

Concord City News

THE NEWSLETTER FOR THE CITY OF CONCORD

Spring 2003

News Corner

Spring Cleaning

Remove small weeds now to avoid excessive weeds later in the year. Weeds and other materials left in the yard are unsightly and can cause a fire hazard. Take advantage of Concord Disposal's free annual spring pick up in April to get rid of unwanted items. You should receive a mailer soon with all the details or **call 682-9113**.

New Activities

Consult the Parks and Recreation Activity Guide for the latest classes and programs for you and your children. A copy of the Spring Activity Guide is posted on the City's website,

www.cityofconcord.org

Garden Party

Spring is just around the corner. Sign up for Composting Workshops Wednesday, April 9 (7-9 p.m.) or Saturday, April 19 (9-11 a.m.). For information, call 671-3394. Attend the April 5 (2-3:30 p.m.) or May 3 (10:30 a.m. - Noon) workshops at the Concord Library on how to have a healthy garden without pesticides. For more information, visit www.centalsan.org

Governor's proposal creates threat to City services

The City Council is wrestling with some tough decisions as the budget is being prepared for the upcoming fiscal year (July 1, 2003 through June 30, 2004). The Governor's proposal to balance the State budget by taking funds away from cities could very possibly affect Concord's ability to provide the excellent public safety and police services, youth and senior programming, and maintenance of our City's streets, parks and City-owned buildings that residents are accustomed to. In addition, reduced revenues and increasing costs due to the sluggish economy will likely eliminate plans to build new projects including a library, community center, sports fields and many other capital projects.

State's Budget Crisis

The State is facing a \$34.8 billion budget crisis. The ailing economy and slumping stock market have resulted in lower State revenues from its principal sources: personal income tax, sales tax and corporate taxes. The Governor's proposal to balance the budget on the backs of cities and counties will result in a significant loss to Concord's budget this year and for years to come. His proposal, if approved by the Legislature, means Concord would lose Vehicle License Fee (VLF) monies, Redevelopment Agency tax increment funds, and reimburse-

ments for criminal booking fees and state-mandated programs.

VLF Take Away

The VLF funds, sometimes called the car tax, are the fees residents pay each year to the Department of Motor Vehicles to register their cars and other vehicles. The State constitution requires the money to go back to the cities where the vehicle is registered to pay for General Fund programs. Concord receives approximately \$6.7 million or about 10% of its General Fund budget from this source. In 1998, the State legislature decided to reduce car registration fees, but promised to pay local governments the difference out of the State treasury. Concord now receives about \$1.8 million from registration fees and \$4.9 million from the State treasury as backfill. The Governor's plan proposes to eliminate this backfill payment, even though it goes directly against the original lawmakers' promise in 1998 to "hold cities harmless."

To understand the magnitude of the proposed cuts, the \$4.9 million in VLF backfill represents the cost of 49 police officers. This amount would also represent the entire annual City budget for street maintenance, youth and family programming and senior services.

Continued on page 3

How the City's Budget Works

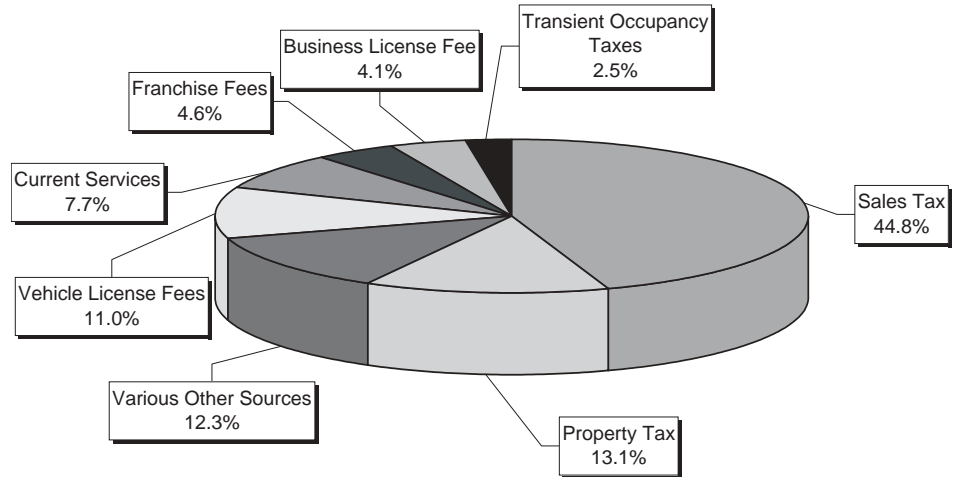
The City's General Fund budget is a delicate balance of projected revenues and expenditures. As reported on page 1, both sides of the equation are being threatened by factors beyond the City's control.

