

Annual Report 2009



City of Concord
Annual Year-End Report
Fiscal Year July 1, 2008 – June 30, 2009



Letter to Residents



Having fun at Camp Concord at South Lake Tahoe

Cities all over the country are struggling to survive one of the worst recessions in history. This Annual Report reflects the impact of the financial downturn on the City of Concord.

Even after years of long-term financial planning and conservative budgeting, the unprecedented drop in sales and property tax leaves the City few choices but to become a smaller organization. Fortunately, the City has a healthy reserve fund that provides a temporary cushion and allows the City to function as it implements cost reduction programs.

Over the last year, the City Council has continually monitored the effects of the national recession on the City budget. Adjustments in programs and staffing have been made as the City works through the recession while preserving the majority of City services. A strategic plan has been set in motion to stabilize the budget over the next three years.

The City Council thanks residents for their patience and understanding. Over the next year, City leaders will be seeking input from residents in prioritizing City services. This information will help in making informed decisions about how to best direct limited resources.

Not all news for the year is negative. Crime rates are down, several large projects were completed and a number of new stores and restaurants have opened in spite of the recession.

We submit this publication to you, our residents, community partners and stakeholders, in the interest of government accountability and community understanding.

Respectfully,
Mayor, City Council, Elected Officials
City Manager
City Attorney
City Employees

On the cover: In the center, Cub Scout Pack 380 helps plant trees for Arbor Day at Lime Ridge Open Space

Clockwise from far left: Guitarists participate in breaking the Guinness Book World Record in Todos Santos Plaza as part of the Concordstock celebration • Participants in a public workshop discuss the Reuse Plan for the Concord Naval Weapons Station • Arts class projects bring smiles to the faces of two students • Construction continues on the expansion of the John Muir Medical Center, Concord Campus

Awards and Recognition

Engineering Achievement: Concord's joint \$21 million sewer project with Central Contra Costa Sanitary District was recognized as Engineering Achievement of the Year by the California Water Environment Association.

Project of the Year: Concord's Newhall Community Park maintenance building is the American Public Works Association 2009 Project of the Year, recognized for economy and construction innovation.

A Record-Breaker: The City of Concord and the Todos Santos Business Association were awarded the 2009 California Downtown Association's Crystal Eagle Award of Excellence for the 2008 Concordstock project, during which the Concord community broke the Guinness Book World Record for largest guitar ensemble.

Outstanding Partner: The Friends of Camp Concord received an Outstanding Non-Profit Partner award from the California Park & Recreation Society for 20 years of support and contributions of \$500,000 to camp programs.

Concord CARES: Concord received an award from the League of California Afterschool Providers for the CARES program, in recognition of exemplary practice in inter-governmental collaboration for the purpose of delivering after-school programs.

Community forest: Concord was named a Tree City U.S.A. by the National Arbor Day Foundation for the 28th year and received the Sterling Award for 11 consecutive years as winner of the Tree City U.S.A. Growth Award.

Fiscal Accountability: Concord received the Excellence in Financial Reporting award from the Government Finance Officers Association (GFOA) for the 17th consecutive year, and GFOA's Distinguished Budget Presentation Award for the 9th consecutive year. The City also received the California Society of Municipal Finance Officers' Excellence in Operating Budgeting award and Excellence in Capital Budgeting for the 10th consecutive year.

Project Highlights



The Ygnacio Valley Road repair project will restore stability to the hillside and prevent another landslide like the one that damaged the road in 2006

Ygnacio Valley Road repaired

Construction of the Ygnacio Valley Road permanent restoration project, to repair damage to the road from a 2006 landslide, began in September 2008. Phase I of the project, the construction of a 420-foot underground wall system designed to protect the roadside from future landslides, was completed in December 2008.

Phase II of the project will extend the 420-foot wall by an additional 545-feet (280 feet to the southwest and 265 feet to the northeast of the Phase I wall). Construction of Phase II started in July 2009. The project is expected to be completed in late November 2009. This second project will complete the needed work to fully protect the roadway from the unstable hillside.

Phase I was funded with Federal Emergency Relief funds, which could only be used to repair the damaged roadway. Phase II is being funded with local funds from Measure J, a half-cent sales tax paid by Contra Costa County residents for transportation projects.

Crime down in Concord

One of the good news stories for the year was a reduction in the crime rate in Concord. The California Department of Justice figures showed that crime rates in most all categories declined from 2007 to 2008. Figures for 2009 are not yet available.

