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Moraga should rescind its fiscal emergency, audit and finance committee recommends

By *Sophie Braccini*

The members of the Moraga audit and finance committee were reassured by the figures recently presented by staff indicating that the town's reserve reached 28.5 percent of the operating budget in February - \$2.5 million - and unanimously agreed to recommend that the town's fiscal emergency be rescinded.

When Moraga adopted a declaration of fiscal emergency last July the purpose was to allow the town to be able to call for a special funding election mechanism should a new disaster hit the town. The reserves that had been close to 50 percent were seriously depleted with two successive infrastructure emergencies: the Rheem sinkhole and Canyon Bridge. The town manager at the time felt that the declaration would give the town ways to act should something else happen.

Reimbursement money from the sinkhole work is now starting to trickle in, \$1 million is expected this fiscal year (before July 2018), and better than expected income coupled with more savings have given Moraga a better than expected surplus. The rest of the sinkhole reimbursement money, \$1.4 million, is scheduled to be received during the 2018-19 fiscal year and should restore the reserve to 45 percent by June of 2019. New town manager Cynthia Battenberg confirmed that the typical city reserve is 16 percent.

The first reimbursement money soon to arrive will be returned to the developer fund from which it came; the next expected reimbursement will be allocated to the general fund reserve.

Battenberg noted that reimbursement for the Canyon Bridge work, over \$3 million, would take years since there is no allocation made yet and the town of Moraga will be competing with North Bay fire reimbursement needs. She promised that her team would stay on top of the issue.

The committee decided that if the storm drain fee measure fails, the town would still have time to propose another financial mechanism on the November ballot and did not need to maintain the fiscal emergency declaration to do so. It is likely that the town council will consider the committee's recommendation in May.

Reach the reporter at: sophie@lamorindaweekly.com

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