

Council Removes Palos Colorados Funds from Capital Improvement Plan

By Steve Angelides

At its meeting on June 27, the Moraga Town Council removed Palos Colorados funds from the Town's capital improvement plan—except for money to help repair the dilapidated Moraga Library—and discussed the possibility of managing those funds as an endowment.

The developer of the Palos Colorados housing development, which is slated to be built in the hills near the Lafayette border, will be paying the Town a total of \$17 million due to the development's impact on the Town. \$9.5 million of that money is expected to flow into the Town's coffers within the next 12 to 15 months.

Town staff had proposed spending \$1.5 million of those funds on capital improvements over the next four years. Besides the library repair funds of \$196,000, the other items included \$565,000 to help narrow and beautify Moraga Rd., \$482,000 to remodel the Town's office building at 329 Rheem Blvd., \$148,000 to relocate the Town's corporation yard, \$75,000 to study the feasibility of a gymnasium and community center, and \$63,000 to help remodel the La Sala Building located next to the Hacienda.

Except for the library repairs, the Council decided that the other projects will remain unfunded, at least until the Town comes up with a plan for managing the Palos Colorados funds. After hearing from the public, including several members of the Friends of the Moraga Library who spoke in favor of the library repairs, Councilmember Rochelle Bird set the tone for the Council's discussion.

"I have some very strong feelings regarding the financial future of this town," Bird began. "We have a unique opportunity with one time funds," Bird continued. "Let's not have happen what happened to us as a state," she warned. "In a prosperous time we ran up the credit cards and wound up with a loss." "We can look at these monies perhaps as an endowment and only spend the interest," Bird suggested.

Council members Linda Deschambault and Ken Chew spoke next and seemed to support the concept of setting the Palos Colorados funds aside. Earlier in its meeting, the Council had voted unanimously to place all of the Palos Colorados funds into a separate account rather than commingling them with the general fund. So far the Town has received an initial payment of \$250,000 in Palos Colorados funds, which will be deposited into the new account.

As the remaining council members spoke it became clear that despite their own pet projects, they unanimously agreed that proper management of the Palos Colorados funds

was paramount. Councilmember Dave Trotter, whose campaign platform included a gym, will have to wait for his feasibility study. "This is not the time for such a study," Trotter agreed.

At least for now, Mayor Mike Metcalf, who favors a complete study and design for narrowing and beautifying Moraga Rd., will have to settle for a limited \$20,000 traffic study that was previously budgeted. Metcalf expressed the hope that perhaps by the mid-year review in December the Town would have a plan for managing the Palos Colorados funds, and the Council majority might be willing to start spending some of those funds for studies.

Town Manager Phil Vince said that although he would love to have all of his staff in one building, based on the Council's discussion the Town would have to continue to rent out the upper floor of its office building at 329 Rheem Blvd. for a few more years, while earning interest on the Palos Colorados funds which later could be used to pay for the remodeling necessary to move the rest of the staff into the building. Vince said the capital improvement plan would be modified based on the Council's discussion and brought back to the Council for a final vote on July 11.

The details of the library repair remain to be worked out. The capital improvement plan prepared by the staff proposed spending a total of \$465,000 on that project, consisting of the \$196,000 in Palos Colorados funds plus \$269,000 in asset replacement funds. The staff plan proposed spending \$365,000 of that money in fiscal year 07-08, and the remaining \$100,000 in fiscal 08-09. However, despite the consensus on the need for the library repairs, there were suggestions during the Council's discussion that even that project could be scaled down or slowed down.



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