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MOFD Approves 2012/2013 General Fund and Capital Projects Budget

Board approves deficit budget for second year

By Lucy Amaral

Working with budget figures that are nearly \$2 million lower than they were two years ago, the Moraga-Orinda Fire District (MOFD) Board of Directors approved the 2012/13 General Fund and Capital Projects budget. The General Fund budget has expected revenues of \$17,781,231 and projected expenses of \$18,586,035, which means the budget will run just over \$800,000 short.

According to MOFD Fire Chief Randy Bradley's staff report, a series of staffing and program cuts have been made over the last two years in order to present the Board with a balanced budget without reducing service levels. He said that because of the continuing decline in revenue, presenting a balanced budget for 2012/2013 without service level reductions and/or interruption was not possible.

Bradley cited that property tax revenue growth was essentially flat, with actual 2012/2013 assessments coming in at a .40 percent increase over last year. He stated in his report that with overall District revenues decreasing by one percent, combined with increased pension costs, as well as a deficit carry-over of more than \$250,000 from last year's budget, the projected General Funds deficit for the 2012/2013 fiscal year is estimated at \$804,804. The Board approved the budget with the deficit and called for the shortfall to be covered with Reserve funds.

In addressing the challenge of balancing the budget going forward, Bradley said that he has been working on an updated long-range financial forecast, which not only addresses the operational shortfalls, but long term pension liabilities. He added that he is close to completing the draft but could not present it to the Board because the District is still in negotiations with its labor union, and he is reviewing what effects the newly passed pension reform law will have on the forecast. Bradley said he hopes the draft can be presented at the next Board meeting.

The Board also approved the 2012/2013 Capital Projects Fund Budget. This fund is used for replacing fire-fighting equipment, building upgrades, and the acquisition and construction of major capital projects. Projects currently budgeted are the rebuilding of Station 42 in Orinda, remodeling of Station 41 in Moraga, functional upgrades for Station 45 in Orinda and installing communication network switches. The fund held nearly \$3.5 million at the start of this fiscal year. The staff report states that it expects to receive an additional \$1.07 million with expenditures of just over \$2.5 million. The Board agreed that while the individual budget items are approved, there will be opportunities for the Board to review each project again and make adjustments if necessary.

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