



**DRAFT MINUTES
CUPERTINO CITY COUNCIL
Friday, November 8, 2019**

SPECIAL CITY COUNCIL MEETING

At 5:33 p.m. Mayor Steven Scharf called the City Council meeting to order in Cupertino City Hall EOC, 10300 Torre Avenue.

ROLL CALL

Present: Mayor Steven Scharf, Vice Mayor Liang Chao, and Councilmembers Darcy Paul (5:34 p.m.) Rod Sinks, and Jon Robert Willey. Absent: None.

ORAL COMMUNICATIONS - None

CITY COUNCIL TRAINING WORKSHOP

City Manager Deborah Feng introduced the session.

Consultants Senior Partner Rod Gould and Senior Manager Christine Butterfield with Management Partners facilitated the workshop.

The Council discussed best practices of governance and clarifying roles.

The consultants created a workshop report containing a summary of the discussions which is available in Exhibit A (attached).

ADJOURNMENT

At 9:45 p.m., Mayor Scharf adjourned the meeting.

Kirsten Squarcia, Deputy City Clerk



**City of Cupertino
City Council Workshop
Held November 8, 2019**

November 2019

**Management
Partners**



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Workshop Report

The City of Cupertino held a City Council workshop on Friday, November 8, 2019, from 5:30 p.m. – 9:30 p.m. The workshop was held at Cupertino City Hall located at 10300 Torre Avenue. The workshop provided the City Council an opportunity to strengthen Councilmember relationships, discuss the characteristics of high-performing Councils and identify significant opportunities and challenges facing the community over the next several years. This report contains a summary of workshop discussions. Rod Gould, Senior Partner, and Christine Butterfield, Senior Manager with Management Partners, facilitated the workshop.

Workshop Overview

Objectives

- Strengthen trust and effectiveness and the City Council.
- Learn about how Councilmembers approach Council service and decision-making.
- Discuss expected opportunities and challenges on the horizon for the City of Cupertino in the next two years.

Agenda

- Welcome and call to order by the Mayor
- Public comments
- Comments from the City Manager
- Agenda review
- Learn more about Councilmembers' service to Cupertino
- Council discussion of high-performance governance
- Council discussion of roles
- View from the bridge
- Identify significant opportunities and challenges facing Cupertino
- Wrap up and next steps

Participants

All members of the City Council and City Manager Debra Feng participated in the workshop.

City Council



**Mayor
Steven Scharf**



**Vice Mayor
Liang Chao**



**Councilmember
Rod Sinks**



**Councilmember
Darcy Paul**



**Councilmember
Jon Wiley**

Workshop Ground Rules

At the start of the workshop, Rod reviewed several ground rules to help the group have a successful workshop.

- Seek consensus
- Listen to understand
- Participate
- Stay focused
- Assume good intent
- Speak up if we need a course correction

Workshop Preparation

Prior to the workshop, Rod Gould conducted interviews with each Council member and the City Manager to better understand what each believed would constitute a productive workshop.

Welcome and Opening Comments

The workshop began with opening comments from Mayor Steven Scharf. He welcomed Council members, staff, and the public and invited public comments at the start of the session.

Following the Mayor's welcome, City Manager Deborah Feng shared the importance of the session and then turned the workshop over to facilitators, Rod Gould and Christine Butterfield.

Learn More About Councilmembers' Service to Cupertino

Christine kicked off the workshop by opening the discussion about governing and what called each Council member to service. Christine asked Council members to respond to the following questions. Their responses are also listed below.

What propelled you to serve on the City Council?

- Housing pressures.
- People were upset that the Council did not listen, and their voices were either ignored or were not being heard. Some voices were louder than others.
- Listen, serve the residents, and give back to the community.
- Support for diversity.
- Some Council members were encouraged to run for City Council.
- The interplay of politics and law.
- The fight against overdevelopment.
- Development drove several Council members to run for office ("bait and switch" on a recent senior housing project).
- Corruption.
- Provide fairness and justice. Some Council members wanted to do the right thing.
- "Root for the underdog."
- Authentic participation in civic engagement.
- Emissions from cement plant.
- City failed to negotiate with Steve Jobs.
- Some problems are interesting.

What about your service on City Council do you find most satisfying?

- Experiencing the learning curve of an elected official.
- The opportunity to listen, balance, and navigate community interests.
- Being beholden to voters.
- Upgrading City systems and internal services.
- Meeting a lot of people.
- Contributing to making City improvements.
- Having respect for honest people.
- Solving problems – even small ones.
- Lack of library parking – defies solution.
- Advocate for the East Side Park.
- Listening to those community members who are engaged and want to be heard.
- It is a once in a lifetime experience.

What would you like the City Council's reputation to be in the community and with staff?

- People can bring their problems to the Council for resolution.
- The Council and the City are listening to all voices.
- Create opportunities to get people talking.
- City Manager is affecting people positively.
- The City is making a real difference.

