

CITY CUTS SERVICES

Unless you have been hibernating for the past several months, you are well aware that the State of California faces a budget deficit of unprecedented magnitude, the effects of which will ripple through every government entity in the state. On January 27, 2003, in response to the looming State budget crisis, the Lafayette City Council implemented the first, and hopefully only, phase of an Emergency Budget Action Plan. This plan reduces annual General Fund expenditures by \$760,080 and eliminates four

staff positions. According to Steven Falk, City Manager, "The intent is to build the City's reserves and reduce our burn rate so that Lafayette can withstand 12-18 months of lower revenues without having to make additional reductions in services."

In making these reductions, the Council looked at every department and function of the City to find cuts that would be least painful and preserve the City's core activities: Police, Planning and Public Works.

POLICE: There were no cuts made to public safety. All police services and staffing remain at regular levels. Parking enforcement will also be unaffected.

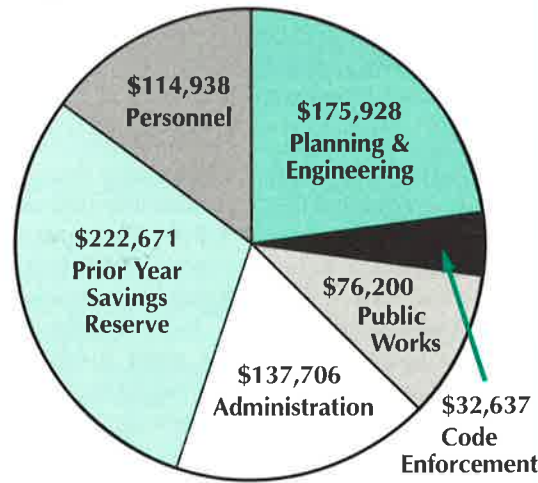
PERSONNEL: All staff agreed to take a 50% cut in their merit increases for the upcoming fiscal year. In addition, the travel and training budget was also cut in half.

PLANNING: Anticipating an increase in the number of applications due to the stricter Hillside Regulations approved last fall, the Council will maintain a full staff of seven in the Planning Department. Planning fees will be increased to better recover costs and some special planning studies have been deferred.

ENGINEERING: One associate engineer position was eliminated and the expected number of capital projects to be completed this summer was reduced to seven (ten was the average in past years). One project that will not be cut is the Pavement Management Program (PMP), which uses various treatments to extend the life of roadways. Reducing the \$1 million PMP, would result in larger expenditures later.

CODE ENFORCEMENT: The Code Enforcement program was eliminated. Unless a violation presents a health or safety risk, there is no staff available for responses or inquiries to

Budget Reductions – Total: \$760,080



code violations such as unkempt property, debris or vehicles on private property.

PUBLIC WORKS: Council ordered a 10% reduction in regular maintenance for streets, parks and traffic. This change should be largely transparent since maintenance cycles will be stretched out — a weekly schedule will become a 10-day schedule, 4 weeks will become 5 weeks. The goal is to reduce expenditures without depreciating the significant investments the City has made in public works. In particular, the new landscaping at the Plaza and in the median islands will be preserved.

ADMINISTRATION: The morning front desk receptionist position was eliminated and the three remaining depart-

ment secretaries will reorganize to help make up the difference. Consequently, City offices will be closed from Noon to 1:00pm. In addition, some technology projects, such as implementing a Geographical Information System and scanning all our documents to a digital format, have been postponed indefinitely.

PRIOR YEAR SAVINGS: In the past, when managers underspent their budgets, up to \$25,000 of the savings was kept in their departmental budgets to cover unexpected expenses as they arose. This gave managers an incentive to save, rather than spend, money at year-end. The Council moved all of these prior year savings from the department budgets to the General Fund Reserve, giving the reserve a one-time boost of \$222,671.