Making it Balance

To balance the budget, the expenditures side of the equation (\$74.7 million) must be less than or equal to the revenue side (\$79.1 million).

In this scenario, the City planned to have \$4.4 million left at the end of this fiscal year to roll over into the budget for the 2003-2004 fiscal year. That will not be the case. The City could be faced with a \$12 million shortfall, depending on the severity of State take aways.

It would take all of the \$4.4 million rollover, all of the \$5.7 million in reserves and almost \$2 million in operating or Capital Projects monies to balance this year's budget if a \$12 million shortfall materializes. Escalating expenses and reduced revenues will make it even more difficult to balance the 2003-2004 budget.



General Fund Revenues

For this fiscal year (July 2002 - June 2003)

- \$27.4 million from sales tax
- \$ 8.0 million from property tax
- \$ 6.7 million in vehicle license fees (VLF)
- \$ 4.7 million in current services
- \$ 2.8 million from franchise fees
- \$ 2.5 million in business license fees
- \$ 1.5 million in transient occupancy taxes
- \$ 7.5 million from various other sources
- \$ 61.1 million**
- \$18.0 million fund balance

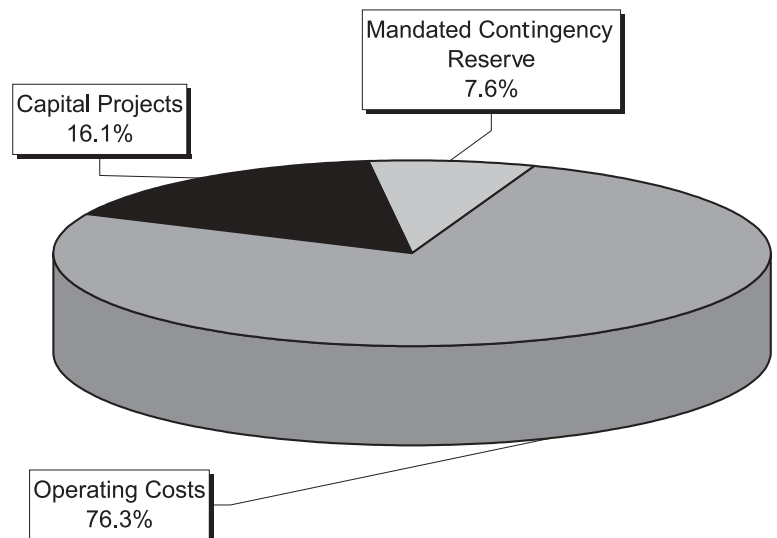
Total \$79.1 million

General Fund Expenditures

For this fiscal year (July 2002- June 2003)

- \$57.0 million in operating costs (police and public safety services, youth and senior services, parks and recreation programs, street and facility maintenance and repair, etc.)
- \$12.0 million in capital projects (new construction)
- \$ 5.7 million mandated reserve

Total \$74.7 million



A Look at How Redevelopment Agencies Work

Redevelopment Agencies are charged with eliminating blight, revitalizing downtowns, building affordable housing and constructing major projects to improve the economic vitality of the community.

Concord's agency operates within a designated area of the City. It gets its income from property taxes in the area, specifically from the incremental growth in property tax over the property tax existing in the area at the time the Agency was formed in 1973.

