Meeting Date: December 18, 2007

TOWN OF MORAGA STAFF REPORT

To: Audit & Finance Committee

From: Phil Vince, Town Manager
Emily Boyd, Finance Director

Subject: **Strategic Financial Planning.** Long range financial planning specifically for the use of Palos Colorados one-time developer fees in the amount of $17 million dollars

Request

(1) Review the proposed use of one-time Palos Colorados developer fees;
(2) Analyze and accept proposal and/or provide further direction.

Background

In January 2007, the Town of Moraga reached an agreement with the Palos Colorados Residential Project that calls for the payment of $17 million to the Town over the period of the next 6 years. These funds are not restricted; therefore the Council may determine how to use them. Providing that the project moves forward as planned and there are no delays, the projected payment schedule is as follows:

Calendar Year	Amount	Expected Payment Date
2007	$ 250,000	Received 5/18/07
2007	3,500,000	Received 9/4/07
2008	5,750,000	8/28/08
2008	620,000	12/31/08
2009	1,500,000	12/31/09
2010	1,500,000	12/31/10
2011	1,500,000	12/31/11
2012	1,500,000	12/31/12
2013	880,000	12/31/13
TOTAL	**$17,000,000**	

Audit & Finance Committee	AGENDA ITEM IV.
New Business	

The Council and the Audit & Finance Committee met in a special joint meeting on November 13, 2007, to initiate discussion with the Community about how to use these funds. Staff prepared a power point presentation which described many specific requests that might be appropriate uses of Palos funds. The total, $37,979,000, obviously exceeds the $17 million available. Council was asked to begin developing priorities and they responded with a list of 4 items. They identified the following as priorities:

1. *Payoff of CalPERS unfunded pension liability – $1.5M*
2. *Roads – $500K per year increasing by Construction Price Index yearly*
3. *Rainy Day Reserve – $5.0M*
4. *Legal Reserve – $1.5M*

In addition to the items discussed on November 13, 2007, one councilmember suggested that the Town consider providing up to $25,000 to Lamorinda Seniors Ride Share Program over a period of time to assist with providing special transportation services. Council will remember that at the beginning of this fiscal year, Council approved a contribution to this group in the amount of $5,000. There was no consensus at the November 13th meeting to consider budgeting additional dollars for the Lamorinda Senior Ride Share Program.

Discussion

Staff has prepared a spreadsheet explaining the impact of the Council's top four priorities from the November 13 Palos Colorados deliberations. (See Attachment A spreadsheet.)

Item	Description	Explanation
1	Payoff of CalPERS unfunded liability	The number one priority (called a 'no-brainer' by several Council members at the November 13th meeting) is to pay off the CalPERS unfunded pension liability. CalPERS charges 7.75% interest on this debt and it is amortized over 12 years in the case of the Safety Plan and 14 years in the case of the Misc Plan. If the Town is earning only 5.0% interest on its investments, then it becomes clear that a 7.75% debt should be paid off so that Town may benefit from the 2.75% interest savings. Cost to pay off this liability is $1,518,835. The General Fund will make annual payments to the Palos Fund until the debt is paid off. (See Attachment B spreadsheet).
2	Annual Paving Program	The second item addresses the paving needs of the Town. Council wanted to insure that a portion of the one-time developer fees are used to augment the Annual Paving Program. This program is designed to maintain the Town's investment in its infrastructure, by making repairs, reconstructions and replacements as needed. Many local cities are having difficulty meeting the streets and road

		needs of their communities. Moraga Council felt that by augmenting our Paving Program we may be able to maintain the current Pavement Condition Index (PCI) of 60. This additional investment in Paving ($500,000 per year increased annually by the Construction Price Index) will help the Town buy more time. This investment will not repair the roads that have a PCI below 60, many of which will continue to deteriorate over time. It is quite likely the Town will have to float a 45-50 million dollar General Obligation Bond for streets and drainage by FY2021 out of sheer necessity.
3	Rainy Day Reserve	Council wanted to establish a Rainy Day Reserve Fund with a minimum of $5.0M and up to $10M if possible. This could be accomplished by setting aside $500K in the fiscal years 2009 through 2018.
4	Legal Reserve	The Council was also concerned about the possibility of extraordinary legal fees stemming from disputes over land use issues. A conservative estimate of what these legal fees might be is $1.5M. The Town may possibly incur these fees in fiscal years 2009 through 2012.

