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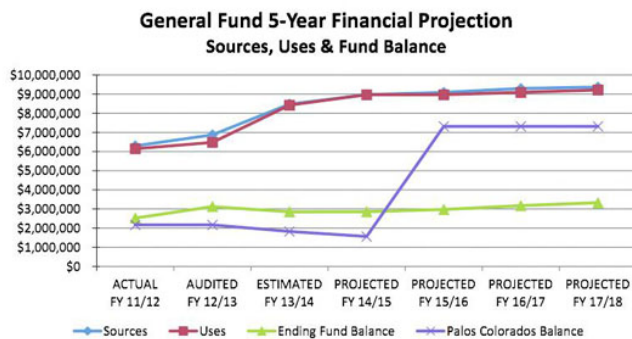
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Balanced Budget for Moraga

By Sophie Braccini

Chart 13. General Fund Five-Year Financial Projection



The Moraga Town Council approved the fiscal year 2014-15 budget on June 11. The town's budget is "structurally balanced, meaning that ongoing, annual expenditures are supported by annual revenue sources," said Stephanie Hom, administrative services director. She noted, however, that although the economic recovery might be improving revenue at the state level, that's not the case in Moraga.

The town's property tax revenue has remained relatively flat. Hom's research indicates that Moraga has a lower turnover rate for homes than similar East Bay communities; and Prop. 13 protects residents from tax hikes. And, while the statewide sales tax measure has helped California's bottom line, in Moraga revenue from the local sales tax increase goes only to pay for road repairs.

The FY 2014-15 operating budget is \$7.2

Image provided

million and the capital budget amounts to \$5.3

million, some of which was appropriated from prior years, and includes \$4.5 million for road repairs. The town's reserve represents 39.8 percent of the operating budget. Hom projects a slim surplus of \$14,000.

Total revenue has increased since the passage of the local sales tax. Property tax now represents 35 percent of the town's revenue - it used to represent nearly half - general sales tax represents 12 percent, the local 1 percent local sales tax and garbage vehicle impact fee represent 18 percent, and fees for services comprise 13 percent of the town's revenue. Additional revenue comes from franchise fees, the real estate transfer tax and other small miscellaneous sources.

If you take the local sales tax proceeds out of the budget picture, it becomes a bit bleaker. "While revenue has declined or remained flat, healthcare and pension costs have increased between 6 and 19 percent yearly, requiring a tighter budget on discretionary expenditures," she said. The town will spend about 70 percent of its budget on personnel - including salaries, pension benefits and health care - up from 65 percent in fiscal year 2013-14. Viewed by department, the biggest share of the budget pie goes to police services, with expenditures totaling 30 percent of the budget.

The expense trend is reflected in Hom's five-year projection. "This five-year financial plan is somewhat less optimistic," said Hom. Over the next five years the town will "face an increase in staff time and resources required to bring considerably larger pavement projects through the public bid and construction processes, further burdening the general fund," she said.

Some of the reductions that have already been implemented include lowering the town manager's contingency, reducing contract services when possible, and reducing or eliminating other miscellaneous expenditures.

On the capital side, in addition to the 2014 road repair campaign that represents the bulk of his budget, public works director Edric Kwan anticipates electrical work and turf renovation at the Hacienda de las Flores, upgrades to the restrooms at the Moraga library, the bicycle and pedestrian master plan update, the resurfacing of Moraga Road from St. Mary's Road to Draeger Drive, and the completion of the town chambers at 331 Rheem.

Council Declines to Increase Support for Spirit Van

During the town's budget process, Lamorinda Spirit Van Program director Mary Bruns asked

the Moraga Town Council to increase its annual contribution to the program from \$9,000 to \$15,000. The council declined, citing the town's less than optimistic budget outlook.

The Spirit Van is an 8-year-old, low cost transportation program serving Lamorinda seniors. Bruns reported that ridership and service hours increased this year, along with fares for certain trips, and that the program entered into a new contract with Eden Housing's Belle Terre in Lafayette to provide transportation for that facility's low-income seniors, which will add \$6,000 per year to the program.

Councilmember David Trotter supported not raising the town's donation to the Spirit Van. He asked Bruns if she was comfortable asking for private donations - Bruns replied that even coming to council meetings to ask for money was painful for her. Trotter pledged to personally raise \$3,000 from the Moraga community for the Spirit Van to bridge the gap. "Moraga is a great community in which to live, raise a family and age gracefully at home - and Moragans have always answered the call when the cause is right," Trotter said later. Councilmember Philip Arth immediately offered a personal donation to the program.

For more information about the Spirit Van Program visit www.ci.lafayette.ca.us, and click on Services, then Senior Services, and select Lamorinda Spirit Van from the menu on the left.

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