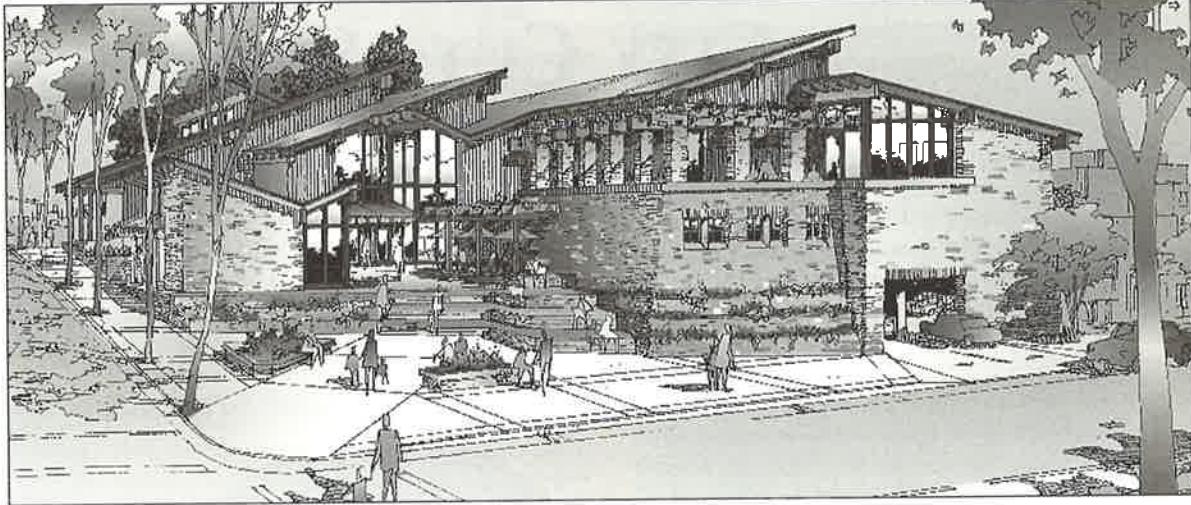
LIBRARY & VETERANS HALL: Construction on both the new library and Veteran's Memorial Hall will continue as planned. Although the combined cost of these two projects is expected to total \$20 million dollars, the money comes from outside sources, including redevelopment revenue. Since the law does not allow redevelopment revenue to be used for General Fund expenditures, delaying or discontinuing these projects would not permit the City to reinstate the general services that have been cut.

Unfortunately, this is probably not the last you will hear of the budget crisis. At press time the State had not determined how to solve its problems, so the City can only make educated guesses as to what the State will do and how it will affect our budget. The Council made these cuts now to be

proactive and fiscally prudent. Doing so will reduce the impact on our residents in the long term. Both the Council and the City staff are aware that these cuts will result in service reductions and we apologize to those who may be inconvenienced.

LIBRARY COMPETITION

Approximately 1,000 people came to the Veterans Memorial Building on February 1 & 2 to view entries from four architectural firms competing in a design contest to select the new library's architect. The Library Building Committee selected Killefer Flammang, a Santa Monica firm, after listening to presentations, studying conceptual drawings and models, and reviewing 350 responses from the public. The new library will be located at First St. and Mt. Diablo Blvd. where the Veteran's Hall currently sits. Lafayette's Redevelopment Agency approved the committee's recommendation on February 10th. Steven Falk, City Manager said, "The committee felt Killefer Flammang's design best responded to the semi-rural ethos of the community and that their treatment of the Golden Gate Way entrance was brilliant."



Proposed Library as viewed from Golden Gate Way.

In his presentation, Wade Killefer, principal architect, explained that the design began "with the understanding that the Library stands at the center of the city, both geographically and symbolically, and should foster civic identity, provide comfort and have a familiar look." The resulting design is a light-filled building in a classic Bay Area architectural style using stone and wood with soaring ceilings and exposed structural members. The plan will provide separate areas for children, adolescents and adults, and include a municipal auditorium, and community plaza. Killefer Flammang intends to incorporate

sustainable design solutions as part of their process by using daylight as a primary light source, specifying water efficient landscaping, and using rapidly renewable and highly insulated materials in construction.

