

**CITY OF ALBANY
CITY COUNCIL AGENDA
STAFF REPORT**

Agenda Date: 3/3/08
Reviewed by: *BP*

SUBJECT: City Council Subcommittee on 2008-10 Budget Priority Setting Process

REPORT BY: Beth Pollard, City Administrator

STAFF RECOMMENDATION

Appoint a subcommittee of two members of the City Council to work with staff on the Council priority setting process for the 2008-10 budget, and provide any preliminary comments or direction to the subcommittee members.

BACKGROUND

Every two years the City Council adopts a budget for a two fiscal year period beginning July 1. In June, 2008, the City Council is scheduled to adopt a budget for the fiscal years 2008-09 and 2009-10.

DISCUSSION

Because the City's finances are generally relatively stable, the City's budget typically does not have dramatic changes from year to year. However, the projected State budget deficit of more than \$14 billion and the downturn in the economy are causing cities to curtail budget spending or at least approach the next fiscal year with caution. As noted in the City's mid-year budget report on February 19, both sales tax and property transfer tax revenues are down, which creates some uncertainty in available revenues for City expenditures.

The City Council is responsible for providing policy direction on budget priorities. If the costs to meet existing Council direction and the associated administrative responsibilities exceed projected revenues, either budget cutbacks will be needed or new sources of revenue obtained. In this case, the City Council would be engaged in a process to prioritize budget obligations. To prepare the Council for this potential outcome, staff recommends that the Council designate a subcommittee to work with staff on developing a recommended priority setting process.

If projected revenues exceed project expenditures and there are funds available for allocation to new projects, programs, or services, there would likewise be the need for a process to prioritize the allocation of these funds.

ANALYSIS

In every department of the city, among each member of the Council, and from members of the public there are ideas, concerns, and enthusiasm to expand the capacity of the City to meet the safety and service needs and desires of the community. To name just a few:

- 1) City actions to reducing global warming and climate change by creating and implementing new policies, practices, and ordinances, and purchasing new equipment, vehicles, materials, and supplies that are energy efficient and environmentally safer
- 2) Expanding the economic base of the city – new and existing businesses
- 3) Expanding communication between City officials and public via cable television, website, newsletters, flyers
- 4) Improving disaster preparedness through enhanced neighborhood leadership recruitment and coordination
- 5) Implementing the City’s new Integrated Pest Management ordinance and program, and other landscaping/urban forestry investments
- 6) Meeting the City’s housing requirements
- 7) Enhancing the appearance of the city on public and private property (maintenance, code enforcement, etc.)
- 8) Improving public safety (crime deterrence, traffic safety, infrastructure repairs, etc.)
- 9) Using technology to more efficiently and effectively meet service demands, desires, and mandates
- 10) Adopting initiatives involving social justice, the environment, and other areas of public policy

These are in addition to the ongoing challenges of service delivery, and the infrastructure deficiencies.

The involvement of a subcommittee is not to direct budget priorities, but to work with the staff on the process for City Council to provide this direction.

FINANCIAL IMPACT

No financial impact from establishing a subcommittee.