Numbers in major crime categories dropped by 13.6 percent from 492 in 2007 to 425 in 2008. Likewise, property crimes were down 13.7 percent from 2,900 in 2007 to 2,502 in 2008.

Historically, crime rates rise during periods of economic stress. The City attributes the decline to increased partnerships with the community, new technology that has improved communication with police officers in the field, and new data collection and analysis methods used by the department.

Additions to the website www.cityofconcord.org

Traffic to the City's website continues to grow with approximately 35,000 people visiting the site every month. Two new features were added to the site this year. Concord's cable TV broadcasts may now be viewed from the home page thanks to the addition of streaming video. This feature allows viewers to watch Concord cable TV from any computer or laptop that has access to the Internet.

By streaming the cable channel broadcast, users can watch City meetings in real time online, as well as live broadcasts of City music programs and events from Todos Santos Plaza. Users can also view videos of previous City Council meetings.



Crime rates decline

Category	2007	2008	Percent Decline
Robbery	270	206	20.0%
Auto Theft	1212	979	19.2%
Grand Larceny	872	721	17.3%
Rape	13	12	7.7%
Aggravated Assault	206	191	7.3%
Burglary	816	802	1.7%



Concord at a Glance

Area 31.13 sq. miles
 Elevation..... 72 feet
 Founded1868
 Incorporated.....1905

Profile

Population 125,000
 Households..... 44,000
 Household median income ...\$64,782
 Median home value\$490,100
 Median age37

Business Profile

Total working residents 61,200
 Population ages 15–59..... 65%
 Education beyond high school ...61%

Travel Distances (miles)

UC Berkeley.....20
 Oakland.....22
 San Francisco.....29
 Napa/Wine Country.....32
 San Jose51
 Stanford University.....58
 Sacramento.....65
 Carmel/Monterey139
 Yosemite National Park.....144
 Lake Tahoe/Reno.....205

Average Temperatures

Spring67
 Summer86
 Fall76
 Winter60



Workmen secure the inside of the new sewer pipe system, completed in 2009

Highlights from page 1

The Concord Police Department added online crime reporting this year for the convenience of busy residents. Reports eligible for online reporting include lost property, thefts under \$400 with no suspects/witnesses, theft under \$400 from an unlocked vehicle with no suspects/witnesses, tampering with a vehicle, vandalism under \$400, and harassing phone calls of a non-threatening nature.

Reuse Project reaches milestone

In January 2009, after 36 public meetings and community workshops, the City reached a major milestone in the multi-year process to plan for the reuse of the Concord Naval Weapons Station. The City Council designated the Clustered Villages Alternative as the Preferred Reuse Plan for the site. The 5,028-acre property was approved for closure by the Navy in 2005, which triggered a three-phase public planning process to create a blueprint for its future reuse.

The City has submitted its Preferred Alternative and Homeless Assistance Submission (HAS) to the Navy and the Department of Housing and Urban Development (HUD) as required by base closure law. Concord’s HAS was negotiated with nine local homeless service providers under the leadership of the County Continuum of Care. It will be some time before HUD completes its review of the plan and issues an approval that the HAS and the

Reuse Plan balance the needs of the homeless with broader community reuse goals.

The Navy also has to complete its environmental studies of the site before decisions can be made about how the property will be transferred to public and private entities.

The City issued a Draft Revised Environmental Impact Report in August 2009 and is reviewing and responding to the comments submitted by the public. The response to the comments will be incorporated into a Final EIR. The City Council is expected to hold public meetings, certify the Final EIR and officially adopt the Reuse Plan in early 2010.

Sewer system gets new pipes

The City of Concord and the Central Contra Costa Sanitary District (Central San) completed an award-winning \$21 million sewer pipe project. The project replaced a pump needed to move the 10 million gallons of sewage that passes every day from Concord and Clayton to the Central San treatment plant located near I-680 and Hwy 4. In place of the pump, old sewer pipes were removed and larger pipes were laid deep in the ground to create a gravity-fed system. This eliminated the need for the City’s pump station and saves about \$300,000 a year.

Replacing the aging pipe and pump station with a gravity-fed system also reduces the likelihood of sewer overflows due to equipment failure or electric power breakdowns on the line.

Economic Development Snapshot

Businesses have had a difficult year due to the national recession, which has severely impacted all sectors. Concord's economy is not immune to these challenging economic times. The volume of new projects and business activities has significantly decreased as compared to past years. As a result, the City has experienced the greatest reduction in sales tax revenue in its history.

