Measure Strategy Development section). Staff will also bring forward a fee study in April 2022. Other balancing actions include reducing expenditures and the use of limited reserves, such as depleting the Land Sale Reserve. The Session will also include an overview of the significant unfunded capital infrastructure needs as the City staff is developing the FY 2022/23 and FY 2023/24 Capital Budget. A funding strategy, beyond the current *pay as you go* long practice, is also needed to address the City's increasingly aging infrastructure.

Timing is a critical factor in the budget balancing process. With the planned draw down of reserves already factored into the budget balancing strategy, along with already implemented expenditures reductions, there are fewer options available to address this deficit. The revenue strategies that require voter approval, which are a key component to addressing the General Fund deficit as well as the significant unmet infrastructure needs, have a short timeline for voter consideration along with the City's ability to provide education and information for voters to be informed about the measures. The outcome of these ballot measure efforts will impact the level of cost reductions necessary to balance the budget. The development of cost reduction proposals will begin later this calendar year (e.g., November/December 2022) for the FY 2023/24 and FY 2024/25 Biennial Operating Budget process, after the results of any June 2022 and November 2022 ballot measures are known. This will be extremely challenging for the organization that has already been impacted by reductions and has many service and infrastructure needs, with considerably less reserves than we had pre-COVID.

It is important to note that often the first step an organization takes to reduce a projected deficit is eliminate vacant positions before it eliminates filled positions. The existing General Funded vacant positions do not even make up in value half of the projected \$19.6 million deficit. This demonstrates the magnitude of additional service/position eliminations that would be required to balance the FY 2023/24 Operating budget. This also demonstrates that any new or stabilized revenue sources are needed to maintain current services, which are already understaffed, and the likeness that there will not be available new resources to invest in new services.

ACCOMPLISHMENTS ON COUNCIL PRIORITIES AND STATE OF THE ORGANIZATION

In 2021, the City provided a 2021 Mid-Year Summary of Accomplishments and Year-End Summary of Accomplishments on Council Priorities (Attachment 3). These Citywide accomplishments provide transparency for the community of all of the efforts underway and advancement of Council policy priorities: they also demonstrate the high-performing teamwork that is award-winning and how we

have pivoted to respond to our community's needs during COVID while concurrently advancing Council priorities. At the 2021 Priority sessions, the Council categorized priorities using the following levels:

- Urgent/Top Priority
- Important
- Already in Progress/Ongoing
- To Be Considered for 2022

During this section of the Session, an update on the ongoing and 2021 City Council Priorities will be presented. A full detailed list of the 2021 Council Priority Items is attached to this report (Attachment 1), but you can see this process working by having advanced the Council's "Urgent/Top Priority and Important" priorities, amongst other accomplishments, over the past year.

At the August 2021 Check-in, the Council unanimously agreed that **COVID-19 Relief/Recovery** remains an "**Urgent/Top Priority**" category and continues to be the primary focus. The Council also identified three items as "Important," which included the items below already underway:

- Levi's Stadium Curfew and Violation Fee** - Revisiting the Stadium curfew and fee which is going to be schedule for the Board in October.

Status: Completed, staff presented a report in November 2020 and the Council took action on this matter.

- Modernization of Business Employee Tax** - Pursuing a business employee tax which is already before the Council. Council approved agreement with consultant to provide voter research, strategic consulting, and community outreach services.

Status: Underway, staff has presented twice on the development of a business employee tax and will be presented with more information following community engagement work completed in January 2022. Staff is prepared to proceed with the appropriate work that must be completed to successfully place a measure on the November ballot and provide information/educational information, but capacity must be made available to successfully complete the wide range of work effort.

- Affordable Housing Opportunities** - Affordable and, particularly, low-income housing, which has also been inclusive of homeless housing opportunities remain a priority.

Status: Completed, staff supported two policy discussions on affordable housing, including temporary services and transitional housing for the homeless. Council continues to approve affordable housing developments, approved a Home Key transitional housing for homeless, along with the development of short-term personal/hygiene services and a Task Force for any further work deemed needed.

