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Budget provisions for 2018-19 forecast replenishment of the town's reserve

By *Sophie Braccini*

New administrative director Joe Tanner expects that by June 2019 the town will have restored close to a 50 percent reserve, thanks to an increase in property tax revenue and federal reimbursement. Meanwhile the town continues to suffer from a lack of asset replacement and capital improvement funds.

Tanner presented a draft balanced 2018-19 budget to the town's audit and finance committee on May 30. He forecasted that the town would get most of the reimbursement for the sinkhole expense before the end of the fiscal year, and in parallel the director said that the town is holding the line on department expenses, curtailing anything that is not an investment in terms of staff efficiency tools.

The healthy budget projection anticipates a continued growth of the housing market, yielding a 10 percent increase in property tax revenue, the biggest source of income for the town of Moraga. The director did not anticipate any increase in the sales tax revenue for his projection, and he included a continuous increase in the healthcare and pension costs for the town, although an incremental CalPers employee contribution was negotiated last year.

A portion of the projected growth in property tax revenue will be allocated to the storm drain program (see article "Kwan gets first stab at new storm drain master plan" on page A5).

Public Works Director Edric Kwan presented other proposed capital investment for the coming budget. Aside from the storm drain plan, the first is the replacement of the temporary Canyon Bridge with a permanent two-lane bridge. Prior to the incident that rendered the bridge unusable, the town had secured funding for a new bridge. The collapse of the hill has rendered the initial approved plans obsolete and the public works department had to devise a new alternative shifted slightly downstream.

Kwan explained that his department received approval of \$6.3 million for the construction of the modified bridge, but that there are financial risks associated with likely delays in the reimbursement of that money: The town may have to wait years to see the money returned. Kwan's plan is to spread the expense over two construction seasons, the first starting in April of 2019, which would see the building of one lane while the temporary bridge is still in place, and during the second season in 2020 when the temporary bridge would be removed while the second lane of the new bridge is built.

The members of the committee asked Kwan if he expected some reimbursement money from the 2017 bridge incident to become available in time to start funding the new bridge. Mayor Dave Trotter, who sits on the committee, indicated that the town is working with U.S. Rep. Mark DeSaulnier to make sure that Moraga receives money when Congress appropriates funds for 2017 California emergencies.

Other CIP projects for the coming budget year include the zoning completion of the Moraga Center Specific Plan; Canyon and Camino Pablo crossing improvement with resurfacing and upgrading of bicycle and pedestrian safety with the construction of a mid-section refuge and flashing beacons; and improvement of the sidewalk on Moraga Way to link to what Orinda provides.

Kwan noted that some maintenance and asset replacement continue to be delayed such as IT equipment or maintenance and police vehicle replacements.

The town council will review and approve the budget in June.

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