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Orinda city manager highlights midyear financial challenges

By Nick Marnell

While not threatening the declaration of a fiscal emergency, Orinda City Manager Steve Salomon outlined at the Nov. 8 City Council meeting some of the financial challenges faced by the municipality.

Salomon explained to the council that according to the State Board of Equalization, the city receives only 7 percent of each Orinda property tax dollar, with over half of the tax dollar going to the local schools, 23 percent to the Moraga-Orinda Fire District and 10 percent to the county itself.

"That is very low," Salomon said of Orinda's share. Moraga receives 5 percent of every property tax dollar and Lafayette 6 percent.

Salomon also compared sales tax revenue versus other Contra Costa County municipalities, with Orinda coming in third from the bottom at \$45.61 per capita, above only Oakley and Clayton. "Other cities can provide the same services with twice the revenue," Salomon said, noting that Lafayette recognizes \$98.96 per capita and Moraga \$49.79.

What's more, Orinda sales tax revenue is projected to increase only \$88,000 over the next seven years, according to a study done for the city. "That figure could be improved if the project across Orinda Way is built," Salomon said, referring to the planned 18,000 square foot Bella Oaks development of restaurants, retail and offices.

Lastly Salomon explained that the cost of the natural disasters to have befallen the city this year has significantly reduced the city general fund reserves. Orinda budgeted \$3.75 million to cover expenses of the 2017 storm damage, including the Miner Road sinkhole, and that as of October, the city had spent \$3.35 million of the money with more expenses expected.

"It's taken more than half of the reserves we've accumulated over the years," Salomon said, with the city having reported \$5.9 million in its reserve fund as of June.

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