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Moraga digs its way out of fiscal emergency

By *Sophie Braccini*

The Moraga town council members asked questions of administrative director Joe Tanner on May 8 before they agreed to support staff's recommendation to rescind the fiscal emergency that the town declared 10 months ago. Council members were concerned about the unsure timing of reimbursement for the completed repairs that depleted the town's reserves, and that the town could find itself in a vulnerable position again. The town's reserves, which dropped to \$700,000 in July, have rebounded to \$1.4 million - before receipt of any federal reimbursement. Better than expected revenue and savings have helped improve the town's financial outlook. Tanner and Edric Kwan, public works director, confirmed that close to \$900,000 is expected from Caltrans in June and an additional \$1.4 million in September.

Council Member Roger Wykle asked Kwan to explain the reimbursement process and how his team was keeping on top of collecting the money. The director described a highly coded and multi-staged process involving several public agencies, which was taking time but was on track. The two anticipated reimbursements correspond to the settlement of the work to repair the Rheem sinkhole. The reopening of the Canyon bridge was also declared emergency work worthy of federal reimbursement, but Congress has not yet approved money for California to deal with all its past year's emergencies, of which the Canyon bridge is but a very small part.

Council Member Kymberleigh Korpus asked Tanner if he knew if the real estate market in Moraga had suffered from the fiscal emergency declaration. Everyone on the dais and staff chimed in, saying that different people have said different things, but that the number of homes sold in Moraga stays high with amounts in line with surrounding communities.

Korpus also wondered if it would not be wiser to keep the emergency active in case the reimbursements do not come in as scheduled, and the town is faced with another catastrophic incident. The town manager responded that the council could then re-declare the emergency if it felt it needed to seek voters' approval outside of the normal voting cycle to get additional funding. She noted that this had been the motivation for the declaration in the first place, but that the town never elected to use that possibility.

Korpus said that the council should reflect in the future about the pertinence of the choice that was made in July, not because of its technicality or because it had an impact on the town's credit rating - which it did not - but because of the impact it had on the public's opinion and the trust it placed in the town's management.

The council members unanimously agreed to rescind the declaration of emergency.

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