



Published July 26th, 2017

Moraga is stuck with its dire finances

By *Sophie Braccini*

Many Moraga residents are feeling frustrated over the state of the town's meager finances, and made their frustration known at a recent town council meeting. One of the main reasons for their ire is that they feel cheated since Moraga gets the least percentage of the property taxes collected within its limits in Contra Costa County.

And there's nothing they can do about it. This fact was etched when Proposition 13 was adopted and, according to County Supervisor Candace Andersen, cannot be changed. Moraga residents will have to find other sources of revenue.

Al Dessayer, a former Moraga mayor, says that when the town was incorporated in 1974, the percentage of property tax the town could levy was declared by the county; it was not by voter's choice. He adds that at the time, opponents to the incorporation were saying that the town would never survive with such a small tax base. Dessayer says that the founders of Moraga made the choice of a minimal service town and that as long as the town stayed with this philosophy, it worked and it was able to put money aside.

Dessayer adds that since 1974 laws and obligations have changed and so have the population's expectations. But even if expectations and obligations have changed, the percentage of the property tax the town gets back will not budge, according to Andersen.

Andersen learned very early in her political career that changing Prop. 13, which passed in 1977, was impossible. Before its passage, each entity, town, school district, fire district, etc., levied a different tax and the average rate for the state was 2.67 percent of the full cash value of properties. Property taxes increased as home values rose to such an extent that people on fixed incomes ended up not being able to pay the taxes on homes they had bought years before. Prop. 13 also promised that the percentage of the property tax would not go over 1 percent of the home value.

When Prop. 13 passed the total property tax revenue dropped drastically, from \$10.3 billion to \$4.3 billion. Each county looked at its new allotment and gave to each entity the same percentage of the diminished revenue as the one they had contributed the year before. As a result, those who did not tax their residents at a high rate got even less than those who had taxed their residents more. These percentages are still the same today.

In Moraga the town's administration gets 5.27 percent of the property tax collected, almost 40 percent goes to the Moraga and Acalanes school districts, and a surprising 3.17 percent goes to the Walnut Creek School District. (In Lafayette 6.66 percent of the property tax collected within the city limits goes to the city and 4.5 percent goes to WCSD). The Moraga-Orinda Fire District gets 18.8 percent, and 13.65 percent goes to the county. Andersen explains that giving more to Moraga would result in giving less to one of the other entities, something she does not see happening.

So it is likely that Moraga will have to find additional revenue within its borders, as indicated by the administrative director at a recent council meeting. How and when has not been decided yet. In a recent message, Town Manager Bob Priebe indicated that city staff will schedule a number of open communications with residents in the coming weeks, including a community meeting, to discuss the fiscal emergency and the current town budget. Then residents will be polled to evaluate what they think should be the priority spending. The town manager will present the findings to the Town Council, and let it decide whether to put a measure on a ballot and if so, what type of measure and when.

Dessayer remembers the time when the town cut what was deemed non-essential expenses such as parks and recreation services and Hacienda de las Flores maintenance, and that at the time the town did not have any public works staff as services were contracted out as needed. But he is not pessimistic about Moraga.

Dessayer knows that a large part of the expense the town is incurring for its current infrastructure problems will come back to replenish reserves. He also thinks that residents will do what is needed to keep the town afloat.

Reach the reporter at: sophie@lamorindaweekly.com

[back](#)

Copyright © Lamorinda Weekly, Moraga CA