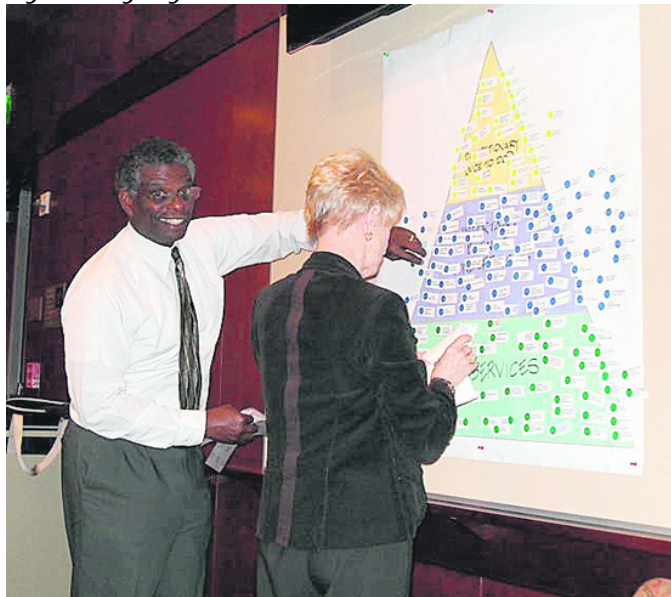


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Council Finds Fresh Way to Prioritize Budget

By Cathy Tyson



Mike Anderson and Carol Federighi Photo Cathy Tyson

exponentially - this also forces the amount needed for reserves up."

A quick look at sticker placement showed police, planning, facility maintenance, roads and more in the Core Services section at the base of the triangle. The center Important Services section had stickers that included: traffic calming, senior services, open space acquisition, and youth programs, among other things. Finally the smallest top section of the triangle held stickers from additional library hours to arts programs and beyond. City staffers will review sticker priorities and goals for fiscal year 2010/2011 and come back with a draft budget for the City Council in May.

Mayor Brandt Andersson prioritized police services and public safety, along with roads - keeping pavement in shape and keeping it safe to drive on. In the discussion following the sticker exercise, Council Member Carol Federighi cautioned that this is only part of the process - allocating how much they spend on budget items is the other half of the equation. She favors spending the bulk of the budget on Core Services.

The single largest component of the budget is police services, according to Robinson, at \$4.5 million per year, "a huge driver of the budget problem." City staff has its annual meeting with the Sheriff's Office in March and will undoubtedly be looking for ways to economize. The elephant in the room is likely to be their multi-million dollar unfunded pension liability problem.

Possible revenue options include a ballot measure to become a charter city and instituting a property transfer tax. This could change Lafayette's financial condition significantly, potentially raising between 1 1/2 to 2 1/2 million dollars in fiscal year 2011/2012 - if it passes.

Falk mentioned that many cities have adopted aggressive fines and fees and have started to process their own traffic tickets, "This does generate revenue back to the city but it also generates angry residents."

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Like most every other city in California, sales tax revenue is down in Lafayette. As the City Council met to discuss goals for the upcoming fiscal year, the municipal budget looms large.

"Because the City has been conservative and accumulated significant reserves, the budget can absorb another two to three years of flat revenue and increasing costs and still meet the 50% reserve target. That trend, however, cannot be maintained over the long run," noted a staff report for the February 22nd City Council meeting. Right now there is \$8 million in cash reserves, an amount equivalent to 73% of the General Fund.

In order to obtain a clearer picture of which budget items are priorities, City Manager Steven Falk and Administrative Services Director Tracy Robinson asked Council Members to participate in a budgeting exercise that would illuminate what each member felt were budget priorities. They were asked to place color coded labels with budget items into three categories: Core Services (Must Do), Important Services (Like to Do) and Discretionary Service (Nice to Do); kind of a fiscal 'pin the tail on the donkey.'

Robinson describes the process this year as, "A double whammy - as expenses go up over time and with police services going up