The business community, however, is proving to be moderately resilient in the face of the recession. While many cities across the nation are experiencing high shopping center vacancy rates and shuttered downtowns, Concord is holding its own, and even welcoming some new businesses to the community. Some of this year's highlights include:

- Groundbreaking for the new Lowe's Home Improvement Center on the former Jones Ranch site, located off Highway 4 in north Concord
- Expansion of the corporate headquarters of Harris & Associates to 40,000 square feet in the Metroplex Office Centre on Willow Pass Road
- Improvements to Clayton Valley Shopping Center, including the opening of Ross, build-out of the space to house the planned Fresh & Easy grocery, and major façade improvements to the shopping center
- Attraction of ethnic grocers 99 Ranch Market to the Park & Shop Center and Seafood City to a location on Diamond Boulevard
- Attraction of the new Concord Chevrolet dealership at 1330 Concord Ave.
- New major regional retail tenants for Sunvalley Shopping Center, including BJ's Brewhouse, Shoe Palace, Luxury Perfumes, Day By Day, Rosetta Stone
- The nation's first ultimate fighting championship UFC Gym to open in the Willows Shopping Center
- Completion of the first phase of construction of John Muir Medical Center's 174,000 sq. ft. Concord Campus expansion



99 Ranch Market is a new addition to Park & Shop

Downtown sets records

Downtown Concord set a new record this year, attracting more than 200,000 visitors to Todos Santos Plaza for a variety of family-friendly music programs and events. It was not unusual to see 3,000 people in the plaza for the Thursday Music and Market series when just a few short years ago, attendance by 800 people was considered a good night. As a result, there continues to be a strong interest from the business community to locate in the downtown.

Even in these difficult economic times, a new restaurant, Fin's on the Square, opened in July across the street from Todos Santos Plaza. The exterior of the building is being refurbished through the City's Downtown Façade Improvement Program. The program also was used to give a number of other downtown store fronts a face lift.

Economic Vitality Strategy

In July 2009, the City Council approved the new Economic Vitality Strategy which sets the vision, goals, and priorities for the City's economic development efforts.

Over the next five years, the City will be working in partnership with the local business community and other stakeholders on a variety of initiatives identified in the vitality strategy.

To read the strategy document, visit www.cityofconcord.org/business.



Concord's Strengths

- With only 12 percent of the County's population, Concord captures 20 percent of all retail business in Contra Costa County.
- Local retailers generate \$4,632 in sales per resident, which is almost twice the county average of \$2,813 in retail sales per capita.
- Concord is the largest business center in Contra Costa County.
- Concord has more high technology industrial space than any other city in the I-680 market.
- Concord's retail sales top any city in Contra Costa County.
- Concord businesses generate \$2.7 billion in retail sales per year.
- Concord has more auto dealerships than any other East Bay city.
- 40% of the county's auto sales are made in Concord.

The Budget Picture

The year's biggest challenge for the City of Concord has been the unprecedented impact of the recession on the City's budget.

The City's General Fund, which pays for police services, parks and recreation, street and road maintenance, and all of the other day-to-day workings of the City, has been hardest hit of the 22 funds in the City's budget. General fund revenue comes principally from sales tax and property tax.

The budget passed in June for the City's fiscal year, which runs from July 2009 to June 2010, projected a \$12 million reduction in revenues from the previous year, from \$80.4 million to \$68.4 million. In a few short months, as the national and state economic downturn unexpectedly became more severe, Concord's budget gap increased by another \$2.2 million to \$14.2 million.

Reduction in expenditures

Over the last year, the City Council has continually monitored the effects of the national recession on the City's budget. It became apparent that significant adjustments to the revenue estimates made in the budget would be necessary, and a strategic plan was needed to manage the effects of the recession.



The City Council's strategic three-year plan includes reductions to employees' salary and benefits, reductions in City services and the use of reserve funds to stabilize the budget.

The first part of the City Council plan was enacted over the last six months, using a "three-legged stool" approach. The three legs of the stool include:

1. Salary and benefit reductions (5 percent reduction in employee pay, taken as 13 furlough days)
2. Early retirement plan taken by 64 employees
3. Program changes (such as reduction in street sweeping services and recreation programs, closure of Police field offices)

The City Council was able to reduce the \$14.2 million deficit by \$4.5 million using these measures and allocated one-time reserve funds to balance the budget for the year.

