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Moraga Revenue Enhancement Committee Studies Neighbors' Proposals

By Sophie Braccini

With only a few months to find new sources of revenue for the town, Moraga's Revenue Enhancement Committee decided not to reinvent the wheel. At its June 15 meeting, the committee reviewed the recommendations considered by Lafayette and Orinda during their revenue enhancement discussions.

"There were a lot of very interesting proposals and a great deal of overlap between the two reports," said Committee Chair Dick Olsen.

After approving the appointment of two new members, Doctor Zhan Li and Fred Schroeder, the committee debated the appropriateness for Moraga of the actions recommended in Lafayette and Orinda. Many of the recommended measures have to do with additional tax revenue for the town that would not be susceptible to state grab.

One of the most lucrative is a utility user tax that many cities in the Bay Area impose on their residents. For example Piedmont charges 7.5% on phone, utility and gas bills. The tax produces about \$1 million for a population just above 10,000.

Lafayette's committee recommended the institution of a property transfer tax. One condition to levy such a tax is for the community to become a charter city. In its report, Lafayette estimated that a 1.3% tax on sold properties would generate \$3 to \$4 million in revenue.

A business license tax was also proposed in Lafayette's report. Neither Moraga nor Lafayette has such a tax, although it is widely used by other municipalities. In Moraga, with more than 500 businesses registered, it could produce a sizeable income.

Committee vice-chair Tom Westhoff, who has substantial experience with municipal bonds, commented on Moraga's potential bond rating when the issue was raised. "Moraga has no rating at this time," said Westhoff, "Lafayette is rated AAA. Depending on the type of bond, Moraga would probably get a very good rating because we have no high delinquency."

Three sub-committees will consider which actions could be recommended for Moraga. The committee will also look at grants and corporate sponsorship. "We will investigate all the possibility including sales of town property, or a general obligation (GO) bond for the infrastructure," said Olsen. The Town Council will make the final decision after the committee submits its report in November.

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