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Budget Deficit for Moraga-Orinda Fire District

By Cathy Tyson

"There's a \$1.2 million deficit in the operating fund. I would agree that's a problem," said Fire District Board Member John Wyro, echoing sentiments of his fellow board members at a recent mid-year budget review meeting. Not an insignificant sum, considering the total budget is \$19.1 million. The Board looked at expenses from \$1,350 for a new water heater for one of the stations, to county tax collection fees to grounds maintenance.

"Why do we pay for that?" said Frank Sperling, Director, regarding a mysterious increase in election expense that is currently being investigated. Other Board Members were equally concerned. "We have got to have some kind of contingency plan," said Pete Wilson. Although they went through the budget line by line, there were no calls for mandatory reductions in anything, despite Board Member Fred Weil's comment, "every dollar that we can save, we should be saving."

It's a familiar story throughout the state, income is down, expenses are up. In the case of the Moraga-Orinda Fire District, operating revenue comes almost entirely from the property taxes of Moraga and Orinda residents. Because of declining home values, property tax revenues have been adjusted downward, in addition, investment earnings have been reduced significantly. Even ambulance income is down due to tightening billing requirements of Medicare and MediCal.

Acting Fire Chief Pete Nowicki, who recently retired from his old position as District Fire Chief, noted that he has implemented a "hard freeze" on the budget for this fiscal year. "We will avoid any unnecessary expenditures. For example, if a station needs new carpet, we're just going to live with the old carpet." He also noted that staffing levels are not mandated by law, but that district defers to National Fire Protection Association recommendations. "Anything less than three is an untenable situation," based upon the safety of firefighters and the community in his opinion.

"We had anticipated that we would be in deficit spending for the last six years out. Our long range forecasts indicate that things will turn around at some point," he said. "We are fine for the time being."

The Fire District's fiscal year runs from July of 2008 through June of 2009. This mid-year analysis examines actual revenue and expenses from July, 1, 2008 until December 31, 2008.

By far the biggest expense is labor, according to Sue Casey, Financial Services Manager, "Salaries and benefits are expected to be \$444,014 more than budgeted (for the year) primarily because of an increase in overtime due to personnel shortages. We are currently down four fire-fighters."

There was a fair amount of discussion about the increase in overtime at the meeting. According to Casey, it is actually cheaper paying overtime than hiring additional staff, when benefits and retirement costs are included in calculations.

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