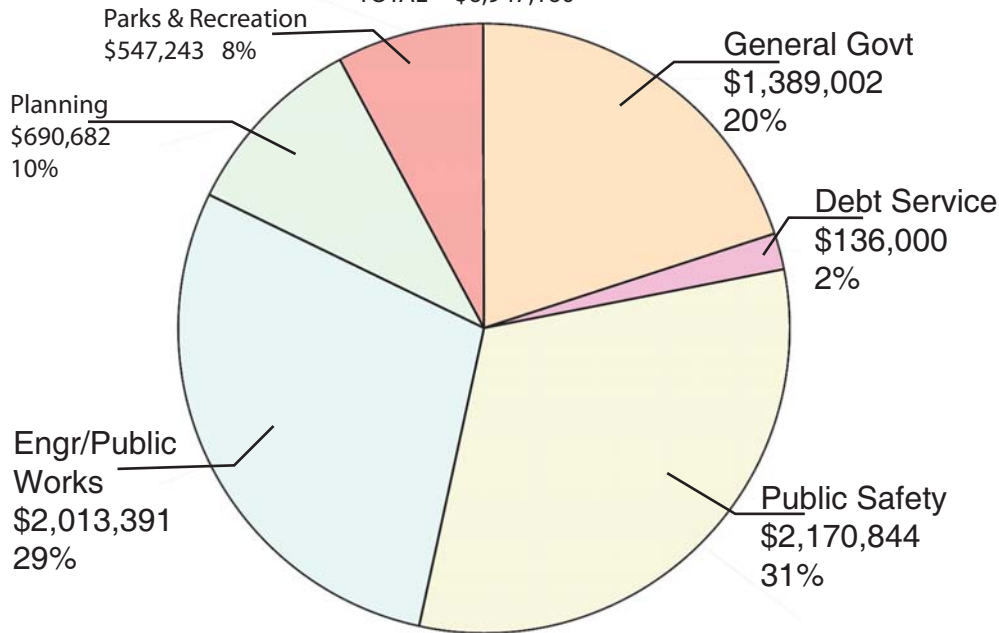


The Reality of Moraga's Financial Situation

By Sophie Braccini

FY2008-09 PROPOSED EXPENDITURES BY GOVERNMENT FUNCTION
TOTAL = \$6,947,160



Former Town Manager Phil Vince said it in a nutshell: “The Town has to come to grips with what it wants to become. We will have to scale back service levels if we can’t increase our revenue.” The approved operational budget for 2008/2009 was balanced, but the Town is on a trajectory toward a structural deficit. Staff was directed to propose measures to correct the situation and to find additional resources to hire additional police officers. At this point, potential lay-offs are adding to the stress of a staff that’s already overworked.

Moraga’s philosophy has always been minimal government. In the average Contra Costa town, 3.4 employees serve 1000 residents. In Moraga the number is 2.5, resulting in management staff working 55- 60 hour a week. “People are stressed, but show an incredible amount of commitment to the town,” says Jay Tashiro, Interim Town Manager.

The number of police officers in town follows the same trend. The average rate of police officers per resident is 1/1000. In

Moraga, that would mandate 16 officers. The force has 13 with two officers currently on disability, receiving full pay and benefits, for up to a year. “On average, our Officers have put in eleven extra hours of patrol per week,” says Police Chief Mark Ruppenthal.

“The security of our residents is a priority,” Council Member Rochelle Bird said at the June 11th Town Council meeting, “we need to do what it takes to be able to add strength to our police force.” Council member Ken Chew commented, “I would like to emphasize that our town’s need for adequate and effective public safety must be maintained and enhanced. My hope is that two more police officers be added over and above what we currently have.” Finance Director Joan Streit was instructed to find funds in the years to come to cover the deficit and add 1-3 new officers.

Streit believes that Moraga’s financial state is not catastrophic. She explained that many towns in the Bay Area are suffering far greater circumstances than Moraga; the Town has little debt, its bond rat-

ing is essentially AAA and all bargaining units are covered in the budget.

The worrisome part of the equation is the growth of expenses while resources languish. “The cost of labor, supplies and materials keeps growing,” states Streit, “while our revenue stream is more or less stagnant.” The projected deficit for 2009/2010 is about \$130,000; it jumps to \$210,000 in 2010/2011, \$460,000 in 2011/2012 and \$550,000 in 2012/2013. That is, before Streit makes her recommendations and before hiring additional police officers.

“One of the problems of our revenue stream is that we do not have a diversified revenue base and are very vulnerable to State take-away.” Streit goes on to explain that 40% of the Town’s revenue comes from property taxes. The Town gets 5 cents from every dollar paid in property tax, but the tax is unpredictable and fluctuates beyond Moraga’s control. The problem is the same with Moraga’s second most important revenue stream, sales tax, where only one penny on the dollar stays local. “We need to look at

sources of revenue that will allow us to control our income stream,” believes Streit.

At this time, working on savings and trying to find money for additional police officers, Streit is pessimistic: “If no other income sources are found in the short term, the reality is that we will have to do lay-offs.” This would necessarily mean a lower level of service for residents, such as longer periods of wait time for permits, less maintenance of public grounds and fewer recreation options.

The Council favors a dynamic approach. A Council Member Ken Chew put it, “I support looking at ways to cut expenses and the possibility of a ‘Revenue Enhancement Task Force’ to explore ways to increase revenue.”

The City of Orinda recently launched such a task force. Mayor Lynda Deschambault proposed that a similar body be formed in Moraga. “Rather than focusing on cutting programs and opportunities, it makes more sense to focus our energy on identifying ways to increase our revenue generation.” She would like to see a brainstorming process where different options would be studied, including returning permitting and processing to the Town, adding a business license fee, additional revenue from events and recreation, grants or selling of property. Tashiro recently met with Orinda to discuss the project, which can only happen if the Town Council makes it so.