



Proposed FY 2006-07 Operating Budget

DATE: June 13, 2006

TO: Mayor Anderson and Members of the City Council

FROM: Bill Lindsay, City Manager

SUBJECT: Proposed FY 2006-07 Operating Budget for City Council Review

It is my pleasure to transmit to you the proposed Operating Budget for fiscal year (FY) 2006-07. The budget is intended to achieve three objectives:

- 1) **Policymaking** – By its decision to allocate resources through the budgeting process, the City Council is establishing policies with respect to priorities and service levels for municipal operations.
- 2) **Financial Management** – The final budget that is adopted by the City Council will establish the underlying financial policies and financial controls that are utilized by City staff to manage expenditures on an ongoing basis.
- 3) **Operations Management** – The budget that is being presented to the City Council includes proposed service levels and service enhancements, and a system to measure the extent to which these service levels and enhancements are being achieved. It is intended that these serve as the baseline for an ongoing management reporting system designed for continuous improvement of City services.

Recent growth in the City's revenues, coupled with a balance sheet that is significantly stronger than in recent years, has allowed staff to include enhanced service levels in a number of areas as part of the proposed FY 2006-07 budget. These include:

- Implementing an Office of Violence Prevention in the City Manager's office;
- A reorganized Police Department with a stronger focus on community oriented policing;
- Contracting with the Contra Costa District Attorney's Office for more effective prosecution of misdemeanors;
- Expansion of fire suppression capabilities through the addition of a truck company;
- A reorganized Public Works Department, with expanded staffing levels for increased field services and supervision;
- Reopening two branch libraries;
- A reorganized Recreation Division under the Library and Community Services Department with significantly expanded programs; and

- Increased staffing levels in Engineering to more effectively deliver capital projects on time and on budget.

Staff welcomes City Council and public review on these and other aspects of the proposed FY 2006-07 budget.

I would like to thank all City staff, and, in particular, members of the Finance Department and its budget team, and staff in the City Manager's office, for their hard work in preparing this proposed budget.