

Stormwater Fee Report

Town of Moraga
Town Council

Presented by:

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January 24, 2018



Background on Addressing Storm Drain Needs

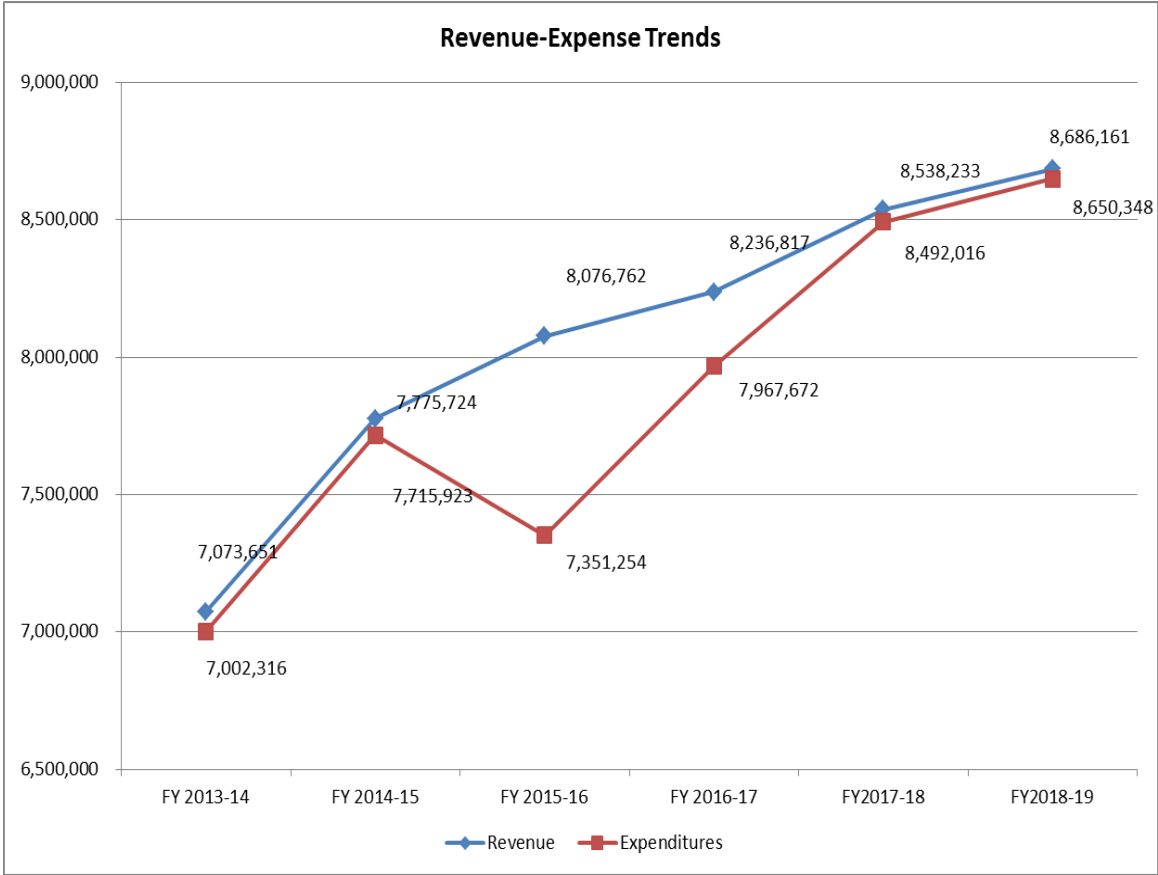
- Revenue Enhancement Committee Report (2009)
- Measure K for Streets (2012)
- Storm Drain Master Plan (Schaaf & Wheeler - 2015)
- Community Priorities Survey (Godbe - 2016)
- Funding Options (SCI - 2017)
- Follow-up Survey (Godbe – 2017)



Background (continued)

Fiscal Sustainability

- Challenging revenue to expenditure growth trend
- History of effective management of available resources
- Challenges
 - Meeting deferred maintenance needs
 - Unfunded liabilities
 - Major capital needs
- Use of non-general fund revenues to meet needs
 - streets, grants, community contributions



Background (continued)

Property Tax Revenue Received

- Lowest Rate in County
- Town receives 5.32¢ of every property tax dollar paid

Jurisdiction	Property Tax Rate *
Clayton	6.63%
Danville	7.62%
Lafayette	6.66%
Moraga	5.32%
Orinda	7.39%
Oakley	7.08%

* Represents: (1) Percentage of tax paid to County Assessor and returned to Town; (2) Does not include "Other Rates" such as lighting or maintenance districts.
Source: HdL Companies

