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Moraga's Mid-Year Budget: A Delicate Balance

By *Sophie Braccini*

Moraga's Administrative Services Director Joan Streit is always cautious when she presents facts and figures to the Town Council; in the uncertain climate California agencies are working under, caution seems a reasonable approach. At the March 10th Council meeting, she presented a mid-year updated budget on track with previous projections, though prospective revenues have slightly decreased. Streit also offered a sneak-peek at the 2010/2011-budget cycle. All things considered the situation does not look too catastrophic for Moraga, but according to Streit the Town will have to find additional sources of revenue to compensate for anticipated increases in expenses and decreases in on-going revenues.

"We are experiencing a slightly reduced revenue stream," said Streit, "but our end balance should stay positive." The revised projected general fund revenue for 2009-2010 is now at \$6,225,278 instead of the over \$6,377,000 initially projected, taking the positive balance to \$168,294 for the year. Streit explained that the reduction in revenue came from declining interest rates as well as less than expected sales tax and vehicle license fee revenue.

"For next year, we anticipate that sales tax revenue may decrease even further, we think that our workers' compensation, health care and PERS expenses will increase, but we do not project any increase in staff salary," said Streit, who recommended that next year the Town will need to continue to manage expenditures and will have to find new sources of revenue.

As the Council examined its different funds, Mayor Ken Chew was surprised at the very small yield of the Palos Colorados fund, the one time developer fee paid by the company that is developing the Palos Colorados property, which returned only 1% interest for this year. "Could we agree to authorize a more aggressive investment policy?" asked Council Member Mike Metcalf. The Council decided to ask the Audit and Finance Committee to look into this question and propose alternative, safe, but more productive investments. Proposals to increase revenue will be made by staff in the coming months.

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