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Budget Balanced in Lafayette - at Least for Now

By Cathy Tyson

Sacramento and San Francisco should take note. With revenue up slightly, expenses the same as last year and a healthy reserve account - Lafayette's budget for the next fiscal year is balanced with a few hundred dollars to spare. This is inclusive of what city staffers describe as the State "theft" of \$235,000 from the redevelopment fund for fiscal year 2010 - 2011.

"This budget projects a slightly rosier picture than last fiscal year, but the gap between operating revenues and expenses will continue to creep up during the next five years if the economy does not improve. The City will likely need to reduce service levels, deliver new revenues, or do some combination of those choices in order to remain fiscally solvent in the long run," cautioned City Manager Steven Falk. This fiscal year's balanced budget is due to several factors. Property tax and sales tax monies contributed \$3,368,000 and \$2,025,000 respectively. Sales tax is down 13.5% for the year, while property tax was up 2%. It really does pay to Shop Lafayette First. Investment Earnings and Planning Fee revenue together add just over \$1,000,000 to city coffers.

City staffers won't have a pay increase this year - and a nearly injury-free workplace resulted in a rebate of \$30,000 due to a dearth of workers compensation claims.

Chalk it up to a competitive bidding environment, a whopping \$410,000 was saved by construction costs coming in well below estimates.

Actual expenses were lower than budgeted for the last fiscal year, resulting in an \$118,000 surplus. "We are always trying to save money," explained Tracy Robinson, Administrative Services Director.

One very large concern for the City is police costs - Lafayette's biggest expenditure. A police services study was commissioned earlier this year to look at alternatives to anticipated spiraling police costs.

"That study found that, for the time being, purchasing contract police services from the County was the least expensive alternative in the short term. Long term costs will depend upon several factors: (1) how effectively the County Retirement Board and PERS manage their funds, (2) how the County chooses to pay for unfunded pension obligations and (3) if the County can negotiate a second, lower cost retirement program for new deputies," said Falk.

At the moment, the County and the police union have not renegotiated their contract. Last year staff predicted up to double digit increases for the near future, but for now anticipates a more modest 3% increase.

The burning questions for many residents on worn-out streets, is when will my road be fixed? Seven streets are slated for complete reconstruction and a dozen are on the pavement maintenance list. Carlyle Terrace, Herman Drive and Lincolnshire Court have the dubious distinction of being the worst streets in town, so they are tops on the reconstruction list.

Lafayette will spend \$275,000 of WW money, which can only be used for parks, to split the cost of purchasing a property on Olympic Boulevard with East Bay Regional Park District. "A design plan will need to be created and then we'll need to conduct public hearings. The Commission would like to propose a dog park on part of the property but if the Park District wants a significant portion for parking purposes, we'll need to see how much is left for a divided (small and large dog) off-leash, fenced dog park. If and when a dog park is approved, the city will need sizable contributions from dog park supporters," said Jennifer Russell, Director, Parks, Trails and Recreation Department.

In a nutshell - streets will be paved, storm drains cleaned, November election expenses paid, computers upgraded and the twinkle lights will once again twinkle this holiday season.

The complete 2010/2011 Proposed Municipal Budget and Workplan is quite long. To read the entire report, go to the city website www.lovelafayette.org and click on Proposed Budget. A more user-friendly version can be found in Council Agendas and Staff Reports for the May 24 City Council meeting - under "Budget Workshop." Page 20 contains a road repair chart.

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