Additional reductions

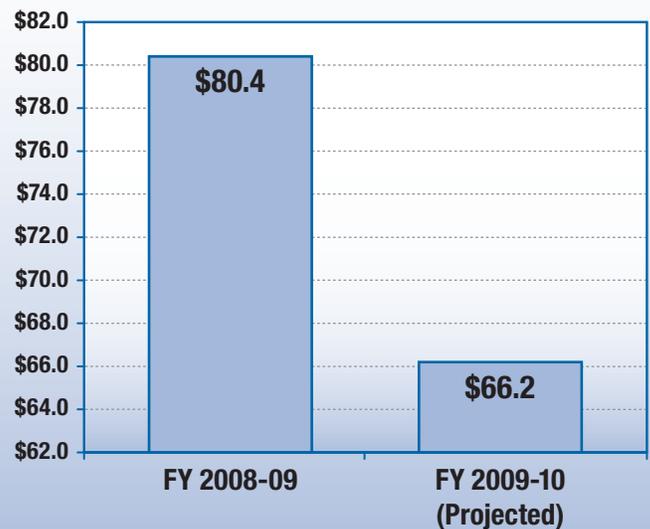
The City will not be able to depend on reserves every year to balance the budget.

See [Budget](#) page 6

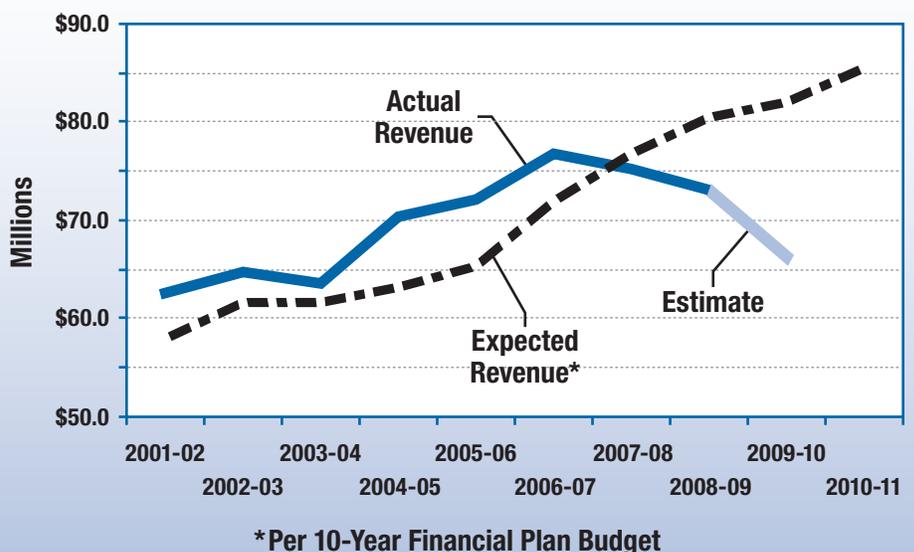
The bottom line

- **The number of employees serving residents has been reduced from 500 to 415, about the same number the City employed 14 years ago.** During that time, many additional services have been added. Without people to provide the services, some services may be reduced.
- **The City's General Fund budget is now at the same level it was six years ago, in fiscal year 2003-04, and may be reduced further over the next few years.**
- **While the greater economy is seeing some signs of recovery, it may be several years before City revenues stabilize.** There is no one solution to addressing the budget deficit; recovery will take a significant amount of time and a number of separate actions.

Reduction in Budgeted General Fund Revenue From Fiscal Year 2008-09 to 2009-10



Comparison of General Fund Budget to Actual Revenues



Budget from page 5

The remaining \$9.7 million structural deficit will need to be addressed in the next two year's budgets.

The City Council will continue to monitor the budget issue and will be including the community in the discussion in the coming year.

Use of Reserves

One factor contributing to the City's ability to survive significant reductions in revenue is the City's Ten-Year financial planning policy that has provided reserves necessary to balance the General Fund budget. With General Fund projected revenues of \$66.2 million trailing General Fund projected expenditures of \$76.4 million, reserves provide a temporary cushion while structural changes to the budget are implemented. The City has elected to permit reserve balances to fall from approximately 30 percent of operating expenditures to 15 percent while finding solutions to the City's budget challenges.