Attachment A shows that should the Council commit to doing all of the above, the One-Time Developer Fee Fund will be depleted in its entirety by the end of FY2024. The following table summarizes the detail in Attachment A:

One-Time Developer Fees		17,000,000
Revenues/Earnings		
Investment Income @ 5% (less 3% inflation)	2,180,775	
Savings on early pay off of CalPERS liability	1,262,880	
Repayment of Library Improvements Costs	210,000	
Total Revenues/Earnings		3,653,655
Total Available Money -- through FY2023/2024		20,653,655
Expenditures		
Cal PERS pay off unfunded liability	1,518,835	
Extraordinary Legal Fees	1,500,000	
Rainy Day Reserve	5,000,000	
Pavement Program augmentation	13,600,589	
Library Improvements (previously authorized)	195,000	
Total Expenditures		21,814,424
One-Time Monies Depleted by end of FY2023/2024		**(1,160,769)**

Staff does not believe it is the intention of the Council to deplete the entire fund and therefore staff would like to make suggestions about how the Town might be able to achieve Council and Community goals and still retain some or most of

Palos Colorados Funds. Therefore, Staff has developed the ABC's of funding mechanisms by which the Council may achieve their goals, and the goals of the residents.

	Funding Mechanism
A	Retaining the majority of the principal and use only the earnings for specific projects/goals
B	Using other funding vehicles to achieve specific projects/goals
C	Involving the community by way of fund raising and donations to achieve specific projects/goals

Funding Mechanism A:

Retaining the majority of the principal and use only the earnings for specific projects:

Managing these funds while simultaneously preserving the corpus, or principal value, essentially involves banking/investing the one-time developer fee revenues, and **using the interest/earnings for various projects**. In some cases, the banked funds may lend money to accomplish a particular project, but these monies will be repaid with interest. Thus the One-Time Developer Fee Fund will make investments in internal as well as external investment vehicles. A possible example of an external investment would be the purchase of a US Treasury Note. An example of the internal investment would be a loan to the General Fund to pay off the unfunded pension liability. Internal investments will be repaid to the One-Time-Developer Fee Fund, thus providing investment earnings in the same way that external investments provide earnings. See Attachment B.

Staff's priorities are as follows:

1) *Pay off the CalPERS unfunded pension liability*
2) *Set aside money for extraordinary legal fees*
3) *Police Radio Interoperability Program*
4) *Remodel of 329 Rheem Blvd Building*
5) *Hacienda Renovation*
6) *Covering the Projected General Fund Shortfall beginning in FY2014/2015*

Items 1 through 5 would be considered Internal Investments because it is anticipated that these items would be repaid from the General Fund or increased revenues, or paid out of investment earnings.

Items 6 would eat into the corpus balance over time. Over a 15 years period the projected General Fund shortfall can be absorbed by the investment earnings, but as the shortfall increases in the out years the corpus balance will be reduced.

Staff's proposal would retain all $17.0 million of the corpus at the end of

FY2022/2023. Staff postulates that by way of retaining $17.0 million of the corpus, the Town is positioned for almost any eventuality.

There are too many unknown variables to project new sources of revenue that will keep pace with increasing expenditures, so it is fiscally prudent to not spend down the corpus until the Town generates new revenue sources with enhanced or new retail with the Specific Plan implementation program.

The following describes Staff's proposed use of the funds (see Attachment B spreadsheet for detailed information):

1) The number one priority is to pay off the CalPERS unfunded pension liability. (See discussion on page two above for detailed information.) The corpus of the Palos Fund would be reimbursed by the General Fund over the period of 13 years.

2) Staff feels that the possible extraordinary legal fees would be more in the neighborhood of $1.0M rather than $1.5M. There is no corresponding revenue other than a summary judgment where the losing party has to pay the Town's attorney fees. Legal fees could be paid from investment earnings.

3) The Police Radio Interoperability Program is important to the Town because it allows local, county, state and federal agencies to communicate; a communication system that does not currently exist; a communication system that is especially critical in times of emergencies. This joint agency effort is expected to be funded via a bond measure. Staff has forecast the Town of Moraga's share of the debt service and expects that investment earnings will cover this cost. Staff projects the Town's share to be $446,000 (principal and interest) over the course of 10 years. This cost could be paid from investment earnings.