Council Discussion of High-Performance Governance

Rod Gould then distributed three handouts to the participants to review and help guide the discussion. The documents included:

- Excerpt from the City of Cupertino Municipal Code, Chapter 2.17, City Council - City Staff relationship;
- *"Attributes of Exceptional Councils"* from the Institute of Local Government; and
- *"A Key Ingredient for Success: An Effective City Council/City Manager Relationship"* by Kevin Duggan.

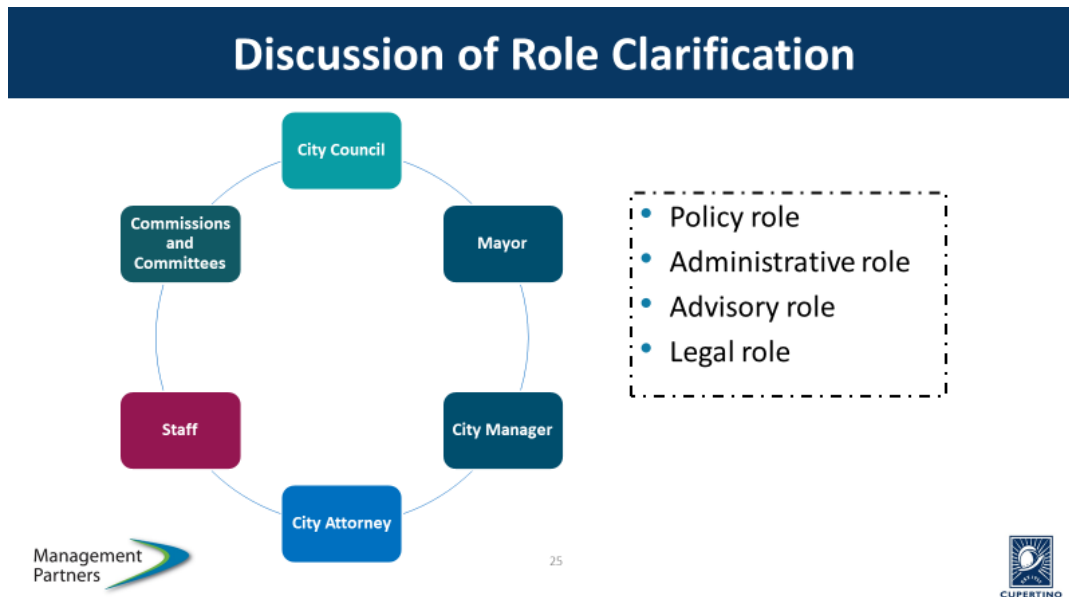
Rod began sharing some aspects of high-performing councils to help participants understand how elected officials' performance corresponds to the current research on high-performance councils. The discussion was then transitioned to participants responding to their Council practices and norms. Below are highlights from the discussion.

What stands out?

- Effective meetings where the meeting does not last until 2:30 a.m. or 4:30 a.m.
- One-way dialogue is not productive engagement.
- Abide by the two-hour rule in Municipal Code (for any staff information and research requests).
- Mutually supportive relationship with the staff.
- Holding ourselves accountable by providing more details to staff for clarity.
- Council meetings and agendas:
 - Better preparation for Council meetings by previewing the information ahead of time.
 - Submit questions before Council meetings and allow staff to review and respond.
 - Agenda review is good when helping the Council prepare, but it takes a lot of extra time.
 - The Council needs more time (in advance of meetings) to review the information in the packet.
 - Information should be better organized within the agenda.
- Identify a method to enhance communication between City Manager and City Council. Although it is improving, more communication can help grow the team and increase confidence in staff.
- Circulate individual Council member questions and responses to all.

Council Discussion of Roles

Rod shared with the participants the importance of understanding the respective roles of key participants in local government with whom Cupertino's City Council must work with. The following slide contains the key roles in local government. Rod described an effective working relationship between the City Council and each party.



Below are highlights from the discussion.

- Recognizing that 90% of the work is direct service delivery done by City staff, and 10% represents policy work that needs to be led/reviewed by City Council.
 - City Council's role is to focus on policy, ask the "what," and provide observations/suggestions.
 - City staff's role is to fulfill administrative duties, address the "how," and provide direction to address City needs and projects.
- Advanced civic engagement would benefit Cupertino.
- Help staff to not overreact to questioning or implied criticism.
- Interest in better understanding roles of boards and commissions.

View from the Bridge

City Manager Deborah Feng presented an overview of the state of the City's organization, finances and staffing. Her slides are included as *Attachment A* to this report.

Review of Significant Opportunities and Challenges Facing Cupertino

Christine facilitated the Council discussion about key community opportunities and challenges over the next several years. The Council's responses to the discussion questions are listed below.

What are the significant opportunities to improve Cupertino that will come before the City Council in the next two years?

- Bike and pedestrian improvements; enhance connectivity.
- Push out/publicize successes.
- Expanding the library.
- Improve City infrastructure.
- Create a better City image through branding.
- Have a greater influence within the region and state.
- Improve resident engagement.
- Address traffic calming.
- Citizen satisfaction at the highest levels.
- Use common language (easy for the public to understand).
- Renovate City Hall.
- Increase mobility.
- Identify new grants and funding streams.
- Expand the East Side Park.
- Build more accessible housing and student housing.

