

**Council Meeting: July 17, 2007****SUBJECT: International Friendly Exchange Relations (Council Policy Issue) continued from July 10, 2007****REPORT IN BRIEF**

Since 2002 the City of Sunnyvale has enacted friendly exchange relations with three foreign cities – Pinghu City, China in 2003, Anqing City, China in 2004, and Suzhou, China in 2006. When considering a relationship with the City of Suzhou, Council underscored the need for staff to review current policy and to clarify guidelines for evaluating cities most appropriate for friendly exchange relations agreements. Given ongoing and increasing interest in relationships with foreign cities, staff presents this report in response to Council's request.

**BACKGROUND**

In September 2002, a delegation including business, cultural, and governmental representatives from the City of Sunnyvale was invited to tour China to assist Silicon Valley companies in making contact with their Chinese counterparts. As a result of that visit, the City of Sunnyvale entered into a friendly exchange relations agreement with the City of Pinghu, China (RTC 03-018: *Ratification of Memorandum on Friendly Exchange Relations Between Pinghu City, Zhejiang China and the City of Sunnyvale*).

Council has since adopted two more memoranda on friendly exchange relations with Anqing City, China in 2004 (RTC 04-074: *Ratification of Memorandum on Friendly Exchange Relations Between Anqing City, Anhui Province, P.R. China and the City of Sunnyvale*) and with Suzhou, China in 2006 (RTC 06-358: *Consideration of Possible Memorandum of Understanding between the City of Sunnyvale and the City of Suzhou, China*).

The Pinghu agreement resulted in a 2003 study issue exploring the City of Sunnyvale's options for international exchange opportunities, RTC #03-097, *Explore Establishment of an International Exchange Program Similar to a Sister Cities Program*. On December 12, 2002, at the 2003 study issues workshop, Council ranked this as their number one study issue. Council adopted staff's recommendation, approving an informal friendship program allowing for agreements with foreign cities for mutual benefit. Council also directed that the City's financial support for this type of program be limited to the cost for visitors' gifts and hosting special events (in practice, the latter has been limited to meeting coordination for visiting dignitaries).

On November 14, 2006, when considering a relationship with the City of Suzhou, China, Council underscored the need for staff to review current foreign exchange relations policy and to clarify guidelines for evaluating cities most appropriate for friendly exchange relations agreements. Specifically, Councilmembers asked if current policy included a limit on the number of agreements that could be signed, and whether the policy established any criteria which must be met by the foreign city in order to enter into an agreement. Staff agreed to review current policy and present a report to Council in June of 2007.

### **EXISTING POLICY**

**RTC 03-097:** *Explore Establishment of an International Exchange Program Similar to a Sister Cities Program*

**Goal 7.3C:** Participate in intergovernmental activities, including national, state and regional groups, as a means to represent the City's interests, influence policy and legislation, and enhance awareness.

### **DISCUSSION**

Relationships with foreign cities can be productive for a city, broadening awareness of the global community, fostering opportunities for economic development and cultural exchange, and increasing understanding of how best to compete and thrive in a world community and marketplace. Based on prior Council action, the City has entered into friendly exchange relations agreements with cities for mutual benefit as Council has deemed appropriate.

Recent Council discussions have raised questions about the Council policy adopted in 2003, which was embedded within study issue RTC #03-097, *Explore Establishment of an International Exchange Program Similar to a Sister Cities Program*, and never memorialized as a distinct Council Policy. To clarify Council intent and action, staff has researched Council's direction and developed a proposed Council Policy which 1) memorializes Council's direction and action to date, and 2) adds two new clauses to address issues raised by Council on November 14, 2006, when considering a relationship with the City of Suzhou, China.

#### *Clarification of Current Policy*

In 2003 when the study issue was reviewed, the City was in the midst of a budget crisis, and Council was clear that friendly exchange relations should require only minimal City resources. The Council study issue report noted that exchanges with foreign municipalities may lead to increased global cooperation at the community/municipal level, promotion of cultural and educational exchanges, and fostering of community and economic development.

The report also stated that friendly exchange relations create a reciprocal relationship between entities, and that this type of relationship can facilitate shared experiences between the City of Sunnyvale and other selected cities in the world.

