

LAMORINDA WEEKLY

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Swim, Baby, Swim!

By Cathy Dausman

Water babies. Steve Sherman sees them almost daily. Toddlers who splash and laugh in the pool, but who are also learning independence and life-long water safety skills.

Sherman, of Lafayette's Sherman Swim School, figures his

staff has helped a few thousand children in the last 30 to 40 years get comfortable in the water when they're young. "We give them a head start," he said, explaining that built-in reflexes help when a young child is exposed to a water environment. A child between 9 months and 1 year – the age at which his school accepts

students "with a clean bill of health" – normally has enough neck strength to start the class, Sherman said, noting they have few fears and little stranger anxiety then.

Other Lamorinda pools offer swim lessons for children between ages 3 and 5. ... continued on page A10

June Day, 2 years and 10 months old, relaxes in the hands of instructor Briana Nicholson during her swim class at Sherman Swim School.

Photo Cathy Dausman

Quote of the Week:

"We are of many nationalities and languages, work and life experiences, mental and physical abilities. This challenging diversity of residents live together, mostly happily, and often help and care for one another." Read Letters to the Editor, page A10.

Advertising

	SOLD 51 KnickerBocker Lane, Orinda Sold at \$1,234,000 with multiple offers www.51knickerbocker.com	SOLD 4 Kenmore Ct, Orinda Sold at \$901,000 with multiple offers www.4KenmoreCourt.com	OPEN SUNDAY 1-4 372 Dalewood Dr, Orinda Offered at \$1,595,000. www.372Dalewood.com	Orinda Downs Gem This custom private home is over 3500 sq ft on .67 acre. It has 3 large BR, 2.5 BA, a 600 sq ft game room, a lot of storage, and 3 car garage. The stunning living room has a wall of glass with a breathtaking view of redwoods.
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Certificates of Participation to Fund Road Repairs

By Sophie Braccini

The recent rise in interest rates is not good news for Moraga's roads; it means the town will raise less money for its road repair program, but not enough less for the Moraga Town Council to reverse its decision to borrow money against the revenue stream generated by the 1 percent local sales tax that went into effect this spring.

After considering the legal and financial factors of the transaction, the Moraga Town Council voted July 10 to issue Certificates of Participation (COPs), a lease-leaseback transaction commonly used by municipalities, to leverage \$600,000 of yearly revenue from the sales tax. Stifel, Nicolaus & Company was hired by the town as the underwriter of an operation that will produce approximately \$7.5 million, depending on the interest rate at the time of the transaction.

"It is estimated that the 1 percent sales tax

revenue passed last November by Moraga voters will bring about \$1 million to the town per year," said Eileen Gallagher of Stifel, Nicolaus & Company during her presentation to the Town Council. "We believe it's prudent to leverage no more than \$600,000 of that revenue; that will give you a security cushion and leave funds available for pay-as-you-go projects."

The lease-leaseback mechanism used to leverage the revenue stream consists of leasing town assets to ABAG (Association of Bay Area Governments) for a nominal amount; then the town rents the assets back from ABAG with value amortized over time. ABAG will assign its rights to lease payments to a trustee, Wilmington Trust, that will actively negotiate the COPs; investors will purchase the COPs.

Gallagher indicated that COPs are seen by

investors as providing weaker security. To balance that effect, she recommended that the town choose some of its most important assets as collateral for the lease; Moraga's AA+ rating would also be seen as a favorable element.

"A Town Hall is perceived as a stronger asset than a park or a gymnasium," said Gallagher. The town has to produce \$10 million in assets to guarantee the revenue stream – the choice was to use the Hacienda de las Flores, valued at \$8.25 million, the Town Hall at 329 Rheem Boulevard, valued at \$2.5 million but already leveraged, 331 Rheem (the town's corporation yard) and the library if needed.

Gallagher recommended that the town proceed quickly because of the present volatility of the interest rates. "The 10-year Treasury rate rose from a 2013 low of 1.66 percent to 2.68 percent today," she said. ... continued on page A5

Life in Lamorinda B1-B10

Slow Food in Moraga

Sophie Braccini visits an herb garden that will soon be the venue for Lamorinda's first Slow Food event - page B1.



Sports C1-C3

Homegrown Hoops at SMC

Hunter Hewitt catches up with Lafayette native Beau Levesque - page C2.



Our Homes D1-D16

Are You on Candid Camera?

Cathy Dausman investigates the benefits of home security cameras - page D1.

