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Orinda's Budget on Target

By Andrea A. Firth

The City Council's midyear review of Orinda's budget found the City's fiscal planning essentially on target. The summary of revenues and expenditures through the end of December 2010 revealed no major surprises, but a couple of line items were cause for a raised eyebrow.

Property tax revenue, which constitutes the lion share of Orinda's income, was projected to increase by 1% but final numbers from the County Assessor's Office indicate property tax revenue will decrease by 0.25%. This represents about \$40,000 to Orinda's bottom line, and according to Finance Director Emily Hobby, this is the first decline in property tax revenue that Orinda has experienced.

While sales tax revenue is down approximately 17% from the previous fiscal year, the most recent quarter's decline was only 6%. "I expect the rate of [sales tax revenue] decline has slowed," said Hobby. Investment income also declined significantly as compared to the prior year. This was largely due to the fact that a number of investments were sold; and the lost interest income was offset by the gain on sale for the current fiscal year. On a good note, revenue tied to recreation fees continues to rise and will add an additional \$50,000 to the City's coffers.

On the expenditure side of the balance sheet, Vice Mayor Steve Glazer was wary of a couple of proposed appropriations and asked City staff to provide further information before moving forward.

A traffic study to address the snarls on Moraga Way is estimated to cost \$120,000 over the next two years. "This is a significant amount of money," said Glazer adding that he wanted to establish a high bar for justification of this expenditure. Council Member Amy Worth recommended that a public meeting be held to ensure that all sides of this issue are heard and addressed. The item will be brought back to the Council with more detailed information.

Glazer also balked at a \$60,000 appropriation for an ADA Transition Plan to develop an analysis of improvement to City facilities to meet the requirements of the American with Disabilities Act (ADA). "The City is committed to improving access," said Glazer. "I know this is a touchy subject. But I don't know what the transition plan is, and this is a lot of money," he added requesting staff to provide more information. Worth concurred, reiterating the request for more data regarding the cost and components.

The Council did approve spending up to \$30,000 in insurance funds or waiving up to \$30,000 in processing fees associated with repairs to be undertaken as part of a settlement agreement associated with an ADA non-compliance suit. "The improvements for access for disability are required," stated City attorney Osa Wolff.

"It's not a question of if but when," she added, "It's a pretty big universe of issues the city has to study and address."

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