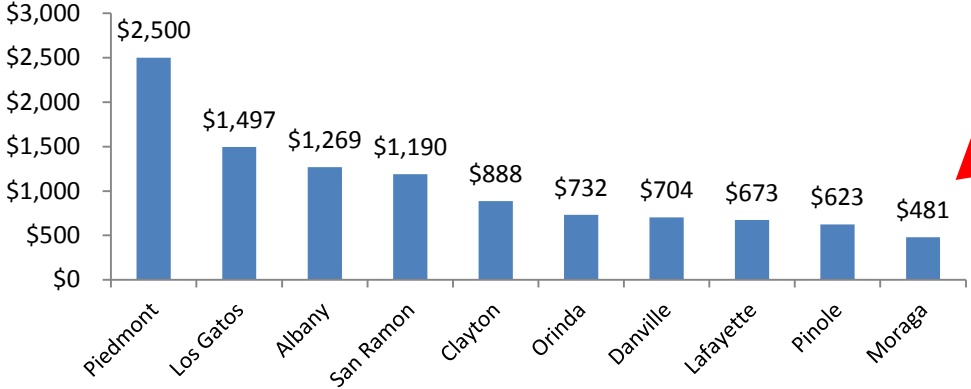


Property Tax Paid Annually

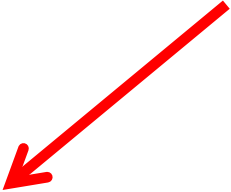
Assessed Home Value =	\$ 1,000,000
Property Tax Paid =	\$ 10,000
Town of Moraga Receives =	\$ 532

Background (continued)

Per Capita Expenditures



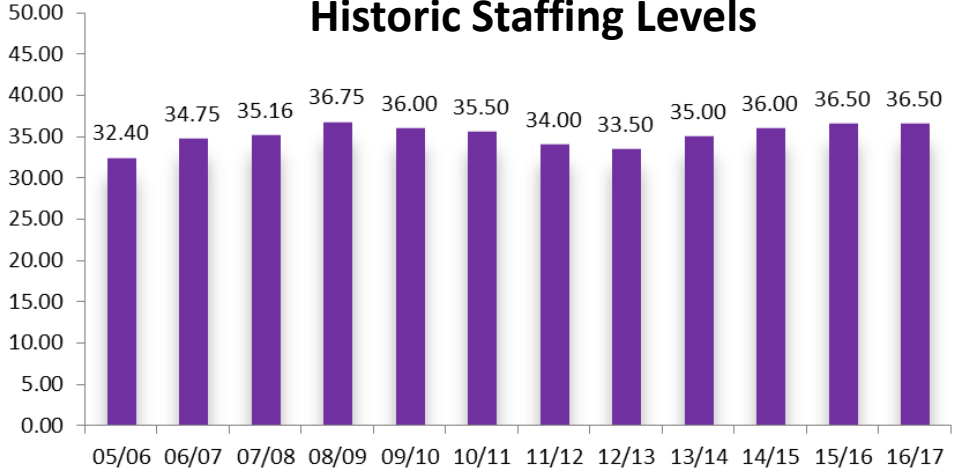
Moraga lowest per capita in expenses



Staffing levels have not changed significantly since 2006

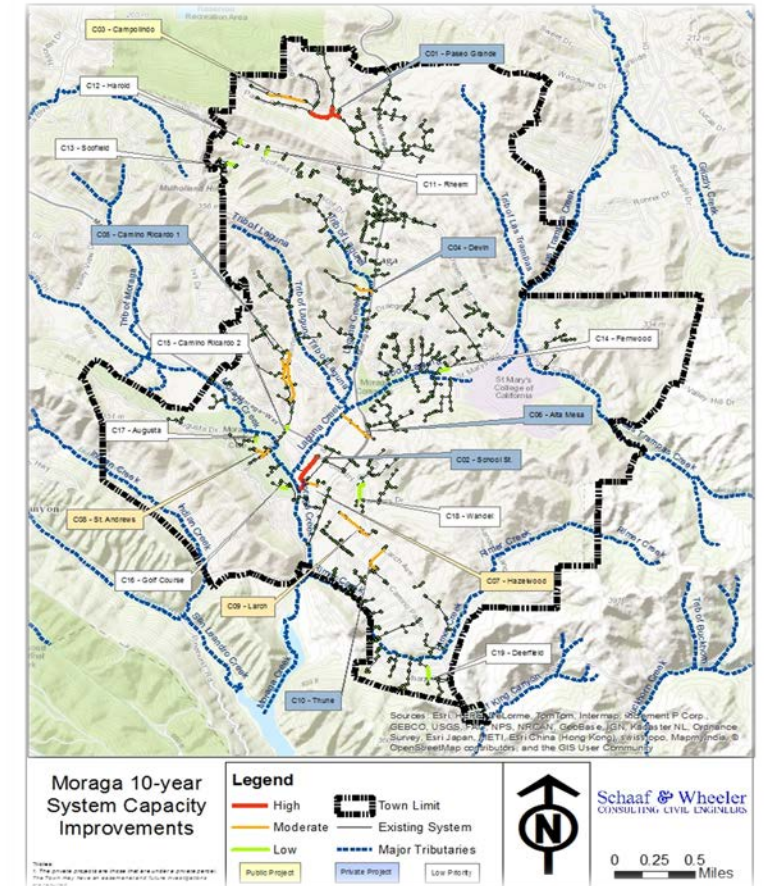


Historic Staffing Levels



Stormwater Facilities & Services

- Facilities
 - Man-made system of pipes, inlets, outfalls
 - Creeks (the backbone)
 - Culverts (at road crossings)
 - Most creeks are on private property
- Services
 - Collection, conveyance and overall management of runoff from improved parcels
 - Service Area – entire Town