The City continues to focus on COVID-19 recovery and continued service delivery to the community; however, with the Omicron variant, City services have been impacted demonstrating how shallow some of our service delivery resources are by the need to suspend services until healthy staff could return to work. In fact, at the time of writing this report, the entire region is still experiencing the Omicron variant surge of COVID-19 cases, which results in some element of uncertainty for fiscal

and workplace changes. For 2022, COVID-19 Relief/Recovery, and all fiscal and workplace impacts, remains our major priority.

Coincidentally, MissionSquare Research Institute, a public sector leading research institute that produces studies on national public sector trends, recently released a report on the public sector workforce in the context of the nation's Great Resignation trend (Attachment 4). The national study supports many of the local observations that our organization has seen in recent workforce trends: it also underscores that we are not unique and that our problems are shared by other public agencies that we compete with for attracting staff. In short, the study found that the public sector is experiencing a workforce fatigued by COVID, 52% of public sector staff are considering leaving their jobs, and that the public sector is challenged with retaining/recruiting employees. More information will be shared during this section of the Session.

The State of the Organization Section presents the current organizational capacity, including assessment of workload and ongoing external and internal factors impacting resources. It is important to first consider the current state of the workforce, e.g. multi-year pressures of "essential" work during COVID while concurrently sustaining day-to-day operations, concern for their own COVID safety while working and altered methods of delivering service, significant staff reductions and vacancies (some that are hard to fill or that have been frozen), no comparable reduction in services causing for staff to have to absorb more work, stressor of trying to complete work with considerable delays due to lack of permanent City Attorney, inability to take time off or work a regular work week because of work demands/reduced staffing vacancies, some bargaining units taking two years of zero COLAs and zero merit increases, and the pressures of absorbing more workload within the context of budget deficits. It should not be surprising to hear that staff feels burned-out, overwhelmed, and anxious over how to sustain day-to-day operations, while keeping themselves safe, and offer COVID support while absorbing unprecedented numbers of new Council referrals with a City Attorney's Office that is woefully under-resourced and leaderless. This is what I hear from staff and it is important for the Council to know how staff are feeling. Our staff are very concerned about the trend of more Council Policy 030s, without consideration of the conditions below.

Below are some bulleted points that inform decision-making on how to consider additional workload in the context of our critical path, critical priority work:

- 1) COVID impairs full-functionality and has impacted the City's fiscal and capacity conditions (e.g., workplace, staffing, and services).
- 2) COVID has revealed how shallow our work "bench" is staffed for sustaining services;
- 3) Prolonged City Attorney vacancy has altered and shifted the increased workload of existing City Attorney's Office staff AND significantly consumed much capacity of non-CAO staff- important work is delayed, adds workplace stress, and routine work requires longer time to get completed;
- 4) Over 2021, City reduced staff capacity significantly and has not reduced proportionately City services--26% reduced capacity did not mean 26% reduced services, with non-public safety departments sharing larger reductions;
- 5) Capacity has also decreased with as-needed staff (by about 50%), leaving less flexibility with scheduling services;
- 6) Citywide vacancy rate is 17% (post-COVID) vs. 11-14% in early 2020 (pre-COVID) and, acknowledging that General Funded positions would likely be proposed for elimination in November 2022 to balance the \$19.6+ million projected deficit, will remain vacant until the outcome of revenue generating opportunities is better known in November;

- 7) Public Records Act requests impact all City departments and have increased 42% year-to-year (in addition to a record high year in 2020-- with 16,373 total PRA sub-requests in 2020 to 23,240 total PRA sub-requests for 2021) with significant vacancies causing for work to be reprioritized to existing staff to maintain compliance with State laws;
- 8) Recruitment and Retention Challenges: Staff departures and reduced ability to recruit because of known comparable higher workload, lesser staff impacts to working conditions/demands, and Council dynamics/treatment of staff (some recruitments have to be conducted more than once to get to being able to hire, which consumes limited recruiting resources): exit interviews support a trend of the purpose of departures are: workload, lack of work/life balance because of workload, and Council dynamics/Council's treatment toward staff;
- 9) Multiple external initiatives continue to require assigned capacity in the best interest of the City (e.g., statewide climate related impacts, regional initiatives (BART, affordable housing, COVID programs, etc.), constituent demand for services, etc.); and,
- 10) Over 200 new bills were signed into law taking effect in 2022, with a number of key legislation that City staff must review and provide legal support for implementation of these new laws in Santa Clara (e.g. SB9 Housing development Approvals, AB 215, Planning and Zoning Law. Housing Element. Violations, SB 278 Public Employee Retirement System, SB 619 Organic Waste and Reduction Regulations, SB2 Peace Officers. Certification. Civil Rights, SB16 Peace Officers. Release of Records).