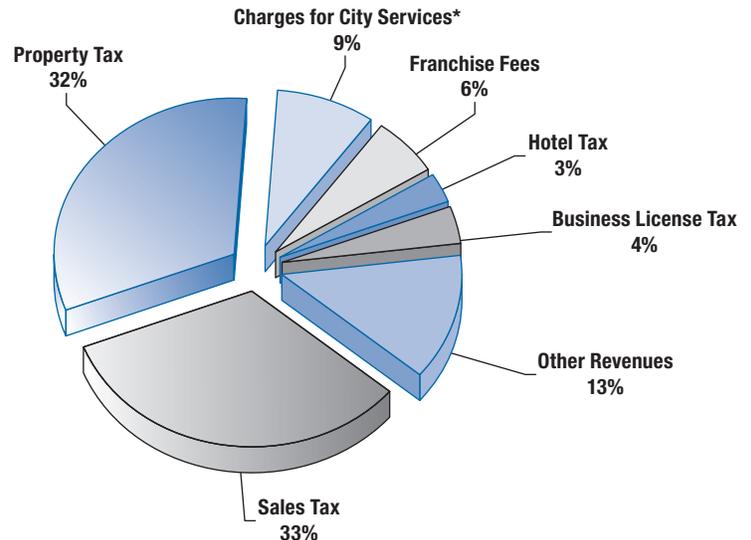
City of Concord Total Budget

In addition to the General Fund, the City's budget includes other restricted funds: Special Revenue Funds, Debt Service Funds, Capital Projects, Enterprise Funds, Internal Service Funds, Fiduciary Funds and the budget for the Redevelopment Agency. The total City budget for Fiscal Year 2009-10 is approximately \$178 million, down from \$185 million in 2008-09.



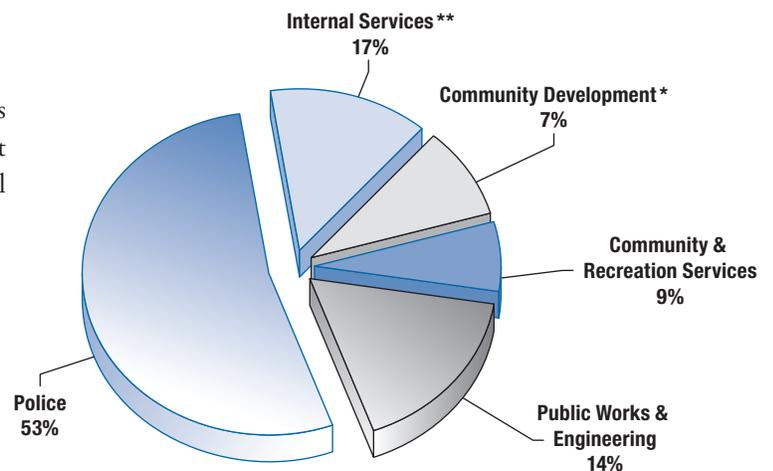
Buy Concord
Your dollar matters!

General Fund Revenue by Source \$66.2 Million



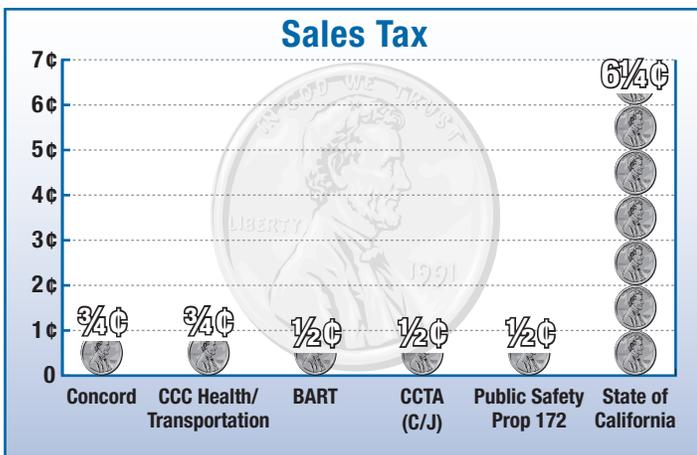
* For example: Community & Recreation programs, Planning fees, Inspections, etc.

General Fund Expenditures by Department \$76.4 Million

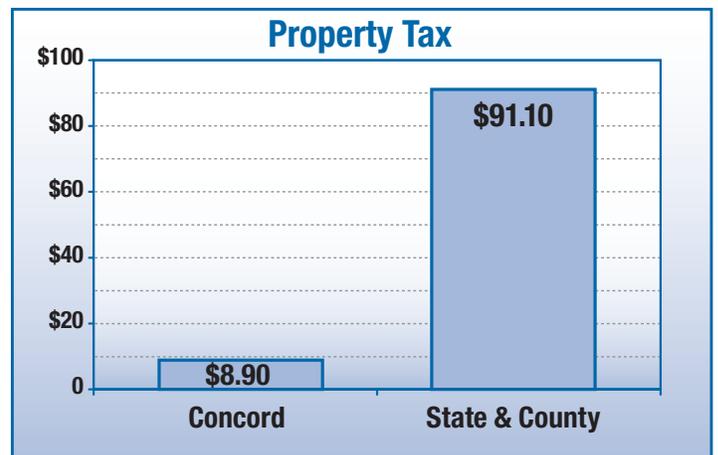


*Planning, Economic Development, Building, Neighborhood Services
**Finance, Human Resources, City Attorney, Office of the City Manager

