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## City Reviews Budget

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Orinda's City Council has begun the process of reviewing the City's biennial budget plan, starting with an evaluation of projected revenues, and it looks like lean years ahead. Orinda's General Fund revenues, just under \$10 million, are estimated to increase a modest 1.7% a year over the next two years.

### Revenues

Property tax revenue, which represents approximately 40% of Orinda's income, is projected to decline .25% this year-the first decline in property tax revenue that the City has experienced in memory according to Finance Director Emily Hobdy. Orinda typically sees a 6% to 7% increase in property tax revenue from year to year. Overall, property tax revenues for Contra Costa County are estimated to decline by 3.3% this year due to the poorly performing real estate market in East Bay cities.

The City's lease and interest income has also taken a hit in the past year. The City lost its tenant for 2,000 square feet of office space on the first floor of City Hall and is currently seeking a government or not-for-profit organization to rent the space. Interest income is down following the required sale of some investments in order to comply with the City's new investment policy.

On the plus side of the balance sheet, building inspection fees are predicted to increase by 5% a year due to activity at the Wilder development, and planning fees could also increase in fiscal year 2013 as plans move forward on the Pulte development. As the budgeting process continues, Council members Dean Orr and Steve Glazer indicated they would prefer the City take a more conservative approach to these projections.

### Special Budget Requests

The City Council was also presented with several requests to fund special projects including the downtown planning process and General Plan update and a traffic study for Moraga Way. The Council made no decisions regarding the special budget requests. "We need more information on the Moraga traffic study," said Mayor Victoria Smith adding, "The requests are otherwise meritorious, but will have to be balanced." Glazer questioned the need for the Moraga Way traffic study, which has an estimated cost of \$60,000, when the City had already conducted a traffic study of Moraga Way in 2001. "What justifies the expense if the study is less than ten years old," said Glazer. He also expressed skepticism regarding further funding of the downtown planning process, which he feels does not have uniform support among residents.

### What about the Roads?

Richard Nelson, Chairman of the Citizens' Infrastructure Oversight Committee (CIOC), reminded the Council of the CIOC's recommendation that the budget for the City's road repairs should be increased by an additional \$1 to \$2 million annually to avoid further deterioration of the City's residential streets. "It's a tall order," acknowledged Nelson adding, "but you have got to start saying no." Nelson indicated that the special funding requests outlined were one place where the Council could say no and potentially channel these limited monies back to the roads program. Nelson also suggested that the City designate any growth in property tax, over what is projected, to infrastructure projects. "If the Council shows it is finding ways to increase road spending, then the public will be more willing to support a measure."

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[back](#)

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