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## MOFD Approves 2009/2010 Budget

*By Lucy Amaral*

Knowing full well that more changes will need to be made, the Board of Directors of the Moraga-Orinda Fire District (MOFD) approved the 2009/2010 General Fund budget and the Special Revenue Fund budget at their September 16 meeting.

Because of increased county fees, pension obligation bonds, and an increase in general operational costs, MOFD's General Fund, which is funded primarily through property tax revenue, will see a shortfall of a little over \$800,000 during the next fiscal year. The Special Revenue Fund, which is funded by the Fire Flow tax, will recognize a shortfall of over \$300,000 due to costs relating to the earthquake retrofitting of Stations 41 and 43, as well as several ADA compliance upgrades that need to be completed this year.

According to Interim Fire Chief Pete Nowicki, MOFD has already taken several cost-cutting measures to address the General Fund deficit. The Board of Directors noted in this meeting that it plans to devote an upcoming Board meeting to formulate ways of cutting anywhere from one percent to four percent more out of the current budget in efforts to achieve balance. A date, however, has not been finalized.

Over and above the current shortfall is the State of California's suspension of Prop 1A, allowing the state to borrow eight percent of allocated property taxes from local governments and special districts. MOFD will be shorted over \$1.3 million dollars for the fiscal year 2009/2010. The total will be split into two equal payments, which will affect the January 2010 and May 2010 property tax allocation. With the borrowing of funds, the State would be required to repay the district, with interest, within three years.

At the moment, Nowicki said that the shortfall will be covered from funds held in MOFD's reserve. However, the State has also created an option for local governments and special districts to ease the burden. The California Communities Development Authority, a nonprofit organization, may issue bonds on behalf of the special districts and remit the payment back to the district. This would allow special districts, such as MOFD, to recoup money borrowed by the State. Bondholders would receive their payment, with interest, from the State at a later date. As the deadline for participation is November, the MOFD Board said it will deliberate on this item at an October meeting.

Adding yet another possible fiscal glitch, the Contra Costa Assessment Appeals Board recently ruled that the County incorrectly calculated Chevron's refinery property tax. As MOFD received a portion of those taxes, and if a refund is sought, the District could be required to repay as much as \$350,000. According to Nowicki, this amount has not been included in the current financials because it is still a conceptual, future fiscal problem.

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