As beautiful as Killefer Flammang's design concept is, it is not

the final product. Anne Grodin, president of the Lafayette Community Foundation and a member of the Library Building Committee said one of the things that sold the community on Killefer Flammang was "the firm's openness and willingness to listen." During the next several months the public will have many opportunities for input.

Next up, the City will prepare an application to the State for grant funds, due next January. Should the City qualify, the matching fund grant could pay 60% of the estimated \$13 million cost of this project.

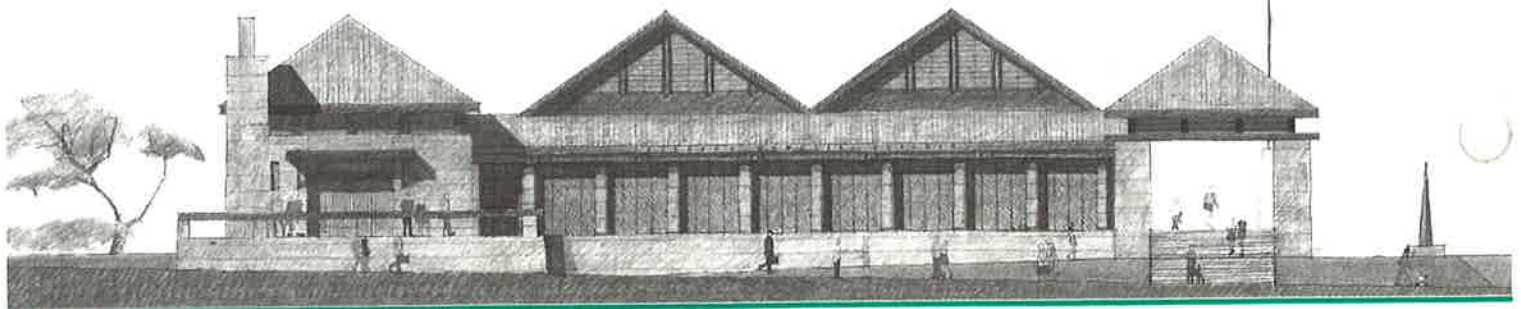
VETERAN'S BUILDING BACK ON TRACK

On March 6, the Design Review Committee approved a revised exterior design for the proposed Veteran's Memorial Building. The building, which had previously been designed in a Post-Modern industrial style, was re-drafted as a more traditional Craftsman style structure that better reflects Lafayette's wooded atmosphere. The new exterior treatment has natural stone walls, more windows and a friendlier presence. The height was lowered about three feet, the west elevation was split into multiple planes, and the two ends of the building were re-worked to appear less massive. Everyone in attendance at the meeting, which also included the Planning Commission, was pleased with the new exterior design; the

floor plan and landscaping plan remained the same.

Passing two more hurdles, the land use permit, parking variance and design were approved by the Planning Commission on March 20, and the Redevelopment Agency on March 24th. Since the County will eventually own the new Veteran's Memorial Hall, the last group to review it will be the Contra Costa Board of Supervisors. This puts the project back on schedule, with construction expected to start in November and completion slated around Veteran's Day 2004.

The Veteran's Building will be located at the NE corner of Risa Rd. & Mt. Diablo Blvd.



What's The Deal?

An Overview of Lafayette's Franchise Agreements

Utilities are an absolute necessity, providing basic services to residents and businesses. However, unlike other businesses, utilities need access to public rights-of-way (e.g., streets and sidewalks) in order to deliver their services. Since the City owns the rights-of-way, we negotiate franchise agreements with these utilities. In return for allowing them to use our property, these agreements allow the City to regulate how, where and when the utility can operate, specify fees to be paid the City for use of the public right-of-way and in some cases specify the service that will be provided. During the 2002-03 fiscal year Lafayette will receive approximately \$775,000 in franchise fees, which amounts to almost 10% of our total General Fund revenues.

The City currently has franchise agreements with the cable, waste management services and power companies. We do not have franchise agreements with the water and sewer utilities (East Bay Municipal Utility District and Contra Costa Central Sanitary District, respectively) because they are publicly owned utilities and not for-profit organizations.