4) The remodel of the 329 Rheem Boulevard building, i.e. the development of a Town Hall, and the movement of Town Staff to that building is critical for a number of reasons:

- Greater interdepartmental efficiency if located at one site
- Greater customer service efficiency if residents need only come to one site for services
- Greater opportunity for the Town to combine building application review and permit issuance processes
- Greater opportunity for public use and increased revenue for the Hacienda buildings
- Greater opportunity for development of Parks & Recreation activities

Staff is proposing that the One-Time Developer Fee Fund loan money to the General Fund to make needed improvements to the 329 Rheem Building. This loan would be repaid by a portion of the additional revenues that would be garnered from the opening up of the upper floor of the Hacienda building to public use.

5) Hacienda Renovations. Renovations to the Hacienda buildings include improved kitchens at both La Sala and the Pavilion, and improvements to the main Hacienda building and grounds. Staff believes that the cost could be reimbursed to the Palos Fund from a combination of fund raising and additional revenues created by new facilities.

6) Covering the Project General Fund Shortfall beginning in FY2014/2015. Long range forecasts for the General Fund are continually being updated as new information comes to light. See page 10, the section titled "Affect on Long Range General Fund Planning" for a fuller discussion.

The Attachment B spreadsheet shows the effect of doing all of the above. The following table summarizes the detail in Attachment B:

One-Time Developer Fees		17,000,000
Revenues/Earnings		
Investment Income @ 5% less 3% inflation	4,635,252	
Savings on early pay off of CalPERS liability	1,755,000	
Repayment of Library Improvements costs	210,000	
Hacienda Improvements -- Donations	400,000	
Hacienda Improvements -- New Revenues	400,000	
Repay 329 loan w/% of new revenues generated	465,000	
Total Revenues/Earnings		7,865,252
Total Available Money -- through FY2022/2023		
Expenditures		
Cal PERS pay off unfunded liability	1,518,835	
Extraordinary Legal Fees	1,000,000	
Police Interoperability Radio Program	446,000	
329 Rheem Improvements	429,000	
Library Improvements (previously authorized)	195,000	
Hacienda Renovation	800,000	
General Fund Shortfall	3,384,749	
Total Expenditures		7,773,584
One-Time Monies Remaining at end of FY2022/2023		**17,091,668**

Funding Mechanism B:

Using other funding vehicles to achieve specific projects/goals:

Now that we have more allowances for the Town's ongoing revenue shortages in Funding Mechanism A, the Town is still faced with deteriorating infrastructure that will only get more expensive to fix as time moves on. Since staff has determined that the ongoing revenue dilemma precludes the Town from budgeting $500,000 annually for roads from the Palos corpus, it is time to consider Funding Mechanism B: Smart Debt.

There are a number of funding options that the Council may wish to consider: (1) General Obligation Bonds (GO Bond); (2) Certificates of Participation (COP); (3) Community Facilities District (CFD); and Lighting and Landscape District (LLD).

1) General Obligation Bonds are secured by the full faith and credit of the government issuing them. If choosing a General Obligation Bond (GOB), the Council would need to dip into the corpus/principal of the One-Time Developer Fee Fund in order to make ***debt service payments***. A GOB would need the approval of two-thirds of the voting residents. A GOB is a mechanism used by many cities and towns to fund infrastructure improvements.

> *The amount of required debt service payments would be determined by the amount of the bond and prevailing interest rates at the time of issuance. Depending upon the amount borrowed and prevailing interest rates, the entire corpus may be expended and there may still remain an outstanding debt.*

The Town's infrastructure needs are great. To bring our streets up to an optimal Pavement Condition Index (PCI) of 80 would cost $32.0 million over the next five years. Storm drains may cost as much as $58.0 million over the course of the next thirty years. An informal decision tree analysis suggests that it would be more cost effective in the long run to consider a GO Bond in the next few years.

2) Certificates of Participation (COP) are ***lease financing agreements*** in the form of securities that can be marketed to investors in a manner similar to tax exempt debt. Legally, COPs are not considered debt, however, and can therefore be issued by a vote of the Town Council rather than requiring a vote of the residents of the Town. In COP financing, title to a leased asset is assigned by the lessor to a trustee (non-profit corporation) that holds it for the benefit of the investors, the certificate holders. If this financing option is used, then an allowance for payment of the lease must be made and that funding would have to come from the principal of the Palos Developer Fee Fund. The annual revenue generated by a new meeting hall such as an enlarged La Casita or a new gym

would first go toward paying for the operations and maintenance costs. Any excess revenue could be earmarked to paying off the COP note.

