



**Independent, locally owned and operated!**

www.lamorindaweekly.com 925-377-0977

Published July 8th, 2009

## Orinda's Two-year Budget Balanced-For Now

By Andrea A. Firth

Orinda's City Council adopted a two-year operating budget at a special meeting held on June 23rd. "The budget is balanced precariously with assumptions and conditions that are subject to change," noted City Manager Janet Keeter. "The 2-year budget, while balanced, is very lean and includes several cost saving measures," she added. Prior to voting to adopt the budget, Council member Steve Glazer acknowledged the thoroughness of the budgeting process, which included several public meetings and many hours of staff time and input from the Finance Committee. However, Glazer and the other members of the Council remained uneasy about a \$200,000 shortfall included in the budget for fiscal year 2011. (Orinda's fiscal year 2010 started on July 1st and will run through June 30th of next year.) Glazer's suggestion to move half of that deficit, or \$100,000, into the current fiscal year led to a discussion among the Council members and staff regarding when and how to address this shortfall.

"It is difficult for all of us. We are looking for \$200,000 in 2011, and none of us knows how to fill that gap," stated Council member Victoria Smith who agreed with moving some of the deficit to the current budget year. Keeter indicated that pulling an additional \$100,000 from the 2010 budget would be difficult noting that the contract with the Sheriff's Department for police services, a significant aspect of the City' budget, was already in place. Following a lengthy discussion and with a reluctant 'aye' from Vice Mayor Tom McCormick, the Council voted unanimously to adopt the two-year budget moving \$50,000 of the \$200,000 deficit to 2010.

The adopted budget does not include potential State take-aways from property and gas tax revenues, which could represent as much as \$463,976 to the city in the current fiscal year. "If any of the State tax grabs come through, we'll be looking at a completely different budget scenario," stated McCormick.

Throughout the budgeting process, Orinda's Council has also felt the pinch of declining property values and reduced turnover. "It's probably the first time in the history of the city that we are dealing with a decline in property tax revenue," stated Council Member Amy Worth. "Although revenues are down, the expectations regarding services remain high," she added.

Keeter responded that while service levels currently remain strong, the probable reductions in staff hours and furloughs that are being considered to offset the reduced revenue could force a change. "The residents may feel the impact of our budget constraints," she stated.

Among the several changes over last year's budget, the 2-year fiscal plan includes salary reductions of 4% in the first year, and 10.5% in the second year. Specific salary cuts have yet to be determined and will not be finalized until pending labor negotiations are resolved. Other expenditure cuts include a suspension of Cost of Living Adjustments for all employees in fiscal years 2010 and 2011, along with the elimination of all un-mandated training and travel.

"The document reflects the fact that the City of Orinda is not immune to the downturn in the economy," stated Mayor Sue Severson. "[The Council] continues to take a prudent approach to maintain quality services while reducing expenditures."

Reach the reporter at: [andrea@lamorindaweekly.com](mailto:andrea@lamorindaweekly.com)

Copyright © Lamorinda Weekly, Moraga CA