Furthermore, we do not have a franchise agreement with the telephone company because the Public Utilities Code gives telephone corporations a statewide franchise to install telephone lines in public streets and preempts local authority to charge a franchise fee.

Following are summaries of the current franchise agreements:

CABLE

- **Franchisee:** Comcast (formerly AT&T and before that, TCI)
- **Fees:** 5% of gross receipts. (Does not include Internet service even though it may be included on the same bill.)

A common misconception is that the City has control over cable rates and channel line-ups. The truth is, we don't. The Basic Cable Rate (which is the lowest level of service) is set by the FCC, which also sets minimum local programming regulations. All other rates and programming decisions are at the sole discretion of the cable company.

The current franchise agreement, which extends through 2011 does, however, specify the required customer service and repair response times. For instance, under the terms of our

franchise, 90% of customer calls must be answered before the fourth ring and no more than 3% of callers may receive a busy signal during normal office hours. The cable company must also maintain a repair crew capable of repairing system outages within 2 hours any day of the year, and individual outages within 24 hours during normal business days.

The City does not collect franchise fees nor does it have any control over Internet services supplied by the cable company because the 9th Circuit Court of Appeals recently ruled that broadband access is a telecommunications service and therefore not subject to franchise requirements.

WASTE MANAGEMENT

- **Franchisees:** Pleasant Hill Bayshore Disposal for garbage; Valley Waste Management for recycling
- **Fees:** 7.5% of total billings

This franchise agreement is negotiated through the Central Contra Costa Solid Waste Authority which is a Joint Powers Association including Danville, Lafayette, Moraga, Orinda, Walnut Creek and Contra Costa County. The current agreement ends in 2006, however we are already starting to renegotiate the contracts and consider new services such as co-mingled paper and container recycling, combined recycling for food and yard waste, and an increased number of collections for electronics (computers, batteries, etc.) One important stipulation in this agreement is that in order to preserve peaceful neighborhoods, residential service may not begin until 6:00 am.

POWER

- **Franchisee:** Pacific Gas & Electric
- **Fees:** 1% of gross receipts

The City does not have any control over the service provided by the power company — the fees we receive were set by the Franchise Act of 1937 and are not regularly renegotiated. With the potential restructuring of PG&E as a result of their bankruptcy, the League of California Cities is working on a sample Franchise Fee Agreement that would apply to all general law cities, however it is not anticipated that the fees will change.

Council Adopts Goals

Giving and receiving candy and flowers, watching Punxsutawney Phil look for his shadow, cheering for basketball teams and skiing powdery slopes are all traditional February activities. The Lafayette City Council has its own February tradition — setting goals for the upcoming fiscal year, which starts July 1. As every good financial planner knows, determining priorities is the first step in establishing a successful budget. Here then is a view of the future...what you can expect to be accomplished and how Lafayette will allocate its most precious resources — time and money — in 2003-2004.

Work Plan and Goals for FY 2003-2004

- Work to locate and provide off-street parking in the downtown area.
- Revise the zoning ordinance to reflect changes in the General Plan.

- Begin construction of a new Veteran's Memorial Building.
- Manage the design process for the new Library.
- Encourage the development of mixed-use projects with affordable housing components.
- Hold a joint City Council meeting with every City Commission.
- Complete the MORTRAC study and bring recommendations to City Council.
- Encourage the development of new housing for seniors.
- Develop a long-term funding plan and mechanism for capital improvements.
- Revise planning and park use fees to better reflect actual City cost.
- Complete the approved 2003 Planning Department work plan.
- Complete the 711 Saint Mary's Road Ballfield renovations.