As the agency made improvements to the area and the property values increased, the difference in the property taxes between the 1973 value and today's value (called the "tax increment") is returned to the Agency to reinvest in new projects. Concord's annual tax increment is about \$12 million.

Reinvestment of these dollars back into the community has resulted in office projects such as the Bank of America Technology Center and One Concord Centre, numerous residential projects, the downtown theatre, retail projects such as Expo Design Center and Home Depot, infrastructure improvements such as expanded arterials and freeway access to relieve traffic congestion, and pedestrian and landscaping improvements throughout the downtown.

Redevelopment Agency Take Away

From page 1

The Governor's proposal also includes plans to take money from California redevelopment agencies. He wants to take \$500 million in housing money this fiscal year from set-asides for low- and moderate-income housing. In Concord, this represents \$1.9 million, eliminating the City's ability to provide this type of housing.

In next year's fiscal plan, he wants an additional \$250 million statewide to replace part of the State's contribution to local schools. Eventually, he wants to take up to \$1 billion statewide from redevelopment agencies. In Concord, this represents an immediate loss of \$1.3 million per year, escalating to 53% of total tax increment in 15 years. Today, 53 % of the Agency's tax increment equals \$6 million per year.

Like most mature agencies, Concord's Redevelopment Agency has assumed a substantial amount of bonded indebtedness. Under the Governor's proposal, the Agency will not be able to pay its debt obligations, and the difference will have to come out of the City's General Fund.

It is ironic that the Governor's mantra

for turning California's economy around is "jobs, jobs, jobs" when he is proposing to reduce and eventually eliminate the ability of Concord's Redevelopment Agency to create new jobs through new construction projects and revitalized economic vitality.

Loss of Reimbursements

The Governor's plan also calls for a reduction in reimbursements to cities for criminal booking fees and for implementation of state-mandated programs. The City receives \$309,000 annually in reimbursements for the cost of booking criminals. In addition, it receives another \$100,000 in recovery costs for implementation of programs that the State has mandated. This represents \$409,000 in costs that would have to be picked up by the City's General Fund.

Unfunded Mandates

In addition, the State has passed a number of new unfunded mandates or regulations the City has to enforce at its own expense, without getting any money from the State for implementation. For example, next year \$250,000 will have to come directly out of the City's General Fund monies to cover the stormwater discharge pollution control mandate.

Continued on page 4

Annual Impact of Governor's Proposal on Concord's Budget

State Take Away of Vehicle License Fee (VLF) monies	\$4,900,000
State Take Away of Redevelopment Agency funds	\$1,900,000
State Take Away of reimbursement for criminal booking fees ...	\$ 309,000
State Take Away of reimbursement for unfunded mandates	\$ 100,000
New State Unfunded Mandate - Stormwater Discharge	\$ 250,000
Total	\$7,459,000

The Economy

From page 3

The State is not alone in trying to manage the fallout from the current economic downturn. Cities and counties are all feeling the effects of the bust following the boom years of the late 1990s. Both the stock market and the economy have been very slow to recover, with forecasts for 2003 predicting another year of sluggish activity.

The majority of the City's revenues come from three sources: sales tax, property tax, and vehicle license fees (VLF). A small variance in any of these sources can produce a noticeable dent in the budget.

For example, when the economy suffers, people buy fewer goods, sales tax revenues go down, and City revenues are reduced. Sales tax makes up about 45% of the City's General Fund budget. Mid-year projections show an approximate 2% reduction from the prior year forecast in sales tax revenue this year. That may not sound like much, but that small variance translates to a \$1.6 million annual reduction in revenue. Add that unanticipated shortfall to the \$7.5 million in State take aways, and the revenue picture becomes a cause for increasing concern.

Retirement and Health Plans

The decline in the stock market has resulted in another significant hit to public and private sector budgets.

The cost of employee pension plans has skyrocketed. As the prices of stocks have fallen, so has the return on the money invested by pension companies. To give an example of the magnitude of the problem in the private sector, a recent article in the *Contra Costa Times* reported that "The biggest pension shortfall belongs to General Motors, ... its U.S. pension plans ended the year with a deficit of \$19.3 billion ... GM also said its pension costs would triple in 2003, severely depressing its profit."