Last, it is common for organizations to reserve funds and workforce capacity for unanticipated events/initiatives: this is because in a dynamic environment like Santa Clara/Silicon Valley, naturally issues come up that must be addressed with resources. Our organization does not have such reserve either in our operational budget or workforce capacity. New priorities come with the assumption that a funding appropriation is required and/or that current staff will need to work beyond their regular heavy workload to absorb the work. This year, investment in the new initiatives would require reducing reserves that are generally programmed for balancing the budget as reflected in the potential budget balancing proposal. To be clearer, for example, decisions need to be made in the context of any dollars invested in initiatives is the equivalent lesser dollars available to preserve staffing levels for day-to-day services.

GOVERNANCE

The facilitator will conduct a governance check-in during the 2022 City Council Priority Setting session, dividing the segment into procedures to improve meeting efficiency and norms to enhance civility and collegiality.

During this section of the Session, the facilitator will assess the current meeting protocol with the Council that was developed at the August 2021 session, and review any changes or revisions. Next, the facilitator will introduce a segment on governance norms. He will review governance norms to address civility and collegiality and selected excerpts from the City's Code of Ethics and Values and Behavioral Standards (Attachment 5) and his reflections on observing recent Council meetings, as well as some areas for improvement. These standards were developed and approved by Council in 2008 as part of the City's Ethics and Values program. The facilitator will invite the Council to discuss the following:

- How is Council doing in adhering and following these norms and behavioral standards?

The facilitator will conclude the section on meeting efficiency by asking Council to affirm the meeting protocol by vote to adopt a Resolution (Attachment 6) reflecting the procedures adopted in August

and recommending any additional procedures to improve meeting efficiency. The facilitator will conclude the civility and collegiality norms segment by asking Council if there any norms and behavioral standards they want to single out to adopt and affirm. As a reference, included in this packet is an article titled “Breaking the Cycle: Steps for reducing negative discourse and incivility in public meetings from Western City, the news Institute for Local Government (Attachment 7).

2022 COUNCIL PRIORITIES STRATEGY - UNFUNDED COUNCIL INITIATIVES (030) & RECAP ON 2022 CRITICAL PRIORITIES

During this section of the Session, the facilitator and City staff will discuss the critical path and critical priorities facing the organization against the context of various new referrals. The Facilitator and City staff will review the progress of the 2021 City Council Priorities, as approved by the Council in February 2021. These priorities were included as part of the FY 2021/22 and FY 2022/23 Biennial Operating Budget.

Following the discussion of the unfunded and un-resourced initiatives, Dr. Spano will lead the Council in a discussion of critical priorities and how to balance any additional future priorities against the City’s current organizational resources and capacity.

In addition to the 2021 City Council Priorities, the following **15 items** were referred to this session:

To Be Considered / Continued from August 2021 Priority Check-in

1. Elected Police Chief & City Clerk Ballot Measure for November 2022
2. Election Reform / Campaign Contribution Cap
3. Internet Equity and WiFi

Additional Items (030) referred to 2022 Priority Session:

4. Ballot Measure for Infrastructure Bond or Tax (referred by 030)
5. Sanitary Sewer Laterals (referred by 030, heard at Feb. 23, 2021 Council) **and Referred to this Session for presentation and potential action**
6. Discussion of New City Hall in New Santa Clara Downtown Plan (referred by 030)
7. Proposal of New City Film Commission (referred by 030)
8. Construction of Lawn Bowl Facility for Consideration (referred by 030)
9. Installation of Rainbow Crosswalk(s) Painting in Santa Clara (referred by 030)
10. Installation of Rectangular Rapid Flashing Beacon Crosswalk at Kiely/Mauricia
11. Establish Stadium Neighborhood Relations Committee (referred by 030)
12. Feasibility study for constructing a roadway undercrossing at the RR tracks separating Benton Street and Brokaw Road near the Santa Clara Caltrain Station and Future BART Station (Referred from Jan. 5 Study Session)
13. Approve the review of the Senior Advisory Commission Transportation Interest Letter and refer the issue of a transportation needs analysis (referred from Jan. 25, 2022 Council meeting)
14. Swim Club presentation on the remedial condition of the facility (referred from Jan. 25, 2022 Council meeting)
15. Consider current janitorial services contract renewal based on public comment experiences with vendor (referred from Jan. 25, 2022 Council meeting)

In addition to the **15 referred items for consideration at this Priority Session**, since December 2020, City staff have also been addressing additional directives and initiatives submitted by Council Policy 030. The list below outlines the **37 additional (030) items** underway, completed, dropped, or

no action made by Council, with **an additional item recently submitted.**

Additional Council Policy 0-30 Items Referred to Staff

1. (12/8/20) Action on Written Petition submitted by Councilmember Chahal Requesting a Discussion on the CVRA Appeal Case **(Completed)**
2. (12/16/20) Action on a Written Petition submitted by Sam Liu Requesting a Discussion and Reconsideration of a 10' CMU Wall with the Project at 3200 Scott Blvd. **(Underway)** City provided a response to written petition on January 26, 2021, referred to staff
3. (1/26/21) Action on a Written Petition Submitted by Councilmember Jain Requesting a Discussion on the Vote on the Sale of the Loyaltan Ranch Property **(Underway)**
4. (1/6/21) Action on a Written Petition Submitted by Councilmember Jain Requesting a Discussion and Vote of Revising the Terms of Franklin Mall Maintenance District Number 122 **(Completed)**, Note and Filed on Jan. 25, 2022)
5. (2/23/21) Action on a Written Petition submitted by Aryeh Korthamar Requesting a Discussion and Consideration of Encroachment of APN 290-35-048, staff contacted property owner for next steps. The City has not yet received a permit application related to this item **(Underway)**
6. (2/23/21) Action on a Written Petition Submitted by Councilmember Becker Requesting a Discussion on Amending of Section 18.102.010 ("Commercial Marijuana Activity Prohibited") of Chapter 18.102 ("Regulation of Marijuana") of Title 18 ("Zoning") of "The Code of the City of Santa Clara, California" on removing the ban on all Commercial Cannabis Activity **(No Action / Motion Failed)**
7. (3/10/21) Action on a Written Petition Submitted by Councilmember Becker Requesting a Consideration on Adjusting the Start Times for Council, Stadium Authority, and Closed Session Meetings **(Completed)**
8. (4/20/21) Action on a Written Petition submitted by Kirk Vartan Requesting Elected City Councilmembers be Required to Turn on Video during Virtual Council Meetings **(No Action / Motion Failed)**
9. (5/4/21) Action on a Written Petition (Council Policy 030) Submitted by Councilmember Hardy Requesting a Discussion on Council Policy 047 (Admonition and Censure) **(Completed)**
10. (5/4/21) Action on a Written Petition (Council Policy 030) submitted by Gabriela Gupta Requesting the Censure of Councilmember Watanabe and Admonishment of Mayor Gillmor - Council Policy 047 **(Completed)**
11. (6/8/21) Action on a Written Petition Submitted by Councilmember Becker Requesting a Public Apology to the Residents of Santa Clara for the CVRA Lawsuit (item continued to 6/10/21) ad Hoc Committee established to address item **(Underway)**
12. (6/22/21) Action on a Written Petition submitted by Robert Mezzetti, II Requesting to Discuss Amendment No. 3 to the Exclusive Negotiation Agreement by and between the City, VTA and Republic Metropolitan an LLC for the proposed project located at 500 S. Benton Street (APN 230-08-061 and 230-08-078) **(No Action)**
13. (6/22/21) Action on a Written Petition (Council Policy 030) submitted by Gabriela Landaveri Requesting the City of Santa Clara Adopt a "Vision Zero" Policy (deferred to 7/6/21) **(Underway)**
14. (6/22/21) Action on a Written Petition Submitted by Councilmember Jain Requesting to Place an Agenda Item at a Future Meeting to have a Policy Discussion on Data Centers (deferred to 7/6/21) **(Underway)**
15. (7/6/21) Action on a Written Petition (Council Policy 030) submitted by Ana Vargas-Smith on June 28, 2021 to add an agenda item to consider financial and in-kind support for the Santa Clara Parade of Champions Plan A (Live Parade) or Plan B (Virtual Parade) **(Completed)**