> *The amount of required debt service payments would be determined by the amount of the certificates and prevailing interest rates at the time of issuance. Depending upon the amount borrowed and prevailing interest rates, the entire corpus may be expended and there may still remain an outstanding debt.*

Based only upon the experience of a neighboring Town, Staff can say that borrowing $9.8 million has a debt service of approximately $500,000 for 30 years. Moraga's experience would probably differ. Moraga would be borrowing at a different point in time; interest rates would be different; the principal amount is likely to be different; Moraga may have a different credit rating; Moraga may use a different underwriter; all of these factors make it difficult to project what the debt service on a COP would be. One would need to actually sit down and crunch numbers with experts in the field.

3) Community Facilities District (CFD), also called a Mello-Roos District after the two California legislators who wrote the Community Facilities Act of 1982; California Government Code Section 53311 et seq. A CFD is a common and popular type of ***Special Tax*** district that can fund ongoing maintenance services, capital projects, or both. CFD's are commonly used by municipalities who don't have the resources to pay for the new services required by new development. The Specific Plan is an ideal program for establishing CFD's to insure the new roads and parks are funded by the homeowners and the commercial sector. The Council may elect to establish a CFD for the purposes of funding one or more of the following:

Services that can be financed in this manner include:
- Police Protection Services
- Flood and Storm Protection Services
- Park, Parkways, and Open Space Maintenance
- Park or Recreational Improvements

Capital projects that can be financed in this manner include:
- Park, Recreation, and open Space Facilities
- Infrastructure Needs

In order for the Town to use a CFD, a formation process is required, including appropriate financial analysis and planning. A Special Tax Consultant will develop a Special Tax Formula and Report. There will be public hearings and a regular election so residents can vote on the issue. Passage requires a two-thirds supermajority of the voters.

4) Landscape and Lighting District (LLD) is a ***Special Assessment*** District that can fund the installation and annual maintenance of:

- Landscaping
- Public Lighting
- Sidewalks, Curbs and Gutters
- Park or Recreational Improvements
- Municipal Facilities
- Acquisition of land for park, recreational, or open-space purposes.

A formation process is required, including appropriate planning and Assessment Engineering, an Assessment Engineer's Report, a public hearing, and a protest ballot for affected landowners. A finding of benefit is required. If the majority of ballots returned are against the assessment, a protest exists, and the district formation is stopped. The ballots returned are weighted based upon the financial obligation placed on each property.

The consultant firm, MIG, who prepared the Town of Moraga's Parks and Recreation Master Plan revision, recommended that the Town utilize the LLD to fund all the recreation improvements needed in Town, and to secure ongoing revenue to purchase or lease land to build a gym This debt instrument requires only a 50% plus one vote majority.

Funding Mechanism C:

Involving the community by way of fund raising and donations to achieve specific projects/goals:

The Town of Moraga has always favored a pay-as-you-go and no new taxes approach to government finance. In keeping with that spirit, Staff would like to suggest that the residents will pay for those services and projects that they want. Just as the 4th of July fireworks are paid by individual donations each year, so could many of the Town's needs be met from fund raisers and donation drives. To be sure, this funding method will meet some of the Town's needs, but in the long run, it will take considerably more time and funds to meet all the Town's needs.

For example, the Council agreed to expend $195,000 of One-Time Developer Fees for improvements at the library. The latest estimates for the library improvements, which include solar heating and cooling, are approximately $600,000. Fund raising might help make up the difference.

Other needs, such as the kitchen at the Pavilion and other Hacienda improvements could be partially or completely funded via private donations. The Hacienda Foundation is one organization that might be encouraged to raise money for these projects on a timely basis.

Affect on Long Range General Fund Planning:

Staff has proposed that the One-Time Developer Fee Fund loan money to the General Fund for (1) the CalPERS unfunded liability payoff; (2) the library remodel; (3) the 329 Rheem remodel; (4) Hacienda Renovation; and (5) Staff also believes that the corpus can fund the operating budget deficit for additional years if it is absolutely necessary. These repayments have now been included in the long range General Fund Projections.