To clarify the City's current policy on international exchange relations staff has developed a proposed policy document that clarifies Council direction at the November 2003 meeting, and subsequent Council action (see Attachment A: *Council Policy - International Friendly Exchange Relations*). Consistent with the Council report and City practices, the proposed policy outlines approved activities, places limitations on staff time and resources, and provides that costs outside of those budgeted will be borne by the visiting dignitaries. The proposed policy also provides the City Manager with full authority to develop and implement any administrative policies and practices deemed necessary to support the implementation of friendly exchange relations agreements.

To fully document and ratify proposed friendly exchange relations, the policy requires that proposed relations be documented by a Memorandum of Understanding between both cities. The policy includes a sample Memorandum of Understanding, and requires that it be approved by a majority vote by Sunnyvale City Council, and signed by the mayors of both cities (or their delegates), in order to be valid.

The proposed policy is consistent with current City practice and Council action to date on matters of foreign exchange relations.

#### *Proposed Amendments to Current Policy*

The attached proposed Council Policy on *International Friendly Exchange Relations* also adds two new clauses to address issues raised by Council at the November 14, 2006 Council meeting.

In response to Council questions regarding the number of agreements in place and possible limitations, and criteria for establishing foreign relations agreements to ensure value to the City, staff drafted the following two clauses, which have been incorporated into the proposed Council Policy (Attachment A: *Council Policy - International Friendly Exchange Relations*, Policy Statements #6 and #9).

To address Council's concern about the number of relationships the City can enter into at any given time, staff is proposing the following clause:

Policy Statement #6: A maximum of three relationships may be in effect at any given time. Should an additional relationship be considered,

Council action would include direction on which of the existing relationships to terminate.

A maximum of three relationships was chosen based on the limited staff resources provided for this program.

The second proposed new clause is based in part on language included in the 2003 Council-approved staff report and recommendation, which noted that the City's friendly exchange relationships should not be long term commitments, and should use only limited resources. The following proposed clause addresses these concerns and incorporates review of each relationship for value to the City:

Policy Statement #9: Each Memorandum of Understanding will automatically sunset three years from date of enactment. Staff will notify Council in advance of the sunset date and, if Council expresses potential interest in renewing the agreement, staff will analyze the value of the relationship to the City (activity, costs, benefits) in a brief report to Council.

Together, these two clauses address Council's concerns regarding the number of agreements in place at any given time, and ensure that the value of the relationships are monitored over time.

### **FISCAL IMPACT**

There is no fiscal impact to this report.

### **PUBLIC CONTACT**

This report was included in the publication and posting of the Council agenda on the City's official notice bulletin board, the City's web page, and the *San Jose Mercury News*. This report is also available at the Sunnyvale Public Library and the City Clerk's office.

### **ALTERNATIVES**

1. Approve the attached proposed Council Policy – International Friendly Exchange Relations (Attachment A).
2. Modify and approve the attached proposed Council Policy – International Friendly Exchange Relations (Attachment A).
3. Do not approve the attached proposed Council Policy – International Friendly Exchange Relations (Attachment A).
4. Other action, as deemed appropriate, by Council.

**RECOMMENDATION**

Staff recommends Alternative 1:

Approve the attached proposed Council Policy – International Friendly Exchange Relations (Attachment A).

City Council has demonstrated an ongoing interest in relationships with foreign cities. These relationships can broaden awareness of the global community, foster opportunities for economic development and cultural exchange, and increase understanding of how best to compete and thrive in a world community and marketplace. Council has also been clear that the City's friendly exchange relation agreements should use minimal City resources. The proposed policy is consistent with Council direction and action to date, while incorporating review of each relationship for value to the City, and providing limitations to comply with resource constraints.

Reviewed by:

Robert Walker, Assistant City Manager  
Prepared by: Yvette Agredano, Intergovernmental Relations Officer

Approved by:

Amy Chan  
City Manager

**Attachments**

*A. Council Policy Manual - International Friendly Exchange Relations*

## COUNCIL POLICY MANUAL

**Policy x.x.x                      International Friendly Exchange Relations**

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**POLICY PURPOSE:**

The purpose of this policy is to provide guidelines for the City's limited international relations program.

**POLICY STATEMENT:**

Exchanges with foreign municipalities may lead to increased global cooperation at the community/municipal level, promotion of cultural and educational exchanges, and fostering of community and economic development.

Friendly exchange relations create a reciprocal relationship between entities. This type of relationship exists in order to share experiences between the City of Sunnyvale and other selected cities in the world. These relationships involve an exchange of ideas and information between various components of a community including elected officials, government employees, and community members.