16. (7/6/21) Action on a Written Petition (Council Policy 030) Submitted by Councilmember Watanabe Requesting to Place an Agenda Item at a Future Meeting to Discuss Preparation of a Letter from Mayor and Council to the California Citizens Redistricting Commission **(Completed)**
17. (7/13/21) Action on a Written Petition (Council Petition 030) Submitted by Councilmember Jain Requesting to Place an Agenda Item at a Future Meeting to Discuss Creating a Special Ad Hoc Committee Consisting of Residents and Representatives of Housing Advocacy Groups to Discuss only the issues Concerning the Unhoused Population **(Underway)**
18. (7/13/21) Action on a Written Petition (Council Petition 030) Submitted by Councilmember Jain Requesting to Place an Agenda Item at the August 17, 2021 Goal Setting Meeting to Consider Topics Such as Staffing and Resources, Consultants, Budget, Council Direction on Densities, Car Parking Strategy, Coordination with VTA and San Jose, and Timeline for Implementing a Station Area Plan **(Underway)**
19. (8/17/21) Action on a Written Petition (Council Policy 030) submitted by Leonne (Lee) Broughman on July 12, 2021 to add an agenda item to a future date about Censure/Admonishment of Councilmember Park (Con't to 8/24/21) **(No Action)**
20. (9/7/21) Action on a Written Petition (Council Policy 030) submitted by David Donaldson on August 14, 2021 to add an Agenda Item to a future Council Agenda to Consider Placing a Ballot Measure on the 2022 Ballot for Charter Amendments calling for the voters to consider (1) Establishing Mayor and City Council positions as full-time and with an annual salary of \$96,000 and \$80,000, respectively, plus commensurate benefits and COLA adjustments and (2) Campaign Reform actions relative to donations from Santa Clara businesses and residents, City matching funds for donations, funding caps, and disclosures of funding raising activities. **(Underway)** To be agendized at a future meeting to discuss considering Council/Mayor as full-time positions without salary component and return with comps with other cities and #2 was referred to elected City Clerk
21. (9/28/21) Action on a Written Petition (Council Petition 030) Submitted by Councilmember Jain Requesting to Place an Agenda Item at a Future Meeting to Discuss the Rules for who can serve on Boards and Commissions, and Committees **(Completed)**
22. (9/28/21) Action on a Written Petition (Council Petition 030) Submitted by Councilmember Jain Requesting to Place an Agenda Item at a Future Meeting to Consider Hiring an Ethics Consultant for Upcoming Elections (Underway) Referred to Governance and Ethics Committee/City Clerk
23. (9/28/21) Action on a Written Petition (Council Petition 030) Submitted by Councilmember Jain Requesting to Place an Agenda Item at a Future Meeting to Discuss the use of Written Petition (Policy 030) by Members of the Public **(Underway)** Referred to Governance and Ethics Committee
24. (9/28/21) Action on a Written Petition (Council Petition 030) Submitted by Councilmember Jain Requesting to Place an Agenda Item at a Future Meeting to Consider a Quarterly Report to Council of Legal Expenses to Outside Law Firms and any Settlement Costs (that can be disclosed) Once Cases are Settled **(Underway)** Referred to Governance and Ethics Committee
25. (10/19/21) Action on a Written Petition (Council Policy 030) submitted by Morteza Shafiei, as representative of HOAs on October 7, 2021 to add an Agenda Item to a future Council Agenda to Consider the Purchase of lot at 1601 Civic Center Drive **(Underway/Ongoing)** Target scheduled to be heard Spring 2022
26. (10/19/21) Action on a Written Petition (Council Petition 030) Submitted by Councilmember Jain Requesting to Place an Agenda Item at a Future Meeting to Discuss the Debt Acquisition Company of America Applying for a Conditional Use Permit to Build and Operate a 320 Acre