Facts About Sales Tax and Property Tax



Sales Tax: Concord ultimately receives three quarters of a penny of the nine and one quarter cent sales tax paid on purchases made in Concord. The state receives six and one quarter cents. The remainder is divided among Contra Costa County, BART, Prop. 172 and the Contra Costa Transportation Authority. Sales tax accounts for 33 percent of the City's General Fund revenue.



Property Tax: In the recession of the early 1990s, the state diverted property tax funds intended for cities in order to balance its budget. As a result, today for every \$100 a property owner pays, the City receives only \$8.90. The balance goes to the state and county. Property tax accounts for 32% of the City's General Fund revenue.



City of Concord
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 Concord, CA 94519-2578

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City Meetings

All meetings are held at Civic Center, 1950 Parkside Dr., unless otherwise noted and are open to the public. Dates are subject to change. For information, visit the website at www.cityofconcord.org (see Civic Center Meetings on the home page), check the meeting notices in the *Contra Costa Times* or call 671-3000.

City Council	First, second, fourth Monday, 6:30 p.m.*
Commission on Aging	Third Wednesday, 1:30 p.m. Concord Senior Center, 2727 Parkside Circle
Community Services Commission	Third Wednesday, 6:30 p.m. City Manager's Conference Room
Design Review Board	Second, fourth Thursday, 5:30 p.m.
Human Relations Commission	Second Tuesday, 7 p.m.*
Parks, Recreation & Open Space Commission	Second Wednesday, 7 p.m.*
Planning Commission	First, third Wednesday, 7 p.m.*
Zoning Administrator	Second, fourth Wednesday, 9 a.m.

*Broadcast live on Concord Cable TV channel 28 (Comcast) and 29 (Astound), and online at www.cityofconcord.org. Past City Council meetings from July 2008 forward are also available online.

Boards & Commissions

For detailed information about the City's Boards and Commissions visit www.cityofconcord.org or call one of the contact numbers below.

Board of Appeals	671-3119
Commission on Aging	671-3419
Community Services Commission	671-3327
Design Review Board	671-3152
Human Relations Commission	671-3327
Parks, Recreation & Open Space Commission	671-3440
Personnel Board	671-3310
Planning Commission	671-3152



Need an Answer?

Website: www.cityofconcord.org
 Events: www.concordfirst.org
 Classes: www.concordreg.org
 E-mail: cityinfo@ci.concord.ca.us

Americans with Disabilities Act (ADA) Coordinator	671-3031
Building	671-3107
Business Licenses.....	671-3313
Cable TV	
Astound Broadband	459-1000
Comcast.....	1-800-945-2288
Camp Concord	671-3273
Centre Concord	671-3466
City Council	671-3158
City Manager	671-3150
Community and Recreation Services	
Class registration.....	671-3404
Concord Community Pool.....	671-3480
Concord Naval Weapons Station	
Reuse Project	671-3001
Downtown Hotline	671-3464
Economic Development	671-3355
Engineering.....	671-3361
Flood Zone Inquiries.....	671-3425
Garbage Collection	682-9113
Graffiti Hotline.....	671-3080
Housing.....	671-3364
Mayor	671-3158
Neighborhood Services Hotline.....	671-3282
Park Reservations	671-3404
Permit Center.....	671-3454
Planning	671-3152
Police and Fire Emergencies	911
Police Field Offices	
Southern Office	671-3483
Police/Information	671-3220
Pothole Hotline	671-3228
Public Works.....	671-3448
Park Maintenance.....	671-3444
Recreation/Registration	671-3404
Senior Center	671-3320
Sewer Problems	671-3099
Shopping Cart Hotline.....	671-5080
Sleep Train Pavilion	
Hotline	363-5701
Information.....	676-8742
Street Light Outages Hotline	671-3213
Street Sweeping	671-3448
Street Trees.....	671-3444
Traffic Signal Malfunctions.....	671-3132
Willow Pass Center.....	671-3423