In the public sector, counties and cities are also being hit with substantial increases in pension costs. The California Public Employees Retirement System (CalPERS) provides retirement and health benefit services to more than 1.3 million members and nearly 2,500 employers. CalPERS is the nation's largest public pension system with a \$132 billion investment portfolio (October 2002). The membership consists of active, inactive and retired members from the State, school districts and local public agencies, including the City of Concord. Until last year, 70% of CalPERS members; including Concord, weren't required to pay into the fund because revenues from investments in the stock market were meeting expectations.

With the collapse of the stock market, the picture has changed dramatically. Concord was hit with a \$1.5 million

payment last year, and an additional \$1.6 million bill for fiscal year 2003-2004. This new \$3.1 million expense will be added to the budget each year, and will most likely increase the following fiscal year (2004-2005) by \$1 million as the stock market continues to exhibit lackluster performance.

Health plan costs are another area where the public and private sector expect to see significant increases over the next five years. In developing a balanced budget, the City Council is making conservative projections to cover these unknown costs.

State Should Solve Its Own Problem

The City Council has done a lot of hard work over the last several years to put Concord's financial house in order. Because of this careful financial planning, the City budget could absorb the impact of the sluggish economy on sales tax revenue and the increasing cost of employee benefit plans without cutting or diminishing services or laying off employees.

However, the Governor's proposal to balance the State budget with monies earmarked for cities represents a double hit for local government. The State has failed to deal with its problem by making the tough decisions that are necessary to bring their budget into balance like Concord did over the years. The legislature launched a host of new programs during good times and now wants local government to subsidize the resulting budget crisis, caused by its lack of long term planning.

Concord has put its financial house in order and should not be burdened with solving the State's budget problem. The State needs to look within its own massive organization to solve its problems, and not take the easy way out by raiding local city and county treasuries.

Continued on page 5

Impact of Economic Factors on Concord's Budget

Loss in Sales Tax Revenue	\$1,600,000
CalPERS Pension Plan/Health Plan Increases	\$3,100,000*
Total \$4,700,000	

*Does not include estimated \$1 million additional expense for retirement plan expected to occur in fiscal year 2004-2005.

Establishing a Sound Financial Foundation

From page 4

In the early-nineties, the City budget was struggling to recover from California's last economic downturn. The Council was faced with escalating costs, shriveling revenues and a similar round of State take aways. Projections revealed that in a few short years the City's expenses would outstrip revenues, resulting in a significant deficit. Services to residents were cut and lay-offs were announced.

These factors motivated the Council to take serious action and put Concord's financial house in order. The City adopted 10-Year Financial Planning, a tool to improve the City's financial stability and produce a balanced ten-year budget. The plan forecasts expenditures and revenues over a ten-year period, mandates contingency reserves to cover revenue contractions in slow years and adds maintenance and operating costs to all new projects to assure that they will be affordable in the future.

Balancing the Budget

The scope of Concord's budget problem is much worse than projected last year because of the factors described earlier. Projections show a potential \$12 million hit to the General Fund budget (see chart, bottom right), which this year totals \$57 million. This means that the City Council will have 21% less money to work with in providing services and building new projects for the community.

The City Council will have to make some hard choices in order to balance the General Fund budget this year, and throughout the 10-Year Plan. The City's General Fund includes the Operating Budget and the Capital Improvement Budget.

The Operating Budget pays for police and public safety programs, senior and youth programs, parks and recreation programs, street maintenance and repair, as well as many other services the residents receive from the City.

The Capital Improvement Program (CIP) budget pays for new projects such as the proposed library and community center, median landscaping, sports fields at the Concord Naval Weapons Station, historic Galindo House renovation, Building B at Civic Center and dozens of other smaller projects.