- Sand and Gravel Quarry at Sargent Ranch **(Complete)** Adopted resolution recognizing and supporting the Amah Mutsun Tribal Band in protecting tribal sacred lands of Juristac from development
27. (10/19/21) Action on Written Petition (Council Petition 030) Submitted by Councilmember Becker Requesting to Place an Agenda Item at a Future Council Meeting for Discussion to Propose a stricter and more Regulated Ordinance for AirBNB Properties/Operations **(Dropped)**
 28. (10/19/21) Action on Written Petition (Council Petition 030) Submitted by Councilmember Becker Requesting to Place an Agenda Item at a Future Council Meeting for Discussion to Change the Name of the City of Santa Clara Observed Holiday from Columbus Day to Indigenous People's Day **(Dropped)** Councilmember Becker dropped item since the Task Force on DEI and the City already were completing this item
 29. (10/19/21) Action on Written Petition (Council Petition 030) Submitted by Councilmember Becker Requesting to Place an Agenda Item at a Future Council Meeting for Discussion to Propose an Ordinance to make it a Crime to Promote or Encourage Sideshows on Social Media **(Dropped)** Councilmember Becker dropped item since it has been completed
 30. (11/9/21) Action on a Written Petition (Council Policy 030) Submitted by Brian Doyle Requesting to Place an Agenda Item at a Future Council Meeting to Discuss FIFA Negotiations (deferred to 11/16/21) **(Petition was denied)**
 31. (11/16/21) Action on a Council Written Petition (Council Policy 030) Submitted by Councilmember Hardy to Place an Item on a Future Council Meeting to Consider a Resolution to Support the Bid to FIFA for the 2026 World Cup and Related Events **(Underway)** Agendized tentatively for 3/8/22
 32. (12/7/21) Action on a Written Petition (Council Policy 030) Submitted by Jared Peters Requesting to Place an Agenda Item at a Future Council Meeting to Consider making a Policy Decision Regarding the City Assuming Responsibility of an Unstable and Dangerous Sound Wall in the Laurel Park East Neighborhood **(Underway)**
 33. (12/7/21) Action on a Written Petition (Council Policy 030) Submitted by Travis L. Flora Requesting to Place an Agenda Item at a Future Council Meeting to Consider Admonition or Censure of Councilmember Becker for his Retaliation Against a Member of the Public on at Least Two Separate Occasions During the Council and Authorities Concurrent Meeting on Nov. 16, 2021 **(Underway)** Councilmembers Becker and Hardy met with Mr. Flora and will report back to Council
 34. (1/11/22) Action on a Council Written Request (Council Policy 030) Submitted by Councilmember Jain Requesting to Place an Agenda Item at a Future Council Meeting to Discuss making the Youth Soccer Park Parking Lot available when there are no events at the Youth Soccer Park (soccer gets absolute priority) in order to Generate Revenue for the City **(To be Agendized at Future Meeting)**
 35. (1/11/22) Action on a Written Petition (Council Policy 030) Submitted by Keith Stattenfield Requesting to Place an Agenda Item at a Future Council Meeting to Discuss requirements from the Office of the City Attorney on Approving an Update to the CC&R's of the Casa del Rey Homeowner's Association Bylaws **(Underway/Ongoing)**
 36. (1/22/22) Youth Soccer Park expansion of scope to be discussed (refer to item 34) to explore: Under Measure R, identify if the City could contract annually to the Santa Clara Youth Soccer League (SCYSL) to manage parking lot and charge for parking during no soccer activity, consider SCYSL to do own scheduling, Parks & Recreation prioritize a scheduler for YSL, City acquire scheduling software to make process more efficient, report of staffing and budget needed to support soccer at SCYSL and Reed & Grant **(To be Agendized at Future Meeting)**