What will be some of the major challenges that the City Council must face in the next two years?

- Publicize job/housing balance.
- Address the myth of a divided community and City Council.
- Deferred maintenance and poor facilities (i.e., City Hall, water system, and golf course).
- Shrinking number of retail stores and rising rents.
- State mandates on housing.
- Library parking.
- Getting entitled housing built.
- Balancing school enrollment (across schools in the district).
- Lack of improvement/development to East Side Park.
- Addressing water issues/systems.
- Growing petty criminal activity and perception of safety.

- Modernizing transit systems.
- Managing congestion.
- Budget process.
- Capital Improvement Program (CIP) long-term plan.
- Addressing the increase in housing and transit regionally.
- The underfunding of schools.
- The City being manipulated by developers.

Wrap Up and Next Steps

To conclude the workshop, Rod noted that Management Partners would prepare a report summarizing the day's discussions.

The following items were placed on a list for follow up at a future time. The City Manager will determine next steps on each of these.

1. Consider holding a follow up Council session to establish priorities for the coming year.
2. City Manager will work with staff to provide more background information (e.g., fact reviews, project chronology) in staff reports to better inform the Council about items on the agenda.
3. Discuss at a future meeting, developing a public engagement plan and protocols.
4. Review and clarify advisory board and commission roles and responsibilities.
5. Consider holding more frequent Council retreats (such as quarterly).

Attachment A – City Manager Presentation

Building on a Solid Foundation

City Manager's State of the City



Could Your City Be In Fiscal Distress?

The State Auditor is looking at these factors in California cities...



Source: California State Auditor.

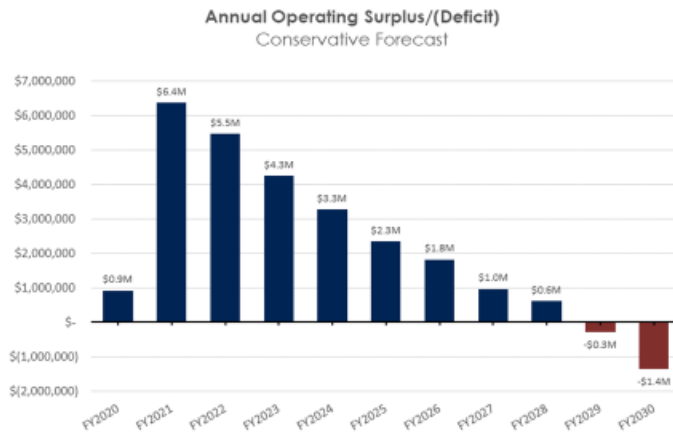
CA State Auditor's Report

- Based on 471 cities/towns in CA
- Higher rankings = Better Fiscal Health

Overall Fiscal Risk - Cities/Town in Santa Clara County



General Fund 10 Year Forecast












Major Revenue Assumptions

- 1.3% Sales Tax
- 2.0% Property Tax
- 5.0% TOT

Major Expense Assumptions

- 3.0% Employee Compensation
- 4.8% Employee Benefits
- 4.3% Contract Services
- 1.3% Transfer to Capital Reserve of \$1.5M

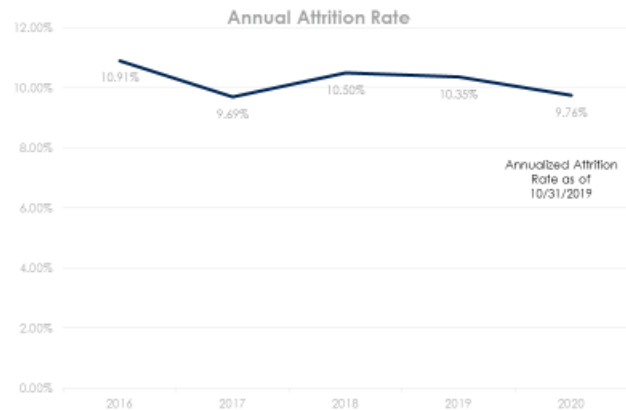
Revenue not currently forecasted

Development Project	Housing, Hotel, or Mixed Use	Estimated 1x Permit Fees	Estimated ongoing Taxes
Hamptons		\$1.6M	\$0.8M
Marina	 	\$1.2M	\$0.5M + \$1.6M
Oaks		\$0.9M	\$0.3M
Cupertino Village		\$0.2M	\$1.3M
De Anza Hotel		\$0.3M	\$1.6M
Vallco	  	\$16M	\$6.9M ¹
¹ Keyser Marston Study	Total	\$20.2M	\$13M

City's Workforce

Current & Anticipated Vacancies (9/11)

- | | |
|-------------------------------------|-----------------------------------|
| 1. Account Clerk | 6. Recreation Coordinator |
| 2. Senior Office Assistant | 7. Environmental Programs Manager |
| 3. Emergency Services Coordinator | 8. Maintenance Work I (2) |
| 4. Director of Parks and Recreation | 9. HR Manager |
| 5. Case Manager | 10. City Clerk |



City's Mission Statement



