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Published April 28th, 2010

Public Forum

Moraga's Lighting Assessment District

Last week most Moraga property owners received a packet of information pertaining to an assessment rate increase for the Town of Moraga's Lighting Assessment District. Included was a ballot asking each assessed property owner to either approve or disapprove the rate increase. We thought you might like to hear some thoughts from two Town Council members who have been involved in the matter.

During 2009, the Town's Revenue Enhancement Committee, whose members were Moraga citizen volunteers, conducted an intensive study of the Town's spending needs and revenue sources. This involved understanding all revenue streams and how the Town spends money, assessing revenue needs, and identifying new potential revenue sources and ways to enhance existing revenues. The Committee's findings were presented to the Town Council in November, and are documented in an extensive report which is available on the Town's website.

One finding, which jumped out immediately, related to the Town's Lighting Assessment District (LAD). The LAD was formed in 1979, shortly after the Town's incorporation in 1974, as a way to fund streetlight operation and maintenance. Additional parcels have been added to the LAD such that today, some 965 streetlights are included. Most streetlights are in neighborhoods and provide special benefit to 4163 parcel owners in the immediate vicinity of the streetlights. The District covers about 71 percent of the 5881 parcels of land in Moraga.

Since inception of the LAD, and as required under state law, the Town Council has annually reviewed assessment rates and has approved rates for the forthcoming year. Before 1996, the annual assessment for a single family dwelling was as high as \$29 (in 1982). Since 2000, the rate has remained fixed at \$16. Operating and maintenance costs for streetlights have increased with inflation, largely driven by dramatically increasing power costs from PG&E. Yet assessment rates have not kept pace because rates are not indexed to inflation. Currently, the annual revenues from the LAD - about \$50,000 - fall way short of annual costs (nearly \$200,000). Up to now, annual shortfalls have been covered in part by a subsidy from the Town's General Fund; next year the \$150,000 shortfall will be covered entirely by the General Fund. And since assessment rates are not indexed to inflation, the draw on the General Fund will almost certainly increase every year thereafter.

The Revenue Enhancement Committee considered this subsidy an improper use of the General Fund, since effectively the entire Town has been paying for much of the special benefits to LAD property owners. Not fair. Moreover, the under-funded LAD soon will be diverting about \$150,000 from other Town services, notably police. (To put this in perspective, the total cost of a single police officer is about \$150,000.) For these reasons, the Committee recommended as a top priority that the LAD rate structure be made to cover those LAD expenses related to the special benefits to property owners within the LAD. The proposed assessment rate of \$58 per single family dwelling will accomplish that and will eliminate the need for a General Fund subsidy. And the rate will be indexed for inflation. (It is worth noting that \$58 today has roughly the same purchasing power as \$29 in 1982.)

Under Proposition 218, no rate increase can be enacted without a mail ballot polling affected property owners. As explained in the packet of material which property owners received recently, a simple majority of weighted ballots cast must approve the increase. If this does not happen, the existing rate structure will remain and the drain on the General Fund will continue - and get worse year by year. In our opinion, this would be irresponsible. And the entire Town Council agreed, by voting to request approval by ballot of the property owners in the LAD.

Why now? There is never a good time for any revenue measure. One need or another will always emerge and voters or property owners will be asked to approve new or augmented revenues. To us, allowing the current LAD deficit to continue-and to grow-would be irresponsible. The LAD exists to assess property owners for the special benefits of street lighting which they receive and enjoy. It is appropriate to align revenues for providing those benefits with costs of providing them. That's fair.

We encourage Moraga property owners to consider their ballot seriously. Some understandably might be repulsed by yet another "tax", but the fact is that the operation and maintenance of the streetlights in Town is costing more every year and assessments have not gone up for almost 20 years. Like homeowners, the Town has to pay its utility bills. We all do that ... or we elect to do without.

Please vote to approve the Lighting Assessment District rate increase.

Mike Metcalf and Dave Trotter

(Moraga Council Members, Revenue Enhancement Committee Members)

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