CONSTRUCTION ZONE

Lafayette's major projects this Summer are:

- 1. Construction of a 1.5-mile path on Reliez Valley Road** from Silver Dell Road to the northerly city limits. This path will facilitate children's access to school bus stops along the road. It will also be a vital link in the regional trail/path system from Walnut Creek to Martinez. Work will occur between April and August.
- 2. The Burton Valley Area** will see a major pavement resurfacing project near and around the elementary school. We are using a pavement recycling technology for the first time. Rather than removing the old pavement and trucking the spoils to the dump site, we will reclaim, treat, rejuvenate and reuse it as road base, topped with a layer of new asphalt concrete. This project starts mid to late June and goes through August.
- 3. The 711 St. Mary's Road Ballfield** will receive a total facelift, with new sports fields, paved parking lot, new concessions and restroom facilities, and more. Funded by a state grant, the work will begin mid to late June and run through September.
- 4. A new traffic signal** will be installed on Pleasant Hill Road at Condit. This signal will use new video technology that senses the speed of oncoming traffic such that cars that are traveling at the speed limit on Pleasant Hill Road will not have to stop unless there are cars exiting Condit. Most of the construction work for this project should be done by June.



AROUND TOWN

Town Hall Theatre Box Office: 283-1557 or www.thtc.org • Info: 283-3728 or www.gcplayers.org Tickets now available at The Lafayette Bookstore.

5/29-6/22: S'WONDERFUL – A Sentimental Journey through Music of the 30s & 40s.

Gold Coast Chamber Players 5/10: **MOONLIT FANTASIES** – Romantic music for piano and strings by Beethoven and Schumann, including the "Moonlight Sonata".

May 17 **LAFAYETTE JUNIORS 4TH ANNUAL KITCHEN TOUR** – 10:00 am – 3:00 pm. \$30/person tour only; \$40/person includes luncheon. 925-8927 or lafayette_juniors@yahoo.com for more info.

May 31 **CONCERT AT THE RES** – Sponsored by the Lafayette Rotary.

Parks & Recreation 500 St Mary's Road, Call 284-2232 for information

6/23-8/1: SUMMER FUN '03: GRADES K-8 – Kids can participate in sports, arts & crafts, and story time. Mon-Fri: 9:00 am – Noon.

AFTERNOON ADVENTURE CAMP: GRADES 1-6 – Weekly themes are featured mixed in with games, field trips, arts & crafts and more! Mon-Fri: Noon – 5:00 pm. Registration for both programs starts 4/11.

CITY DIRECTORY

For Council Members call: 284-1968

Council Members

Carol Federighi	Mayor
Erling Horn	Vice Mayor
Carl Anduri	Council Member
Ivor Samson	Council Member
Don Tatzin	Council Member

Messages to all Council Members:
cityhall@lovelafayette.org

Administration

General Reception and	284-1968
Steven Falk, City Manager	Fax: 284-3169
Tracy Robinson, Admin. Srv. Dir.	299-3227
Gonzalo Silva, Financial Srv. Mgr.	299-3213
Joanne Robbins, City Clerk	299-3210

Community Development

Ann Merideth, Director	299-3218
Tony Coe, Engineering Srv. Mgr.	284-1951
Niroop Srivatsa, Planning Srv. Mgr.	284-1976
Ron Lefler, Public Works Srv. Mgr.	299-3214
P.W. Hotline (to report problems)	299-3259

If you observe illegal dumping in creeks & storm drains or accidental spills on roads, call Contra Costa Hazardous Materials Division 646-2286.

Lamorinda School Bus Program

Juliet Shanks, Analyst	299-3216
	Or 299-3215

Parks and Recreation

Jennifer Russell, Director	284-2232
Yvonne Ozorio, Senior Services	284-5050
Teen Programs	284-5815

Police Services

Emergency: 24 Hours	911
Police Dispatch: 24 Hours	284-5010
Police Business Office:	283-3680

Anonymous Tipline, Traffic Enforcement, Suggestions & LEARN (Laf. Emergency Action Response Network), 299-3232 X 2205

Fax 284-3169

Address 3675 Mt. Diablo Blvd. #210
Lafayette, CA 94549-1968

Website: www.ci.lafayette.ca.us

E-MAIL: Council/staff members can be reached via e-mail using this address format:

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Example: SFalk@lovelafayette.org



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