Preserving City Services

Councilmembers must choose between reducing services to residents or canceling some of the CIP projects in the pipeline. The Council's goal is to keep services to residents at current levels, while avoiding layoffs. The lesson from the early nineties, when the City was forced to lay off employees, is that this drastic measure adversely effects the organization by lowering morale and costing the City thousands of dollars in employee replacement and training costs. During that time the City chose to defer maintenance of all its facilities such as roadways, buildings and parks. Over

the past several years, through prudent planning, the city has all but eliminated the backlog caused by deferred maintenance and now enjoys some of the best maintained facilities anywhere.

The preliminary plan calls for the Council to meet its goal of preserving services by stripping out millions of dollars in capital projects from the 10-Year Plan. These cuts will encompass 40 to 50 projects including buildings, storm water, parks and recreation, roadway improvements and median island landscaping.

The most significant cuts will place some of the community's most sought-after projects on the "unfunded" list, where they will stay until funding is identified to build them. In fact, the Council acted in January to place the proposed library on this list, and to forego applying for a State grant. It was determined that the additional \$850,000 annual cost to operate and maintain a new expanded library was not affordable given the economic factors described above.

Other projects that may be headed for the "unfunded" list are a multi-use community center, Building B at City Hall (replacing the wing of City Hall that burned down in 1995), restoration of the historic Galindo House, and the second joint school/City park project, similar to

Total Annual Impact to Concord's Budget

State Take Away of Vehicle License Fee (VLF) monies	\$4,900,000
State Take Away of Redevelopment Agency funds	\$1,900,000
State Take Away of reimbursement for booking fees	\$ 309,000
State Take Away of reimbursement for unfunded mandates	\$ 100,000
New State Unfunded Mandate - Stormwater Discharge	\$ 250,000
CalPERS Pension Plan Increase/Health Plan Increases	\$3,100,000*
Loss in Sales Tax Revenue	\$1,600,000

Total \$12,159,000

*Does not include estimated \$1 million additional expense for retirement plan expected to occur in fiscal year 2004-2005.

the one to be built at El Dorado Middle School and Westwood Elementary this year. The 10-Year Plan includes a total of \$48.6 million in projects. To balance the budget, \$28 million would need to be cut.

The City Council understands the importance of these projects to the community. The library, for instance, has been on the top of the list for several years. Initially, hope was high that the joint venture with John F. Kennedy University would produce a larger and more complete library than Concord could hope to build on its own. That proposal fell through due to the downturn in the economy, which resulted in JFK's inability to raise ample funds for its portion of the project.

The Council then turned its attention to building a new library on the current library site at Civic Center. Hundreds of hours have gone into the planning process over the last two years. Residents have attended meetings and offered their views; Council and staff have worked through the process with residents to produce a solid blueprint that would serve the community for the next 20 years. However, the economy once again has halted the City's efforts to provide the community with a new library.

This is an example of just one of the difficult and painful decisions that the Council will have to make in the process of balancing the budget. Unlike the State, the Council will make the difficult decisions necessary now to avoid what the State and other government entities will be facing a few years down the road.

The sluggish economy and dropping stock prices will continue to impact all government entities for the foreseeable future. Concord's 10-year financial planning policy allows Councilmembers to deal with these issues now in order to mitigate long-term negative impacts on

the City's ability to serve the community.

Concord residents have already seen the benefits of 10-year financial planning. Through this process, the City built a new Senior Center, a skatepark, the Police Headquarters Building, the downtown parking structure, the One Stop Permit Center, new tot playgrounds and hundreds of other projects. Every one of the projects has maintenance and operating funds included in the 10-Year Plan, so they will be clean, well-maintained and open for business while some other cities may find themselves with new facilities but no funds to operate them.

Also through careful planning, the City's backlog of all street and maintenance projects has been erased. This puts Concord well ahead of hundreds of cities in the state that elected not to repair roads and infrastructure when times were good. Good maintenance practices are a sound investment. Repair costs are only a fraction of replacement costs for streets, buildings and other City-owned facilities.

The City has also beautified numerous areas by installing median island landscaping throughout many of its roadways. The ability to continue to maintain these landscaped areas will be assured by the careful financial planning being implemented today. This landscaping has been a great source of pride for our residents.

