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MOFD Board Approves Building Purchase, Revises Purchase Method

By Lucy Amaral

At its December 28 meeting, the Moraga-Orinda Fire District (MOFD) Board of Directors formally approved the purchase of an office building to house the District's administrative staff. After extensive public comment and further discussion by the Board members, the Board voted three to two to move ahead with the acquisition of 1150 Moraga Way.

Since April, the Board has been searching for an adequate site to house the combined administrative staff of MOFD. Currently, the staff is split, with half located at Orinda's Station 45 and half at Moraga's Station 41. A MOFD facilities committee report stated that Station 41 was in need of seismic, gender and space upgrades, and by combining the administrative offices offsite, this would allow MOFD to repurpose the existing space for use by firefighters. In order to repurpose the building, the current administrative offices must first be moved out. The Board had considered renting space from the City of Orinda or in an office building in Moraga, building a modular office space behind Station 41, and purchasing the building at 1150 Moraga Way, which is located next to Station 41.

Most of the residents attending that night spoke out against the purchase of the building. Some likened it to real estate speculation using tax-payer money and questioned the need for such a large space, while others doubted the accuracy of the building's appraisal. Many noted that the District's unfunded pension liability should take priority over a new building.

Orinda Mayor Steve Glazer, who said he was in attendance as a private citizen, was against the purchase and advised the Board to move with caution, encouraging them to rethink the recommendation and wait for the right circumstances and timing.

Those speaking in favor of the purchase felt that the real estate market was currently at the bottom and now was the best time to purchase the building.

The Board continued to be split regarding the purchase. Dick Olsen and Brook Mancinelli again voted against the proposal, with Mancinelli stating that purchasing the building would not get an engine to any part of the District any faster nor does it make any fire fighter do CPR any better.

Frank Sperling, Fred Weil and John Wyro voted in favor of the purchase. Weil cited improved overall efficiencies and long term benefits. Wyro, who said he considers himself a fiscally conservative person, felt this purchase would have a positive impact on the operations of the District. "I am convinced that that based on all the information we have and the opportunity we have, that this will prove to be a good decision," he said.

How MOFD will purchase the building again changed at this meeting. Originally, the Board considered purchasing the building outright, but that idea was voted down due to cash flow concerns. A lease/purchase option was brought back to the Board as a way to finance the purchase of the building while addressing the need for a controlled cash flow.

During this meeting, MOFD Fire Chief Randy Bradley requested that a new option be considered and approved by the Board. Citing the opportunity for more flexibility with the office building, Bradley recommended that the building at 1150 Moraga be purchased with cash, and that a lease/purchase loan be taken out using Station 42 as security to pay for the rebuilding of Station 43.

Bradley stated that if the office building were paid in full, MOFD would have the flexibility to obtain a lower interest rate, lease space to a for-profit entity (which is not allowed if the lease/purchase agreement were against the office building), or even sell a portion of the building if that option became available.

Bradley offered information regarding a 20-year lease/purchase agreement and in his staff report reiterated that with efficiencies gained by consolidating the staff, costs will be offset.

Again, the Board was split in their opinion of this option. Mancinelli said he had doubts as to the financing options being presented, felt it was a 'bait and switch' with the new proposal and opposed the idea that the District would mortgage one of the fire stations to essentially finance the administrative building.

Olsen, the other Board member who voted against the purchase, requested more time to review this new financial option. Board President Wyro said that while they have one financial package in front of them, they do have some time to consider options and charged Bradley to see if a better financing package can be put together. Wyro requested this item be put on the agenda for the January meeting. The Board passed the financing option with 3 voting in favor and 2 abstaining.

The next Board meeting will held January 18, 2012 at the Moraga Library.

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