1. The purpose of Sunnyvale's friendly exchange relations with foreign cities is to:
  - A. Create opportunities for community members to experience and learn from other cultures;
  - B. Strengthen Sunnyvale's economic development;
  - C. Stimulate a culturally aware environment in which Sunnyvale and its partner city(ies) can creatively learn, work, and solve problems;
  - D. Collaborate with municipalities in other countries with similar goals; and
  - E. Promote information exchanges on the economy, trade, science and technology, culture, education, health, environmental protection, etc. in order to promote common prosperity and quality of life.
2. A proposed friendly exchange relations agreement shall only be entered into when there is a clearly defined benefit to the City of Sunnyvale and/or the community.
3. Any proposed agreement must be approved by Council action prior to enactment and signature. Any agreement entered into without such approval shall be considered void.
4. Any proposed agreement must include an opportunity for the City of Sunnyvale to terminate the agreement, in whole or in part, when such action is deemed to be in the City's best interest.
5. Funding budgeted for friendly exchange relations shall be limited to:
  - A. The cost for visitors' gifts and staff time, for the purpose of coordinating meetings for visiting dignitaries with Council and staff, and securing appropriate City facilities for such meetings.

**COUNCIL POLICY MANUAL**

- B.** Any staff time outside of those hours budgeted by Council must be authorized in advance by the City Manager.
  - C.** Any costs outside of those budgeted by the City, including costs for travel, meals, tours, tickets, accommodations, etc., shall be borne by the visiting dignitaries.
- 6.** A maximum of three relationships may be in effect at any given time. Should an additional relationship be considered, Council action would include direction on which of the existing relationships to terminate.
- 7.** The City Manager shall have full authority to develop and implement any administrative policies and practices deemed necessary to support the implementation of friendly exchange relations agreements. Potential international visitors pursuing an exchange with the City will need to comply with all administrative procedures and deadlines.
- 8.** Any proposed friendly exchange relations with specific cities must be documented by a Memorandum of Understanding between both cities. The Memorandum of Understanding must be signed by the mayors of both cities, or their delegates, in order to be valid. The proposed Memorandum of Understanding shall include the following three provisions:
  - A.** Adhering to the principle of equality and mutual benefit, both cities may initiate various information sharing opportunities and exchanges in terms of the economy, trade, science and technology, culture, education, health, environmental protection, etc. in order to promote common prosperity and quality of life.
  - B.** Leaders and relevant departments of both cities may keep in regular contact for the convenience of discussion and consultation on various issues of mutual interest.
  - C.** This Memorandum of Understanding may be terminated, in whole or in part, when such action is deemed by either city to be in its best interest.
- 9.** Each Memorandum of Understanding will automatically sunset three years from date of enactment. Staff will notify Council in advance of the sunset date via the city manager's weekly report and, if Council expresses potential interest in renewing the agreement, staff will analyze the value of the relationship to the City (activity, costs, benefits) in a brief report to Council.

## COUNCIL POLICY MANUAL

## 10. Sample Memorandum of Understanding

**FRIENDLY EXCHANGE RELATIONS AGREEMENT**  
**between [CITY, COUNTRY]**  
**and SUNNYVALE, UNITED STATES OF AMERICA**

[City, Country], and Sunnyvale, the United States of America, wish to enhance the understanding and friendship between two cities, and agree to establish friendly exchange relations through friendly consultations as follows:

1. Adhering to the principle of equality and mutual benefit, both cities may initiate various information sharing opportunities and exchanges in terms of the economy, trade, science and technology, culture, education, health, environmental protection, etc. in order to promote common prosperity and quality of life.
2. Leaders and relevant departments of both cities may keep in regular contact for the convenience of discussion and consultation on various issues of mutual interest.
3. This friendly exchange relations agreement is signed in [*location – city, state, country*], on this [*date*] and shall take effect from the day that the Agreement has been signed by both sides.
4. This friendly exchange relations agreement is executed in [*foreign city's primary language*] and English in duplicate.
5. This friendly exchange relations agreement may be terminated, in whole or in part, when such action is deemed by either city to be in its best interest.

**City of [city], [foreign country]**

\_\_\_\_\_  
 [Name], Mayor

**City of Sunnyvale, the United States of America**

\_\_\_\_\_  
 [Name], Mayor

(Adopted: RTC 03-097 (April 1, 2003))

Lead Department: OCM

City Clerk Certification: \_\_\_\_\_

Date: \_\_\_\_\_