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MOFD braces for $1.5 million operating loss in 2021

By Nick Marnell

Facing its toughest financial year since the Great Recession, the Moraga-Orinda Fire District projected an operating loss of $1.5 million for fiscal year 2021, with nearly all of the deficit directly or indirectly related to the coronavirus pandemic. The district has not reported a loss so steep since 2013.

"We have sufficient funds in our reserve to cover the deficit," President Steven Danziger assured district taxpayers.

District revenue is expected to remain flat at $24.8 million but only because early property tax forecasts show a 4% jump for next year. That increase adds $1 million to the general fund.

But ambulance fees are projected to drop $800,000, as the district expects the steep decline in ambulance transports to continue into the next year, which begins July 1. "At the same time, our costs are not going to go down," Fire Chief Dave Winnacker said.

Because of fewer plan reviews and inspections, fire prevention fees are projected to fall by $148,000 next year.

District expenses are forecast to rise 1% to $26.3 million, of which $23.6 million - 89.7% of operating expenses - goes to salaries and benefits. Salary expenses include the addition of three firefighter-paramedics, bringing the district to 56 full time suppression personnel, and the filling of four positions in the Fire Prevention Division. Local 1230 personnel receive a 3% wage and equity bump July 1.

Even with the bleak forecast presented at the May 20 meeting, the district could face an even harsher financial reality.

Vice President Craig Jorgens warned that the 4% property tax revenue increase may be aggressive, because after the last financial downturn property tax revenue remained flat for four succeeding years. And Director John Jex again stressed the need for the district to grow the general fund balance to 50% of revenue, so that MOFD would not have to borrow money to fund operations. The general fund balance is projected to drop from 34% this year to 28% on June 30, 2021.

"If we have several years like what we're talking about for this year, we'll get into a position where we won't be able to operate," Jex said.

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