Public participation

A full day Budget Workshop will be held in May, followed by two public hearings in June to give residents ample opportunity for public comment on this vital issue. Look for dates and times in the local newspaper or visit the City's website at www.cityofconcord.org. The City Council will be studying all of the alternatives as they work towards passing a balanced budget by June 30, 2003.

What can you do?

This dismal budget scenario may be daunting, but you can do a number of things to help.

1. Call, write or e-mail your legislators in Sacramento and register your opinion. Their contact information is included at the end of this article.
2. Look for opportunities to partner with the City to leverage resources in the business community and in your neighborhood.
3. Shop Concord First! Every dollar you spend in Concord helps increase sales tax revenue.
4. If you own a business, make sure you have an up-to-date business license. Revenue from these fees helps the City provide the services that businesses need to succeed.
5. Be informed and ask questions. Attend the full day Budget Workshop in May and the Budget Hearings in June.

Contact Your Legislator

Honorable Assemblyman

Joe Canciamilla

State Assembly - 11th District
815 Estudillo St., Martinez, CA 94553
or
State Capitol, Room 2141
Sacramento, CA 94249
(916) 319-2011

Honorable Senator Tom Torlakson

7th District
2801 Concord Boulevard
Concord, CA 94519
(925) 602-6593
or
State Capitol
Room 5061
(916) 445-6083
Sacramento, CA 95814
senator.torlakson@sen.ca.us

Honorable Governor Gray Davis

State Capitol, First Floor
Sacramento, CA 95814
(916) 445-2841
governor@governor.ca.gov

Crime Prevention Through Environmental Design

By Sgt. Steve Price

Over the years, law enforcement agencies have adopted and tried a number of different strategies to prevent or

reduce crime. Some of these efforts have been more successful than others.

In Concord, Community Oriented Policing, a program that emphasizes partnerships with the community, has been a key factor in reducing crime 40% over the last seven years. This was accomplished by opening Police District Offices in neighborhoods, putting more police officers on the street, increasing crime prevention programs and implementing other strategies to increase community safety. According to last year's Citizen Satisfaction Survey, 91 percent of residents rated their neighborhoods as "safe."

Today, with the national crime rate inching upward, we want to continue to lower our crime rate. One way you can help the Police Department reach this goal is to take action at home by making criminals less comfortable and your property more secure through Crime Prevention Through Environmental Design, also known as CPTED (pronounced SEP-ted).

The National Crime Prevention Institute described CPTED as "... a crime prevention philosophy based on the theory that proper design and effective use of the built environment can lead to a reduction in the fear and incidence of crime, as well as an improvement in the quality of life."

CPTED has four main principles that you can put in place at your own home or office to impact crime.



1. Access Control

Designing an area to physically obstruct or guide access by people and vehicles.

This principle works by deterring access to potential crime targets. If criminal activity does occur, it is easy for residents to notice and report the activity. The use of deadbolt locks, gates, fences, and signs are all effective uses of Access Control.

2. Territorial Reinforcement

Designing an area to clearly show that someone owns it.

This suggests to a criminal that someone is present who may see their criminal activity and report it to the police. It also identifies property as being private, not public. By using landscaping, lighting, walkways, and decorative fencing, you can make a statement that the property is owned.

3. Natural Surveillance

Designing an area to provide visibility by residents.

Criminals do not want to commit crimes where they have a chance of being seen. If a crime is committed, Natural Surveillance provides a better chance that someone will see and report the illegal activity. Around your home, you can keep shrubs trimmed down to no higher than 42" and tree canopies trimmed up to 7'.

4. Maintenance

The basic upkeep and repair of a property is important.

Neglected properties send the message that people in the area do not care and it can lead to additional mistreatment of a property. By immediately removing graffiti, maintaining landscaping, abating weeds, and painting worn buildings, you can have a direct impact on the perception of crime in the area.

By utilizing these strategies, you can

help make our city better and safer. If you want more information on CPTED or have any law enforcement-related questions, contact any one of our District Field Offices.