Staff also believes that future general fund revenues will increase in the following ways:

- Introducing Business License Fees to those who do business in Moraga by Jan/Feb of 2009, $100,000 per fiscal year preliminary estimate
- Taking over full Building Permit Issuance from the County by Jan of 2010, $175,000 per fiscal year conservative preliminary estimate

Note that in FY2015, the General Fund begins to experience an excess of expenditures over revenues. If the new revenues (business license fees and building permit fees) are not approved by the voters then the excess of expenditures over revenues is likely to occur sooner than FY2015.

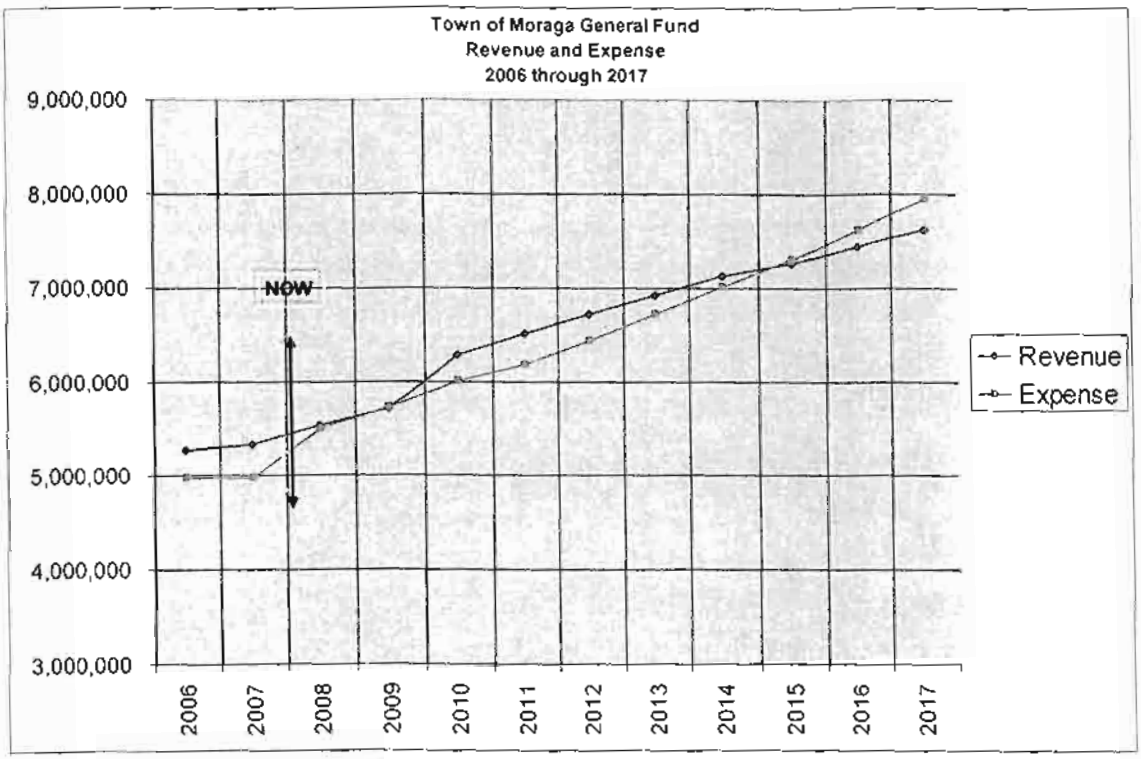
In dollars, this shortfall is:

2015	2016	2017	2018	2019	2020
$ 33,883	$ 169,503	$ 211,709	$ 264,425	$ 330,267	$ 412,503

