



**APPROVED MINUTES
CUPERTINO CITY COUNCIL
Wednesday, May 17, 2023**

SPECIAL MEETING

At 5:00 p.m. Mayor Hung Wei called the Special City Council Meeting to order and led the Pledge of Allegiance in the Cupertino Community Hall Council Chamber, 10350 Torre Avenue and via teleconference.

ROLL CALL

Present: Mayor Hung Wei, Vice Mayor Sheila Mohan, and Councilmembers Liang Chao, J.R. Fruen and Kitty Moore. Absent: none.

STUDY SESSION

1. Subject: Initial Study Session on Fiscal Year (FY) 2023-24 Proposed Operating and Capital Improvement Program Budgets
Recommended Action: Conduct initial Study Session on Fiscal Year (FY) 23-24 Proposed Operating and Capital Improvement Program Budgets and provide direction to staff

Written communications for this item included a staff presentation, desk items FY 2023-23 Proposed Budget - Development Revenue Estimates and FY 2023-23 Proposed Budget - FY 2023-24 Cost Chart, and emails to Council.

City Manager Pamela Wu provided an overview and reviewed the Community Budget Survey process.

Director of Administrative Services Kristina Alfaro and Budget Manager Thomas Leung gave a presentation on the Fiscal Year 2023-24 Proposed Budget.

City staff presented Budget Requests by Department:

- Director of Administrative Services Kristina Alfaro presented for the

Administrative Services Department;

- Assistant City Manager Matt Morley presented for the City Manager's Office, Council and Commissions, and Law Enforcement, including the City Work Program;
- Chief Technology Officer Bill Mitchell presented for the Innovation and Technology Department;
- Parks and Recreation Director Rachelle Sander presented for the Parks and Recreation Department;
- Community Development Director Ben Fu presented for the Community Development Department;
- Interim Public Works Director Chad Mosley presented for the Public Works Department, including the Capital Improvement Program (CIP); and
- Budget Manager Thomas Leung presented non-departmental items.

Director of Administrative Services Kristina Alfaro presented issues and challenges and next steps.

Councilmembers asked questions and made comments.

Mayor Wei opened the public comment period and the following people spoke.

Jennifer Griffin opposed selling City real estate and supported appealing the sales tax audit and cross-training staff to offset vacant positions.

Rhoda Fry opposed using fund savings and supported additional reductions and other revenue generating options. (Submitted written comments).

Dave McLeroy supported reducing costs through water reduction and training staff on these procedures.

Jean Bedord was concerned about a loss of property tax revenues and supported options to attract development and increase revenues.

Housing Commissioner Govind Tatachari (representing self) supported prioritizing funding for community services and limiting law enforcement costs.

San R supported reducing headcount and public works projects and opposed reductions in recreation programs.

Peggy Griffin was concerned about law enforcement response times and supported a transient occupancy tax increase and review of community funding.

Ava Chiao (representing self) supported Council working together, public input on the process, and City staff contributions.

Louise Saadati supported Council working together and staff coordination and opposed staff reductions.

Mayor Wei closed the public comment period.

Council recessed from 7:01 p.m. to 7:08 p.m.

Councilmembers provided the following comments:

- Moore: restate the \$1M+ Miscellaneous Revenue line item on Proposed Budget page 276 as an Apple donation for two sheriff's deputies @2,725 hours/Beat C5; look into the increase in emergency response times; provide total costs to date for City Hall renovation studies; provide complete numbers and specifics for festival fees/waived fees.
- Chao: revisit festival costs; provide information on all community funding including Historical Society and Sister City expenses; provide an explanation for reduction in law response time; provide options for more staff reductions.
- Mohan: look at impacts on level of service when cutting positions; develop payback plan for reserves when balancing the budget in future years.
- Fruen: there is a desire to save certain community events- provide a list of how many additional vacant positions would need to be removed in order to cover those events; supports looking at impacts to level of service when unable to fill positions or retain people over a duration of time.
- Wei: there is flexibility on not filling additional vacancies before eliminating staff positions; opportunities to estimate future property taxes from completion of development projects.

Council recessed from 7:36 p.m. to 8:01 p.m.

Councilmembers made the following recommendations:

- Moore: remove the City Manager contingency fund; remove the 1.25% material and contract contingency.
- Chao: continue Art in Unexpected Places, Public Safety Forum, Bobateeno, and Movies in the Park events.
- Mohan: supports increase in funding for community grants.
- Wei: revisit options to keep community grant funding, including Shakespeare in the

Park; supports not filling current 14 vacancies; use unassigned budget to preserve more community events and programs.

Council conducted straw polls on the following recommendations:

A. Restore full community funding to \$32,500 / Funds: +\$8,000

The straw poll resulted in 5-0 Ayes (Unanimous).

1. Remove City Manager's contingency / Funds: -\$50,000

The straw poll resulted in 4-1 Noes (Moore voting yes).

2. Remove 1.25% material and contract contingency / Funds: -\$271,000

The straw poll resulted in 4-1 Noes (Moore voting yes).

3. Continue Public Safety Forum dinner / Funds: \$5,000

There was no straw poll on this item.

4. Retain Art in Unexpected places / Funds: \$10,000 plus heavy staff effort

The straw poll resulted in 4-1 Noes (Chao voting yes).

5. Continue Bobateeno / Funds: \$5,000 plus 10 part-time employees

The straw poll resulted in 4-1 Noes (Chao voting yes).

6. Continue Movies in The Park / Funds: \$3,000 plus 6 part-time employees

The straw poll resulted in 5-0 Ayes (Unanimous).

7. Reduce staff by an additional 14 full time employees / Funds: -\$2,700,000

The straw poll resulted in 5-0 Noes (Unanimous).

8. Any additional costs will be funded with:

a. additional use of fund balance

The straw poll resulted in 4-1 Ayes (Moore voting no).

b. additional reduction of staff

The straw poll resulted in 5-0 Noes (Unanimous).

c. creative ways for funding

The straw poll resulted in 4-1 Noes (Moore voting yes).

9. Bring information on the 30 current vacant positions – their roles and impacts. Bring options for potentially more staffing cuts (1, 2, 4) and their impacts on services and expenditures, either on June 6 or in Q1 as the City staff's workload permits.

The straw poll resulted in 3-2 Noes (Moore and Chao voting yes).

Councilmembers and staff provided closing comments.

Council conducted the initial Study Session on Fiscal Year (FY) 23-24 Proposed Operating and Capital Improvement Program Budgets.

ADJOURNMENT

At 9:11 p.m., Mayor Wei adjourned the Special City Council Meeting.

Minutes prepared by:



Kirsten Squarcia, City Clerk