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Moraga's budget: scraping the bottom of the barrel

By *Sophie Braccini*

The fiscal year 2017-18 will be a stressful budget cycle for the town of Moraga, town staff members predict. One may think of the millions for road and bridge repair that the town has to fund, but the challenge is not even there, according to the town's Administrative Services Director Amy Cunningham. Simply put, Moraga's financial trend points to a budget in the red, with general fund expenses growing faster than revenues.

The town council was asked to find extra savings and they did so by cutting several relatively small expense items such as the contributions to the senior van program and to the Moraga Chamber of Commerce, and cutting down on published meeting minutes.

Cunningham warned the council at a special budget meeting on May 17 that labor negotiations are not over yet and payroll payments represent 64 percent of town's expense. Cunningham stated that cutting positions would impact service levels and was out of the picture this year. The council did not challenge her assumption.

To explain the increased expenses the director gave the example of a 10 percent cost jump for health benefits, and a forecast of 10 percent increase for workers compensation, and explained that the 4 percent of property tax revenue or 1.5 percent sales tax revenue increases would not help.

"As we are facing a number of unique challenges, we need your input," Cunningham said, adding that the objective was to minimize the impact on the level of service residents appreciate and expect.

Moraga was funded in 1974 as a minimal service government that may have been adequate for the second half of the 20th century. It does not well equip the little suburb for 21st century requirements and expectations. The town's public work director, Edric Kwan, noted that since Proposition 13, Moraga gets the smallest percentage of property tax in the county; the Moraga-Orinda Fire District's share is four times what the town gets.

In her presentation Cunningham reminded the council that the town's asset replacement fund is completely depleted, and this year again, some needed maintenance and asset replacement will be delayed. Not replacing computers or police cars may not impact services in the short term but can have serious consequences later on.

Line by line the council members looked at relatively small ticket items to reduce or eliminate expense in the hope to keep the budget balanced.

The Spirit Van that drives seniors to appointments was one of the first on the chopping block, as the council members noted that private contributions could replace the \$9,000 the town has historically given to that program. Council member Jeanette Fritzky asked that this item be reviewed at midyear and adjusted if possible. The \$9,000 contribution to the chamber of commerce was also eliminated.

Council member Kymberleigh Korpus asked that the 5 percent of proposed cut to the building and ground maintenance budgetary item as well as janitorial services be increased to 20 percent, saving \$8,000 instead of \$2,000. After weighing the impact of having to ask town employees to pick up trash and replace toilet paper, and to cut the contract with Futures Explored (a nonprofit supporting adults with disabilities), the council agreed to a 20 percent cut. It spared the Hacienda de las Flores from the budgetary slimming program.

The council decided not to touch the \$5,000 it gives to support the Sunday hours at the library, its support of the Pear and Wine Festival, nor the hiring of summer interns, but decided to cut the cost of transcribing and posting complete public meetings minutes. Only action minutes will be posted, unless the matter pertains to land use. The council felt that since the meetings are now televised and archived, government transparency is upheld. The saving is \$13,000.

Other savings include changing the way of distributing the Town Crier to save on postage and reducing the number of professional associations staff belongs to.

The total saving amounts to about \$83,000. Cunningham will present the 2017-18 budget to the council in June.

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