

Compare City And LO Fire Rates

Santa Cruz Invites Live Oak To Annex; Cites Advantages

Live Oak
A shocked Santa Cruz City Council Tuesday issued a broad invitation to Live Oak to annex to the city after being told the fire district tax rate there is \$1.08 cents per \$100 of assessed valuation.

"Our city tax for everything is \$1.48 cents per \$100 this year," Mayor John Mahaney told fire department officials. "Live Oak could get a big bargain by annexing to the city."

And Councilwoman Sally DiGirolamo said: "In other words, Live Oak, we want you."

Then the council went along with a proposal by Vice Mayor Joe Ghio that new water rates to be applied to fire hydrants in the Live Oak district be phased in, rather than applied in a big chunk that could demonstrably be embarrassing to the district.

After this proposal was acceded to, Mahaney went back to his sales pitch.

"For that difference of only 40 cents between your fire district rate and our tax rates, Live Oak could get a lot of bargains here."

An obvious bargain was implicit in the discussion of water rates. The Live Oak area pays double the city water rate because it does not pay the taxes that city residents do to pay off water bonds and other water system expenses.

A consultant has reasoned that if the noncity customers pay double the city rate, then support of the system is equitably distributed among all water users.

Hence if Live Oak annexed, the water bills would be cut in half, for starters. And, of course, the fire hydrant rate paid by the Live Oak district would be cut to the city fire department rate, as well.

The council went along with previous staff recommendations that special consideration be given to fire districts that get water from the city because mutual-aid agreements bring help to the city when that is required.

In a memo, Chuck Schneider, Santa Cruz fire chief, stated that on Dec. 23, 1972, the worst fire he has experienced here involved five buildings on Pa-

cific Avenue. Needed were 106 men and five fire departments to fight the blaze. But at the time the city had only 42 men and only 12 were on duty.

Meanwhile, Live Oak will pay the increased rates, or some \$16,000, a 33 per cent increase, for its 256 hydrants on a yearly basis when all hydrants have

been phased into the new rate schedule. But this will take years to complete, so Live Oak won't be hit by a tough cost all at once.