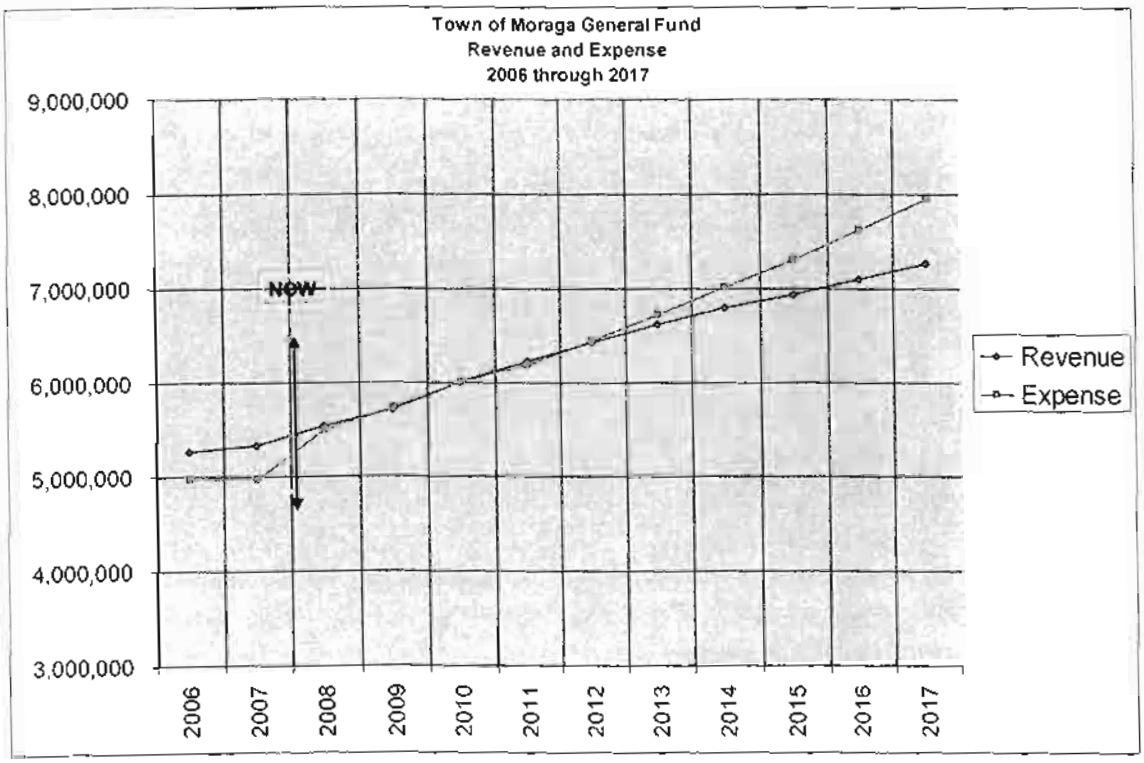
Following are two line graphs, updates of the now familiar long range projections of General Fund Revenues and Expenditures. All of the General Fund repayments to the Palos Fund have been included as expenditures in both graphs. The first graph illustrates the long range outlook with increased revenues and increased expenditures. The go-under point is about 2015. The second graph illustrates the long range outlook with increased expenditures (repayments of loans to the Palos Fund) but without any increases in revenues (no Business License Fees and Building Permit Fees). Note that the go-under point in this scenario is about 2012.

Once again, staff believes that it is clear that the Town does not have an expenditure problem, it has a revenue problem. Without new revenues the Town will suffer.

With additional revenues from Business License Fees and Building Permit Fees:



Without additional revenues from Business License Fees and Building Permit Fees:



Fiscal Impact

Fiscal impact is entirely dependent upon the choices made by the Town Council. All of Staff's proposed uses of Palos funds would be repaid to the Palos fund or paid for by interest earned on the Palos funds.

Alternatives

1) Delay any use of or discussions about the One-Time Developer Fees until all $17M has been collected in 2013. In the meantime, all funds would generate investment earnings.

2) Approve staff recommendations or provide direction.

Recommendations

1) Staff recommends that the Town authorize the pay off of the CalPERS unfunded pension liability from the One-Time Developer Fee Fund with the proviso that the General Fund continue to budget for this obligation and repay the One-Time Developer Fee Fund from the General Fund Budget. (See Attachment C.) *This is a resolution that must be passed by the Town Council, but the Audit & Finance Committee may make recommendations regarding it.*

2) Staff recommends loaning funds for:

   i. *Pay off the CalPERS unfunded pension liability*
   ii. *Set aside money for extraordinary legal fees*
   iii. *Police Radio Interoperability Program*
   iv. *Remodel of 329 Rheem Blvd Building*
   v. *Hacienda Renovation*

3) Staff recommends using smart debt and funding mechanisms such as: GO Bonds, LLD's or COP's to meet future infrastructure needs such as roads, drainage, municipal buildings and constructing an all purpose gymnasium complex. While the Town is considering approving development impact fees in Jan/Feb 2008 these developer fees can only be used to new infrastructure. A majority of infrastructure costs reside with the existing resident as the deterioration and unmet needs have developed over the past 30+ years. Staff recommends formulating an Infrastructure Committee in 2008 to study the feasibility of introducing debt to the community to introduce a bond measure in 2009 or 2010.

