

Waste Of Orinda Tax Dollars

Based on the latest (April 2026) projections by MOFD, over the next ten years:

- General Fund reserves (including Capital Accounts Fund) will increase by \$38 million, from \$33 million to \$71 million
- Retirement fund reserves (on top of over \$200 million held by the County pension plan, CCCERA) will increase by \$48 million from \$25 million to \$73 million.
- A total increase in reserves of \$86 million over ten years to a total of \$144 million.

Where is this money coming from? All from Orinda property taxpayers plus earnings on the reserve funds. Nothing from Orinda's "partners", the residents of Moraga.

Orinda is projected to pay \$290 million in property taxes over that period. But it will only cost MOFD \$198 million in operating and capital expenses (net Orinda's share of \$35 million in "outside" revenue to MOFD) to service Orinda. Where does the other \$92 million go?

- \$34 million goes to fund revenue shortfalls from Moraga to fund its \$183 million share of operating and capital expenses.
- \$20 million goes to fund the increase in retirement fund reserves (net of the \$28 million in interest the funds will earn over ten years).
- The remaining \$38 million goes to increase the General and Capital fund reserves.

In other words, in addition to subsidizing Moraga's operating expenses with \$34 million, Orinda property taxpayers are also funding 100% of MOFD's massive reserve increases with no input from our wealthy (a median household income of over \$200,000 a year) neighbors in Moraga.

This is not what we agreed to when we agreed to "partner" with Moraga to form MOFD.

Our elected representatives need to stand up to represent our best interests.

Is it possible?

YES

What is required is a combination of increased revenue from Moraga, a reduction of expenses (both capital expenses and reducing the massive reserve increase) until Moraga can pay its pro-rata share, and returning the excess, either in enhanced services or direct reimbursement to the City.

While it may be "nice" to have a huge general fund reserve and it may be "proper" for the current generation to fully fund future employee retirement benefit liabilities, until

Orinda's "partner", Moraga, can participate in the funding of these reserves, Orinda should not be responsible for the total burden.

Step 1

Increase revenue from Moraga. This is possible because in 1992 Moraga residents agreed to pay a tax to the fire protection district to provide enhanced services. This tax is still in place today. The tax is a real estate parcel tax whose "rate" is set each year by the MOFD Board. The existing "rate" is 6 "cents". The maximum rate the residents agreed to is five times that amount, 30 "cents". This tax can be imposed by the board with a simple majority vote. Increasing the rate to 30 cents would generate an additional \$2 million a year in revenue to MOFD but would cost each Moraga property owner less than \$1 per day. It would raise revenue by about \$20 million over ten years.

Step 2

Defer \$20 million of retirement fund reserve increases until Moraga can fund its fair share. Even without additional money added to these funds, they will grow by \$21 million over the next ten years from earnings on the existing balances.

Step 3

Defer construction of the \$11 million "training center", scheduled to be built in Moraga, until Moraga can pay its pro-rata share of the costs.

Step 4

Refund excess tax revenue to Orinda and/or provide services that Orinda needs, like wildfire prevention services. Based on the current MOFD projections, this would be a "reduction" in tax revenue of \$90 million over the next ten years.

Step 5

Since MOFD was founded in 1997, its ad valorem property tax revenue has increased at an average annual rate of 5.4%. This has been due to the extraordinary increase in property values over those 29 years. The current projections that the above projections are based on assume that this rate will decrease to 3.5% over the next ten years.

However, what if property tax revenue continues to increase at the historic rate?

This is possible. The average property in Orinda and Moraga is assessed at only 60% of its market value. 4% of homes "trade" each year, meaning the average home sold has not been re-assessed to market value for 25 years. The tax base of these homes, when re-assessed at the time of sale, can increase 100-200% or more. This can drive up the average tax base increase well above the statutory 2% annual increase.

In addition, the state is "demanding" that Orinda and Moraga substantially increase their number of dwelling units. Orinda has projected a "needed" increase (to comply with the law) of 1,400 units. A 20% increase over the existing 7,000. If even half of these are

constructed, that could mean a 10-15% increase in the tax base over ten years from this source alone.

If ad valorem tax rates do continue to increase at 5.4%, instead of 3.5%, this would generate an additional \$38 million in revenue over the next ten years; 20 million from Orinda and \$16 million from Moraga. If \$20 million of this was retained by Orinda, the remaining \$16 million could be retained by MOFD to increase its reserves, General Fund or Retirement Trusts.

This would also bring Orinda and Moraga into the state that was the original basis for the partnership, with Orinda's taxes funding services to Orinda (including a pro-rata share of reserves) and Moraga's taxes funding services to Moraga.

Orinda needs to demand that the original conditions for the formation of MOFD be met. Moraga can afford to hold up its end of the deal. Orinda's representatives on the MOFD Board need to make this happen and the Orinda Council needs to make sure it does.

Resources

- [MOFD Long Range Financial Forecast \(LRFF\) – April 2026.](#)
- [Summary of LRFF with steps to return funding to pro-rata](#) (PDF)
- [Summary of LRFF with steps to return funding to pro-rata](#) (Excel)