Basis of Fee

Category	Master Plan	Fee Priorities	Less Other Funding *	Net Basis for Fee	Annualized Amount **	% Share
CIP - High Priority	\$ 9,059,400	\$9,059,400	\$ (1,748,500)	\$7,310,900	\$ 378,100	48%
CIP - Moderate Priority	\$ 11,139,400					
CIP - Low Priority	\$ 6,385,600					
Operations & Maintenance	\$ 254,000	\$ 254,000	\$ -	\$ 254,000	\$ 254,000	32%
NPDES (water quality)	\$ 155,000	\$ 155,000	\$ -	\$ 155,000	\$ 155,000	20%
					<u>\$ 787,100</u>	

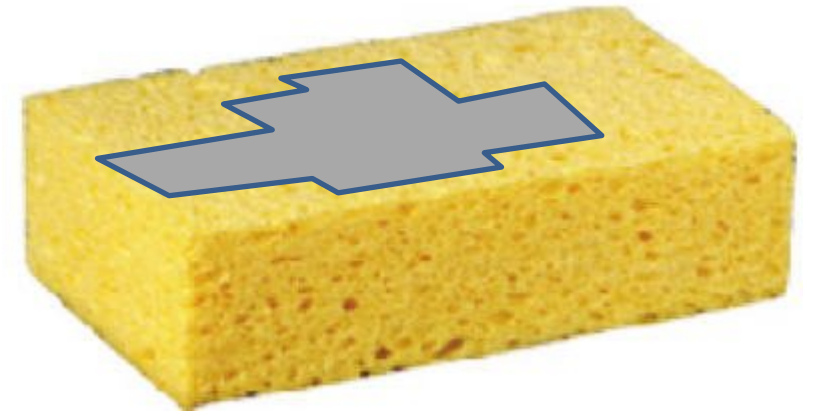


* Contribution from Developer Impact Fees

** Assumes CIP financed for 30 years @ 3%

Rates and Rate Structure

- Based on Fair Share of Stormwater Runoff
 - Impermeable Surfaces
- Property Classifications
 - Residential (fee "per parcel")
 - 4 groups based on parcel size
 - 74% of revenue (95% of parcels)
 - Non-Residential (fee "per acre")
 - 6 groups based on permeability characteristics
 - 26% of revenue (5% of parcels)



Rates for Certain HOAs

- 22% of Combined System is in HOA areas
 - Collectively funded – similar to Town System
- Provide Credit for Parallel Storm Drain Obligation
- Average SFR Rate increases approximately \$1
 - Average HOA Rate decreases approximately \$5



<i>Cost Center</i>	<i>Annual Cost</i>	<i>Services Shared by All</i>	<i>Services Split with HOA</i>
<i>High Priority CIP</i>	<i>\$ 378,100</i>		<i>\$ 378,100</i>
<i>Annual O&M</i>	<i>254,400</i>		<i>254,400</i>
<i>Annual NPDES</i>	<i>155,000</i>	<i>155,000</i>	
<i>TOTAL COSTS</i>	<i>\$ 787,500</i>	<i>\$ 155,000</i>	<i>\$ 632,500</i>
	<i>Percent of Total</i>	<i>20%</i>	<i>80%</i>
	<i>HOA Discount Factor</i>		<i>22%</i>
	<i>HOA Overall Discount</i>		<i>17.7%</i>

Other Rate Structure Elements

- Annual Cost Indexing
 - Based on Consumer Price Index – Capped at 3%
 - Annually set by Town Council
- No Sunset Clause
 - Any debt would require fee to run length of payments (i.e. 30 years)
 - O&M and NPDES will continue indefinitely
 - CIP – There's more after the High Priority



Other Features of Fee Program

- Appeals Procedure
- Fiscal Controls and Accountability
 - Separate Fund
 - Annual Audits and Oversight
- Annual Administration
 - Council Resolution acknowledging CPI and setting next year's rate
- Compliant with Prop 218
 - Ballot proceeding
 - Funds cannot be used for other things



Timeline and Process

- January 24, 2018 (tonight)
 - Approve Fee Report & set rate level
 - Adopt Prop 218 procedures
 - Set hearing date & authorize Notice mailing
- February 2018
 - Conduct public information meetings
- March 14, 2018
 - Conduct Public Hearing
 - 45 days after mailing Notice
 - Deadline for majority protest
 - Adopt Rate Ordinance
 - Authorize mailing of Ballots
- May 15, 2018 – Ballots Due



Questions