Attachments:

A. **Council's Top Priorities**
B. **Staff's Proposal**
C. **Resolution to pay off CalPERS unfunded liability**

TOWN OF MORAGA
One Time Developer Fees -- Fund 100

Attachment A --

November 13, 2007, Meeting Priorities

	FY06/07	FY07/08	FY08/09	FY09/10	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16
Corpus / Principal Balance at Beginning of Year	-	251,546	2,307,742	7,282,585	7,576,025	8,089,589	8,575,285	9,280,000	9,322,988	8,422,905
Revenues from Developer Fees										
Developer Fees -- One - Time Revenue	250,000	3,500,000	6,370,000	1,500,000	1,500,000	1,500,000	1,500,000	880,000	-	-
Investment Earnings										
Investment Income @ 5% (less 3% inflation) [1]	1,546	75,031	173,555	175,652	181,520	191,792	201,506	203,200	186,460	168,458
Savings on early pay off of CalPERS liability [2]			126,288	126,288	126,288	126,288	126,288	126,288	126,288	126,288
Repayment of Library Improvements Costs				25,000	25,000	25,000	25,000	25,000	25,000	25,000
Available Investment Earnings	1,546	75,031	299,843	326,940	332,808	343,080	352,794	354,488	337,748	319,746
Expenditures										
Cal PERS pay off unfunded liability	-	1,518,835	-	-						
Extraordinary Legal Fees			500,000	500,000	250,000	250,000				
Rainy Day Reserve			500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Pavement Program augmentation		-	500,000	533,500	569,245	607,384	648,079	691,500	737,830	787,265
Library Improvements (previously authorized)			195,000							
Total Tier 1 Expenditures	-	1,518,835	1,695,000	1,533,500	1,319,245	1,357,384	1,148,079	1,191,500	1,237,830	1,287,265
Corpus / Principal Balance at End of Year	251,546	2,307,742	7,282,585	7,576,025	8,089,589	8,575,285	9,280,000	9,322,988	8,422,905	7,455,386

[1] *FY2007 is an actual figure.*
[2] *CalPERS payoff extends to FY19/20*

TOWN OF MORAGA
One Time Developer Fees -- Fund 100

Attachment A --

November 13, 2007, Meeting Priorities

	FY16/17	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23	FY23/24	TOTAL
Corpus / Principal Balance at Beginning of Year	**7,455,386**	**6,415,770**	**5,284,081**	**4,433,419**	**3,501,668**	**2,482,914**	**1,370,836**	**158,681**	
Revenues from Developer Fees									
Developer Fees -- One - Time Revenue	-								17,000,000
Investment Earnings									
Investment Income @ 5% (less 3% inflation) [1]	149,108	128,315	105,682	88,668	70,033	49,658	27,417	3,174	2,180,775
Savings on early pay off of CalPERS liability [2]	126,288	126,288							1,262,880
Repayment of Library Improvements Costs	25,000	10,000							210,000
Available Investment Earnings	**300,396**	**264,603**	**105,682**	**88,668**	**70,033**	**49,658**	**27,417**	**3,174**	**3,653,655**
Expenditures									
Cal PERS pay off unfunded liability									1,518,835
Extraordinary Legal Fees									1,500,000
Rainy Day Reserve	500,000	500,000							5,000,000
Pavement Program augmentation	840,012	896,293	956,344	1,020,419	1,088,787	1,161,736	1,239,572	1,322,624	13,600,589
Library Improvements (previously authorized)									195,000
Total Tier 1 Expenditures	**1,340,012**	**1,396,293**	**956,344**	**1,020,419**	**1,088,787**	**1,161,736**	**1,239,572**	**1,322,624**	**21,814,424**
Corpus / Principal Balance at End of Year	**6,415,770**	**5,284,081**	**4,433,419**	**3,501,668**	**2,482,914**	**1,370,836**	**158,681**	**(1,160,769)**	