Northern Field Office
2166 Solano Way
671-3322

Southern Field Office
1500 Monumental Blvd. #F16
671-3483

Valley Field Office
5400 Ygnacio Valley Rd., #A8B
671-3377

**For Non-Emergencies
Call 671-3232**

**For Life and Death
Emergencies
Call 911**



Information Online

The City's websites contain a wealth of information. The City's homepage is the gateway to learning more about your community. You can view the Parks and Recreation Activity Guide, search for a new business address using the Property Locator or get a simple permit online. To learn more about City projects, programs and facilities, visit www.cityofconcord.org

The 'Concord, Where Families Come First' program hosts a special website focusing on family-friendly amenities as well as shopping, dining and entertainment options. Residents can post information about events and activities on the site. Visit www.concordfirst.org

Calendar of City Meetings

March		
3	Human Relations Commission*	7 p.m.
4, 11, 25	City Council*	6:30 p.m.
5, 19	Planning Commission**	7 p.m.
10, 24	Youth Council*	7 p.m.
12	Parks, Recreation & Open Space Commission*	7 p.m.
13, 27	Design Review Board	7 p.m.
19	Commission on Aging	1:30 p.m.
19	Community Services Commission	7 p.m.
26	Status of Women*	6:30 p.m.
April		
7	Human Relations Commission*	7 p.m.
1, 8, 22	City Council*	6:30 p.m.
2, 16	Planning Commission**	7 p.m.
14, 28	Youth Council*	7 p.m.
9	Parks, Recreation & Open Space Commission*	7 p.m.
10, 24	Design Review Board	7 p.m.
16	Commission on Aging	1:30 p.m.
16	Community Services Commission	7 p.m.
23*	Status of Women*	6:30 p.m.
May		
5	Human Relations Commission*	7 p.m.
6, 13, 27	City Council*	6:30 p.m.
7, 21	Planning Commission**	7 p.m.
8, 22	Design Review Board	7 p.m.
12	Youth Council*	7 p.m.
14	Parks, Recreation & Open Space Commission*	7 p.m.
21	Commission on Aging	1:30 p.m.
21	Community Services Commission	7 p.m.
28	Status of Women*	6:30 p.m.

* Televised live on AT&T/Comcast Broadband Channel 24/25 and Astound Broadband Channel 29.

**Taped broadcast can be seen the following evening at 8 p.m. and again on Friday at 7 p.m. on AT&T/Comcast Broadband Channel 24/25.

Need an Answer?

website: www.cityofconcord.org
 e-mail: cityinfo@ci.concord.ca.us

Americans with Disabilities Act (ADA) Coordinator	671-3025
Cable TV	
AT&T/Comcast	800-945-2288
Seren/Astound!	459-1000
Chronicle Pavilion	676-8742
Hotline	363-5701
Tickets	685-8497
Council Meeting Info.	671-3000
Flood Zone Inquiries	671-3425
Garbage Collection	682-9113
Graffiti Hotline	671-3080
Parks & Recreation	
Class Registration	671-3404
Permit Center	
Building Permits	671-3454
Police and Fire Emergencies	911
Police Field Offices:	
Northern Office	671-3322
Southern Office	671-3483
Valley Office	671-3377
Police Services, Information	671-3220
Potholes	671-3228
Recycling	671-3394
Sewer Problems	671-3099
Shopping Cart Hotline	671-5080
Street Light Outages:	
PG&E	1-800-743-5000
Public Works	671-3367
Street Sweeping	671-3394
Street Trees	671-3230
Traffic	671-3132

Concord City News

Mark A. Peterson	Mayor
Helen M. Allen	Vice Mayor
Susan Bonilla	Councilmember
Laura M. Hoffmeister	Councilmember
Bill McManigal	Councilmember
Mary Rae Lehman	City Clerk
Thomas Wentling	City Treasurer
Edward R. James	City Manager
Leslye Asera	Community Relations Manager and Editor

City of Concord
 1950 Parkside Drive MS/01
 Concord, CA 94519-2578

PRESORTED
 STANDARD
 U.S. POSTAGE PAID
 CONCORD, CA
 PERMIT NO. 207

Postal Customer