MOFD LONG RANGE FINANCIAL FORECAST
Dated May 2025

In May 2025, **MOFD created a 10-year (2026-2035) forecast** of its financial position. What this showed was revenues exceeding expenses such that its reserves (general fund, capital fund and employee-retirement) would increase by $60 million over those ten years, from $55 million to a staggering $115 million.

While MOFD should be commended on looking into the future, two observations should be made regarding the analysis:

1) The projection assumed a 3.5% annual increase in property tax revenue while the average annual increase over the past ten years has been 5.5%.
2) The analysis did not measure the impact on Orinda and Moraga separately (taxes paid and value/cost of services received).

Regarding #1 (tax revenue increase rate), the only observation made here is that if the tax revenue did increase at 5.5% instead of the assumed 3.5% assumed by MOFD, then over ten years an additional $45 million of revenue would be received; about 2/3 from Orinda. While it is difficult to believe that 2% (250) more homes could be built every year, or assessed values could continue to outstrip inflation (2.5-3%), it must be understood that because of Prop 13, homes that have not been re-assessed for 25 years (average length of home ownership in Orinda and Moraga) continue to be sold and re-assessed at well above their current assessed value while the remaining housing stock increases at the prescribed 2%. A moderate increase in new homes plus the impact of re-assessing old homes can perpetuate the 5.5% annual increase in tax base, and thus taxes.

This site will examine condition #2.

When MOFD was created in 1997 by a vote of the residents of Orinda and Moraga, both communities were led to believe that the newly created fire protection district would be a “partnership of equals”, combining resources but still retaining independence. Orindans were specifically told that the new MOFD would use Orinda tax dollars exclusively in Orinda, not “elsewhere in the county”, which includes Moraga. And Moragans were also told that one reason to form a special district was to prevent Moraga tax dollars from being used “elsewhere in the county”. Moraga insisted that Orinda create a special parcel tax to fund the required upgrade of capital equipment that the county had allowed to degrade in Orinda.

But no provisions were made in the founding documents segregating revenue from Orinda from revenue from Moraga nor accounting for operating expenses allocated to the two separate communities. This was to be left to the newly elected board, with two representatives from Orinda, two from Moraga, and one representing a “split” Orinda/Moraga area (called a Division), which was mainly and is currently 2/3 Orinda.

However, they never did it and neither the Orinda City Council nor the Moraga Town Council ever “took them to task” to do what they were elected to do, represent the best interests of their local constituents. The MOFD Board acts as if they were elected “at large” and not locally, as the framers intended. The result being the MOFD Board’s mantra became “we are one district”, as if Orinda and Moraga were one entity without their own individual issues and resources to deal with those issues.

As the following analysis will show, this attitude has created huge inequities, negatively impacting the safety of Orindans. Ignoring the past, over the next ten years MOFD projects that 90 million Orinda tax dollars will be used to (A) subsidize the operating expenses of the Moraga Fire stations with $30 million and (B) increase MOFD’s reserves with an additional $60 million, fully funded by Orinda taxpayers with no contribution from the residents of Moraga.

Revenue

The major source (85%) of revenue to MOFD is its share of the base 1% property tax. 22.6% of Orinda’s property taxes are allocated to MOFD and 18.8% of Moraga’s property taxes. While these are significant portions of the total base property tax (the county average is 12%), as important, if not more important, is the tax base these percents are applied to.

This year, Orinda’s property tax base is $10.2 billion; equating to $520,000 per capita. In comparison, Moraga’s tax base, $6.2 billion, is “only” about $360,000 per capita. Combining these (the property tax allocation to MOFD and the tax base per capita) results in Orindans providing $1,200 per capita in property tax to MOFD while Moragans provide only $700 per capita.

Orinda, with a population of 17,600, is served by 9 firefighter/paramedics stationed in Orinda; 2,180 residents per responder. Moraga’s population of 17,100 is served by 8 firefighter/paramedics stationed in Moraga, 2,140 residents per responder.

Moraga, paying slightly over half as much to MOFD per capita as Orinda, receives identical service. Something does not pencil out.

In the Financial Analysis spreadsheet, revenue (rows 1-13) is broken into three elements:

1) Ad valorem property tax, allocated 66% from Orinda, as it currently is.
2) Fire Flow parcel tax, allocated 56% from Orinda, as it currently is.
3) Other revenue (fees, grants, etc.) allocated by population, 53% from Orinda.

Total revenue for the ten years 2026-2035 ($487 million) is split 64% by Orinda taxpayers ($313 million) and 36% ($174 million) by Moraga taxpayers. Adjusted by current population (19,600 in Orinda and 17,100 in Moraga) brings the shares a bit more in line but it shows Orindans paying $15,950 per capita over ten years, 60% more than Moragans at $10,200 per capita.

Expenses

Expenses are summarized on rows 15-17. The total expenses include General Fund expenses (row 38) Capital Fund expenses (row 49) and the Station 43 lease expense (row 51).

The General Fund and Capital Fund expenses are allocated by the service provided to each community by the responders stationed there: 9 in Orinda and 8 in Moraga. The exception being the $7.2 million of capital expenses in 2026/27 is assumed to be for the rebuilding of Moraga's Station 41 and is allocated to Moraga. The Station 43 (Orinda) lease expenses are fully allocated to Orinda.

Not included in "expenses" are additions-to/use-of reserve funds:
1) General Fund
2) Capital Fund
3) Pension Fund (supplemental to the County's retirement plan [CCCERA] assets)
4) OPEB Fund (retiree medical benefits)

Projected expenses over the ten years 2026-2035 total $427 million, $223 million to Orinda (53%, equivalent to the proportion of staff stationed in Orinda and Orinda's population to the total served by the district) and $204 million to Moraga.

Net/Surplus Revenue

Total revenue from 2026 through 2035 ($487 million – row 1) exceeds total expenses ($427 million – row 15) by $60 million over ten years.

This excess/surplus is used to increase MOFD's reserves from $55 million to $115 million (rows 23-32):
1) General Fund by $20 million from $21 million to $41 million
2) Capital Fund down $7 million from $12 million to $5 million
3) Pension fund by $36 million from $16 million to $52 million
4) OPEB fund by $11 million from $6 million to $17 million

The total revenue from Orinda ($313 million – row 2) exceeds MOFD's cost to service Orinda ($223 million – row 16) by $90 million. $60 million of this is used to fully fund

MOFD reserve increases and the other $30 million to subsidize Moraga's operating expense shortfall.

The total revenue from Moraga ($174 million – row 3) is $30 million short of MOFD's cost to provide Moraga service ($204 million – row 17).

Summary

Based on MOFD's May 2025 forecast of revenue and expenses for the next ten years (2026-3035) MOFD will be receiving a total of $486 million of revenue while expending $426 million for services. The $60 million in surplus revenue will go into reserves, increasing those reserves from $55 million to $115 million.

The entire funding of this growth in reserves will come from Orinda property taxes as Orinda will be providing $90 million more in tax revenue to MOFD that MOFD will spend servicing Orinda. The additional $30 million will go to subsidize the cost to service Moraga.

If tax revenue increases at the historic rate of 5.5% per year, instead of the assumed 3.5%, the revenues will increase by $45 million which will increase reserves to $160 million by 2035. Again, 100% funded by Orinda tax dollars.

Moraga's revenue shortfall can be cured by an increase in the Moraga Fire Flow Parcel tax plus a decrease in service costs by staffing the Moraga ambulance with paramedics instead of firefighter-paramedics.