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Mid-cycle budget approved; includes new library parcel tax

By Sora O'Doherty

New Finance Director Paul Rankin presented his first mid-cycle budget to the Orinda City Council on June 12 as part of a two-year budget adopted May 2017, covering fiscal years 2017-19. According to the staff report, since the budget relies on estimates and projections, it is appropriate to periodically review the financial plan and make adjustments as necessary. The council approved this budget on June 19. Rankin explained to the council that he has a different way of doing things, so they would notice some changes, which he believes contribute to greater transparency. This involves reducing the practice of allocating staff across multiple departments instead of reporting all costs in their "home" department. As a result, there are more significant changes in this mid-cycle budget than in the past. Reimbursed consultant costs are now included, showing the costs as well as the reimbursing revenue. In the past these had been zeroed out, but this led to significant costs and revenues not being included in the budget. Now, the full costs of each department will be visible.

The mid-cycle budget still reflects the impact of the Miner Road sinkhole repair. The repair was completed in less than six months, and \$3.75 million was advanced from the general fund to complete the work. The process of reimbursement continues.

According to City Manager Steve Salomon, there has been a net positive impact of over \$1 million on the city's finances as a result of revenue increases, and expenditure reductions. Revenue increases include the library parcel tax, the solid waste vehicle road maintenance fee, the collection of transient occupancy taxes from short-term rentals, and other increased fees. Expenditure reductions include a net staffing reduction of 1.6 full-time positions, elimination of subscriptions to newspapers, and consolidation of the distribution of the Orinda Way publication with the Parks and Rec brochure. In addition, the Big Belly trash and recycling receptacles provide more efficient servicing of trash in public areas. Property tax revenue is up by 4 percent and sales tax revenue is projected to increase by 3 percent in 2018-19.

The mid-cycle budget also highlights increased maintenance expenses in the Parks and Rec Department as two new fields at Wilder have been completed and are in operation and the Art and Garden Center is expected to open within a couple of months. Public Works will receive additional funding to provide supplemental professional engineering services to help address the city's backlog of projects. Information technology will get an additional \$100,000 for critical improvements to the network and software systems and an aging telephone system.

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