

REPORT

To the Honorable Mayor and City Council
From the City Manager

February 5, 2005

Subject

Council Priorities for Fiscal Year 2005/2006

Recommendation

Discuss and update Council Priorities for fiscal year 2005/2006.

Background

On January 10, 2004 at the Council Budget Strategy Session, Council reviewed the Council Priorities and elected to keep the same priorities, but decided to no longer list specific projects under each of the priorities as had been done in the past. Given the very difficult budget situation and the uncertainty at the state at that time, a great deal of time was spent discussing actions that the State could take and the potential impacts to these actions would have on the City. Council also spent a great deal of time discussing the policy regarding the use of reserves as compared to budget reductions for future budgets. The current City Council Priorities are:

Overarching Guidelines

- I. Aesthetics
- II. Creating Pedestrian-Friendly Public Places
- III. Quality of Life

Priorities

1. Youth and Education
2. Transportation and Traffic
3. Infrastructure
4. Housing
5. Downtown Improvement
6. Doing Business Effectively and Efficiently
7. Water Supply
8. Cultural Activities

The City has been making budget reductions since 2002/2003. As a result, we have reduced our level of service in many areas. We anticipate, that we must continue to make budget reductions for at least another two years, which will force us to continue to make service level reductions. We have eliminated all of the "nice to have" items and any easy budget cuts some time ago, and have been reducing direct service programs that clearly impact the community.

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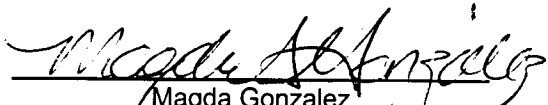
In preparation for the 2005/2006, staff is seeking Council direction on the priorities so that each department has guidance in terms of where to make further reductions and what areas each should try to avoid.

Alternative


Council may elect to keep the current Council Priorities.

Fiscal Impact

There is no direct fiscal impact.



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Assistant to the City Manager



Ed Everett
City Manager