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Orinda's Budget-Squeaking by for Now

By *Andrea A. Firth*

"Staff is presenting a balanced budget, but the process of getting here was not an easy one. We were faced with some difficult decisions," said City Manager Janet Keeter in her opening comments at the June 21st City Council meeting. Keeter and Orinda's Finance Director, Emily Hobdy, presented the Council with a two-year budget for fiscal years 2012 and 2013, which included spending cuts across all city departments and the elimination of an associate planning position.

"It's a revenue issue, not an expenditure problem," said Keeter adding, "If there are no increases in revenue, more serious budget problems will start to occur by 2014." Property tax revenue, which represents half of the city's General Fund revenue, was down .25% in 2011-the first time Orinda has experienced a decrease in assessed valuations. The City still has an \$88,000 shortfall in its operating budget across the two years, which Keeter says they are trying to resolve through employee negotiations.

Speaking on behalf of the city's 24 unionized employees, Peter Finn, Business Representative from Teamsters Local Union 856, stated, "We've said time and time again that we are willing to look at concessions in order to save jobs." Finn questioned why the City has three interns at work in the Planning Department when he had initially been told that the rationale for eliminating the planning position was reduced workload. Finn then produced a letter from the City, addressed to him and dated June 21st in response to his request for information. Finn noted the letter states that the City's position regarding the elimination of the planning position was not due to a "lack of work" but an overall budget shortfall. "Is it workload or is it the budget?" asked Finn. "If it's not workload, give us a chance to find the money to save that job." He requested the Council to hold off on its budget vote.

"We looked at different ways of doing things to provide the best service to the public," said Keeter in response, "It's the result of a budget shortfall."

"This is a lean budget for lean times that will provide the basic services that our citizens demand," stated Vice Mayor Steve Glazer. He added that the city continues to underfund its infrastructure needs given the current revenue constraints.

"Staff has done a very good job with the conservative nature of the projections," added Council Member Dean Orr, "Keeping revenue projections on the small, conservative side is absolutely the direction that we need to be taking now."

"The budget we have before us today is definitely lean and the most prudent thing we can do," said Mayor Victoria Smith adding, "We are cognizant and understand the impact on employees...We hope the mid-year budget review will show better times, but can't plan for that."

The Council voted unanimously to adopt the biennial budget. As of press time, the negotiations between the City and union employees were ongoing.

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