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MOFD Nixes Building Purchase, Approves 2011/12 Budget

By Lucy Amaral

At the Moraga Orinda Fire District (MOFD) Board of Director's meeting held September 27, the Board conducted its final deliberations on whether or not to purchase a separate building to house the District's administrative staff.

After several hours of discussion, and months of debate, the Board voted 3-2 against the purchase.

As reported in MOFD's facilities report approved in April, Station 41 is in need of several upgrades. Station 41 also houses part of MOFD's administrative staff, with the other portion of administrative offices housed in MOFD's Station 45 in Orinda. One option offered by the facilities report was to combine administrative offices in an off-site location, then repurpose the existing administrative space in Station 41.

In April, MOFD Fire Chief Randy Bradley presented the option to purchase a vacant building located at 1150 Moraga Way to be used as an administrative facility. In Bradley's staff report he said the cost to purchase and renovate the building would be approximately \$1.9 million with the funds coming from the Special Revenue Fund.

In the Board meetings that followed, opinions from both the Board and the audience in attendance were divided. Concern over the economy, pension issues and construction costs were common themes for those against the purchase. The efficiencies created from having the staff in one place, as well as the possibility of renting part of the space thereby offsetting the cost, was offered by those in favor of the option. The Board eventually requested that Bradley return with additional ideas.

Bradley added leasing space from the City of Orinda, renting space in Moraga, constructing a prefabricated building behind the Station 41, retrofitting the basement of Station 45 in Orinda, as well as the purchase of the building, for the Board's consideration. Bradley consistently stated that due to the location, adaptability, improved efficiencies and costs, the purchase of this building should be considered the best option for the District.

As the contract to purchase the building was set to expire on September 30, the Board meeting this night was only to decide whether or not to purchase the building in Moraga, not act on the other possibilities.

Board members Frank Sperling, Brook Mancinelli and Richard Olsen voiced their concern as to the timing of the purchase. With a strained economy, they felt spending over \$1 million on a building did not seem to be a prudent move. "The economy is bad and predicted to get worse," said Mancinelli, who voted against the purchase. "There just isn't the money or the prospect of sufficient new money coming in to justify the risk of spending over a million dollars on a building."

Sperling and Olsen echoed Mancinelli's concern over the economy and the timing of the purchase. The two assenting votes came from John Wyro and Fred Weil. Board President Wyro said one must weigh the options and he said he saw more opportunity than risk, and voted for the project.

With the defeat of the proposal, the Board requested that an item be placed on the next agenda to discuss how to proceed.

The Board also gave final approval to the 2011/12 General Fund and special Revenue Fund budgets. In his staff report, Bradley said that while the preliminary budget he presented to the Board was considered balanced, the assumptions for revenue projections were off. Bradley said that the District's original projection for property tax revenue was based on a .6 percent increase. The staff report added that while Moraga's secured property tax revenue increased by one half of one percent, Orinda's property tax revenues decreased by three percent, causing final property tax revenue projections to decrease 1.8 percent. Using revised projected revenue combined with proactively made cost-cutting measures, Bradley said that the budget now shows a projected deficit of approximately \$355,000.

The revised budget, along with three options for the board to consider, was presented. Alternatives ranged from selective staff furloughs, to approving with the deficit, then adjusting mid-year. The Board decided to approve with deficit, opting to balance the budget using reserves from the General Fund.

"We have approved the budget with the shortfall, balancing the budget with the use of reserves, using approximately ten percent of our General Fund reserve to do so," said Wyro. "The final Budget is consistent with the preliminary budget with respect to expenditures. The change was the reduced revenue as a result of the property tax numbers."

"If upon further review at our mid-year budget session we feel a need to make adjustments, we can amend the budget at that time," he added. "We can (also) amend the budget at any time based on new information or re-evaluation of our financial situation."

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[back](#)

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