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Orinda's Balanced Budget Hanging in There

By Laurie Snyder

The Orinda City Council learned Feb. 5 that the city is still able to sustain a balanced budget with no additional appropriations, according to city staff painting the financial picture. Leading the mid-year budget update, Finance Director Susan Mahoney explained the reasons for shortfalls and the ways in which city departments are compensating.

Despite sluggish holiday sales that sunk sales tax returns, "Revenues are estimated to be \$491,913 over original budget projections," thanks to an ongoing revenue boost by increased building inspection fees, project reimbursement revenues, and significantly increased property transfer tax income.

General Fund expenses, though, will likely exceed initial projections "due mostly to costs associated with the December storms, staff changes, and insurance costs." Mahoney's evening report followed an announcement earlier in the day by City Manager Janet Keeter that costs for the Tarabrook sinkhole repair are now estimated at \$700,000. The area, rechristened by residents as "Tara Lake" during the immediate flooding crisis, remains under a state of emergency.

Parks and Recreation went over budget by \$66,998 as the unknowns of water, electricity, insurance, and facility maintenance associated with the new Wilder playfields became clearer. The department expects that the now constantly busy fields will easily recoup the money. The Police Department is expected to actually be under budget by \$66,857-primarily due to a savings in benefit costs.

Mahoney projects that combined city management costs (City Council, City Manager, City Clerk, Information Technology) will be over by \$10,864 due to consulting services and the cash-out of leave balances for two employees that left city employment. Another cash-out plus additional consulting services were cited for the \$16,572 combined Finance, General Services, and Human Resources overage.

The Planning Department's \$64,983 hole was also attributed largely to cashed-out leave balances, but is expected to be offset by \$95,000 in revenue increases, while increased Public Works revenues will offset all but \$80,000 of that department's \$123,194 loss caused primarily by storm-related expenses.

The rebalanced mid-year budget now projects a slim General Fund surplus of only \$23,509 with \$253,100 in one-time revenues augmenting the unrestricted funds.

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