Additional (030) Submitted Petition - Council to consider adding to a future agenda:

37. (1/31/22) Discussions with Franklin Mall Parking Maintenance District No. 122 - Franklin Mall (PMD 122). Under the current contract for the PMD122, the City has no say in what the assessment will be. The property owners have all the decision power. Suggest to agendize a discussion of dissolving PMD122 and possibly negotiating a new agreement (Attachment 9)

By review of the above, it is easy to determine that with our limited capacity coupled with our critical need to focus on our fiscal health, not everything will get done this year and are not as time sensitive when compared to the work that MUST be completed over the nine months. It also shows that there is work to be done by this organization on truly prioritizing and leading the organization strategically with where our focus and resources are invested.

For the Administration, the 2022 priorities are self-evident that is, preserve even the status quo of our already reduced services and completely focus on the success of revenue ballot measures that work toward stabilizing our services and our already-reduced workforce. We have a proven record of having changed the organization's trajectory, and while it will be a bigger challenge this time, we can make every effort to do it again! But it cannot be done while concurrently supporting multiple changing priorities that can easily be delayed to focus on the true priority of our organization: **our fiscal and workforce health**, the foundation/backbone of our organization from which, if stable, all things are possible!

2022 Ballot Measure Strategy Development

In addition to the discussion of the current policy priorities, the City's ballot measure consultants will present their community research on voter sentiment for the conceptual topics that the Council has discussed over the past year: business tax, Charter language change to confirm the existing General Fund transfer, and infrastructure bond measure. Over the past weeks, City staff and consultants have been focused on supporting the Council with developing a ballot measure strategy that focuses on the City's service preservation.

Consultants will provide the results of their community engagement with statistically significant data and preliminary work of qualitative research completed. This work in standard for the development of a ballot measure strategy and, particularly, informs decision-making for the June and November 2022 elections. As it stands currently, based on law that allows for measures on a General and Special Election ballot the following items are more or less baked into the schedule, with an opportunity to add another:

June:

1. CVRA Settlement Agreement measure to establish Council Districts (Ballot Measure Language set and Council Approved)
2. To be Determined

November

1. Charter Language Amendment to Maintain Utility General Fund Transfer (Final Council Approval Pending)
2. Business License Tax (if Council approves)

PUBLIC CONTACT

Public contact was made by posting the Council agenda on the City's official-notice bulletin board

outside City Hall Council Chambers. A complete agenda packet is available on the City's website and in the City Clerk's Office at least 72 hours prior to a Regular Meeting and 24 hours prior to a Special Meeting. A hard copy of any agenda report may be requested by contacting the City Clerk's Office at (408) 615-2220, email clerk@santaclaraca.gov <<mailto:clerk@santaclaraca.gov>>.

RECOMMENDATION

- A. Adopt the proposed Resolution establishing meeting procedures
- B. Note and File the Budget Update and 10-Year General Fund Forecast
- C. Adopt FY 2022-2023 Budget Principles
- D. Provide direction and approval of decisions to move forward with potential ballot measures
- E. Validate 2022 Priorities and approve any amendments
- F. Action on a Council Written Request (Council Policy 030) Number 37 Submitted by Councilmember Jain

Approved by: Deanna J. Santana, City Manager

ATTACHMENTS

- 1. Council Priorities Matrix
- 2. FY 2022/23 Budget Principles
- 3. 2021 City of Santa Clara Annual Report of Accomplishments
- 4. MissionSquare Research Workforce Trends Report
- 5. Code of Ethics/Behavioral Standards for Councilmembers
- 6. Proposed Resolution Establishing Meeting Procedures
- 7. Western City Article: *Breaking the cycle: Steps for reducing negative discourse and incivility in public meetings*
- 8. Additional Background Information for (030) Items
- 9. Written Petition (030)