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Morinda and MOFD Meet: The Tri-Agency Funding Discussion Continues

By Andrea A. Firth

The Tri-Agency Funding Discussion Committee, consisting of Council Members from Moraga and Orinda and two Board Members from the Moraga-Orinda Fire District (MOFD), has tentatively concluded their fact-finding mission. After meeting for almost three hours last week and listening and responding to a second lengthy, detailed report from MOFD Chief Pete Nowicki, the Committee members will report back to their respective Councils and Board before further meetings, if any, are planned. The Tri-Agency Committee was formed to evaluate the MOFD's property tax allocation following the recommendation of Orinda's Revenue Enhancement Task Force (RETF).

At the start of the meeting, Nowicki reflected on the formation of the MOFD. Noting that in 1997 he was part of the Moraga Fire District, Nowicki recalled that something unique happened on the day the MOFD was formed. Resources were immediately redistributed; an ambulance, people, and inventory were moved; and a single District was created. "There is no more they or us. There is no boundary, no lines of demarcation. We are one District and we respond as one," stated Nowicki.

Nowicki's report to the committee covered the Fire District's past capital expenditures, operational comparisons between Moraga and Orinda, and the MOFD's long-range financial forecast. At the time of the merger, The Orinda Fire District was in less than optimal condition according to Nowicki. Capital expenditures spent renovating infrastructure since the District was formed has been heavily weighted to Orinda with almost \$2,975,000 spent on equipment and facilities in Orinda over the past 11 years as compared to \$264,500 allocated to Moraga. [Similar upgrades occurring in both Orinda and Moraga, such as a new fire station in each jurisdiction, were zeroed out.] "Currently our apparatus status is stellar. We are going to be good [with respect to apparatus] for a long time," stated Nowicki.

Several analyses of the distribution of the MOFD's operational costs across Moraga and Orinda were provided to the Committee to address the RETF's question regarding the appropriateness of the property tax allocation between the two municipalities. Nowicki presented a variety of measures including parcels served, daily responders, red flag staffing, unfunded liabilities, number of fire stations, and weed abatement needs that supported the MOFD's contention that the current property tax allocation is correct. How best to measure adequate fire and emergency medical service was debated. Nowicki focused on response time, which he characterized as optimal at four to six minutes or less, noting that the driving distance in an urban area from the station to the call should be within 1.5 miles.

When the discussion moved to the MOFD's long-range financial forecast, Nowicki stated, "You are never going to find a District as transparent as the MOFD." He projected that MOFD's revenues over the next year would be impacted by a delay in homebuilding in the Wilder development and that the primary spending concerns were the need for seismic retrofits and ADA upgrades at two stations. Nowicki also stated the District needed a fully operational training facility that was not included in the budget projections.

Orinda Council Member Steve Glazer highlighted the facts that there have been significant changes to the financial landscape since the RETF had prepared

their initial report and that additional data regarding the MOFD's financial picture were now available. He asked Nowicki how the RETF's original proposal to cap the District's property tax revenues at 4.5% would impact service. "Obviously we would not be able to sustain the tempo and quality of our service with a 4.5% cap," responded Nowicki.

Glazer also pointed out some of the moving parts in the financial forecast which included declining property tax revenues and the negative impact of a projected 30% decrease in investment return for 2008 on the MOFD's significant pension obligations. The unfunded liability costs of post employment benefits such as healthcare were also discussed. Although these benefits do not have to be funded fully every year, MOFD Director Fred Weil identified the challenge of addressing the post retirement health care costs. "We can delay expenses, but we can not replace them," stated Weil.

Public comments during the meeting by Clyde Vaughn, Steve Cohn, and Martin Resch expressed dissatisfaction with District's personnel costs, the proportionality of the MOFD costs between Moraga and Orinda, and the construct of the Excel spreadsheet supporting the forecast.

Chief Nowicki also presented the Committee with a summary of the MOFD's response to the Local Agency Formation Commission (LAFCO) Municipal Service Review (MSR)-an eighteen-page, single-spaced response in which the MOFD identified a number of inaccuracies and problematic methodologies. Nowicki identified three overarching problems in the MSR: the use of per capita costs versus response time to determine cost effectiveness; the classification of the MOFD as an urban district versus a suburban and rural district; and the characterization of the District as inefficient based upon inappropriate comparisons to other dissimilar Districts. Nowicki also found the MSR's proposal for the Orinda to potentially leave the MOFD very problematic. MOFD Director John Wyro agreed. "That recommendation came out of the blue without any supporting evidence to validate the recommendation," stated Wyro.

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