[1] *FY2007 is an actual figure*
[2] *CalPERS payoff extends to FY19/20*

TOWN OF MORAGA
One Time Developer Fees -- Fund 100

Attachment B --

Staff's Recommendations w/o Paving

	FY06/07	FY07/08	FY08/09	FY09/10	FY10/11	FY11/12	FY12/13	FY13/14	FY14/15	FY15/16
Corpus / Principal Balance at Beginning of Year	-	**251,546**	**2,307,742**	**8,060,297**	**9,499,503**	**11,172,493**	**12,883,943**	**14,879,622**	**16,282,814**	**16,682,587**
Revenues from Developer Fees										
Developer Fees -- One - Time Revenue	250,000	3,500,000	6,370,000	1,500,000	1,500,000	1,500,000	1,500,000	880,000	-	-
Investment Earnings										
Investment Income @ 5% less 3% inflation	1,546	75,031	173,555	191,206	219,990	253,450	287,679	315,192	325,656	333,652
Savings on early pay off of CalPERS liability			135,000	135,000	135,000	135,000	135,000	135,000	135,000	135,000
Repayment of Library Improvements costs				25,000	25,000	25,000	25,000	25,000	25,000	25,000
Hacienda Improvements -- Donations					100,000	100,000	100,000	100,000		
Hacienda Improvements -- New Revenues					100,000	100,000	100,000	100,000		
Repay 329 loan w/% of new revenues generated				40,000	45,000	50,000	50,000	50,000	50,000	50,000
Available Investment Earnings	**1,546**	**75,031**	**308,555**	**391,206**	**624,990**	**663,450**	**697,679**	**725,192**	**535,656**	**543,652**
Expenditures										
Cal PERS pay off unfunded liability	-	1,518,835	-	-						
Extraordinary Legal Fees			250,000	250,000	250,000	250,000				
Police Interoperability Radio Program	-	-	52,000	52,000	52,000	52,000	52,000	52,000	52,000	52,000
329 Rheem Improvements			429,000	-						
Library Improvements (previously authorized)			195,000							
Hacienda Renovation				150,000	150,000	150,000	150,000	150,000	50,000	
General Fund Shortfall									33,883	169,503
Total Expenditures	-	**1,518,835**	**926,000**	**452,000**	**452,000**	**452,000**	**202,000**	**202,000**	**135,883**	**221,503**
Corpus / Principal Balance at End of Year	**251,546**	**2,307,742**	**8,060,297**	**9,499,503**	**11,172,493**	**12,883,943**	**14,879,622**	**16,282,814**	**16,682,587**	**17,004,736**

TOWN OF MORAGA
One Time Developer Fees -- Fund 100

Attachment B --

Staff's Recommendations w/o Paving

At the 10 years mark the corpus stays above 10 million, then in year 11 it begins to drop and drops very fast over the next four years.

At this point the Town needs to consider a bond measure for Roads and Drain

	FY16/17	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22	FY22/23	TOTAL
Corpus / Principal Balance at Beginning of Year	**17,004,736**	**17,313,122**	**17,589,959**	**17,776,492**	**17,854,519**	**17,831,393**	**17,544,515**	
Revenues from Developer Fees								
Developer Fees -- One - Time Revenue	-							17,000,000
Investment Earnings								
Investment Income @ 5% less 3% inflation	340,095	346,262	351,799	355,530	357,090	356,628	350,890	4,635,252
Savings on early pay off of CalPERS liability	135,000	135,000	135,000	135,000	135,000			1,755,000
Repayment of Library Improvements costs	25,000	10,000	-					210,000
Hacienda Improvements -- Donations								400,000
Hacienda Improvements -- New Revenues								400,000
Repay 329 loan w/% of new revenues generated	50,000	50,000	30,000					465,000
Available Investment Earnings	**550,095**	**541,262**	**516,799**	**490,530**	**492,090**	**356,628**	**350,890**	**7,865,252**
Expenditures								
Cal PERS pay off unfunded liability								1,518,835
Extraordinary Legal Fees								1,000,000
Police Interoperability Radio Program	30,000	-	-	-	-	-	-	446,000
329 Rheem Improvements								429,000
Library Improvements (previously authorized)								195,000
Hacienda Renovation								800,000
General Fund Shortfall	211,709	264,425	330,267	412,503	515,216	643,505	803,738	3,384,749
Total Expenditures	**241,709**	**264,425**	**330,267**	**412,503**	**515,216**	**643,505**	**803,738**	**7,773,584**
Corpus / Principal Balance at End of Year	**17,313,122**	**17,589,959**	**17,776,492**	**17,854,519**	**17,831,393**	**17,544,515**	**17,091,668**	