

Grand Jury Tells County to Attack State Pension Laws

By Nick Marnell

The Contra Costa County grand jury in May charged the Board of Supervisors to orchestrate a direct attack on state pension law in order to reduce its pension obligations, both of the county and of the Contra Costa County Fire Protection District, which it also governs. The grand jury suggested that the county could save \$100 million per year through pension reform, and it directed the Board to form a task force to review all options available to change California public pension law and allow future, unearned pension benefits to be subject to reductions through collective bargaining.

As noted in the report, the county shortfall in pension funding was \$2.6 billion, which included \$1.26 billion in unfunded pension liability, a nearly \$800 million deficit in promised retiree health benefits, \$276 million in pension obligation bonds and \$280 million in ConFire pension liability. If that bill came due today in the form of a property tax on all county parcels, each homeowner would be liable for more than \$7,200.

Three major factors contribute to this deficit. In a triumph of wishful thinking, the California Public Em-

ployees Retirement System convinced lawmakers in 1999 that excess earnings in its retirement fund, due to the dot-com boom, would cover the costs of earlier employee retirement and increased benefits. Three years later, to stay competitive, the county granted retroactive pension benefits to its employees. Stock market gains failed to materialize, and the county had to increase its payment to the Contra Costa County Employees' Retirement Association, its pension manager, to cover the deficit.

Then came the Great Recession in 2008. Investment losses multiplied in the retirement fund, resulting in even larger bills to the county to cover the fund's failure to meet its investment goals.

And maybe most critical, obstacles arising from California court decisions have prevented the county from negotiating reductions in future pension benefit rates for existing employees. Only employees hired after Jan. 1, 2013 fall under the dictates of the California Public Employee Pension Reform Act, which provides for gradual cost savings over the next 30 years. Benefits for employees hired before that date are unaffected and

cannot be reduced.

Pension and retiree health benefits cost Contra Costa County more than \$375 million a year. In order to pay these costs the county has had to cut back a wide variety of services, including the reduction of ConFire staffing and the closure of district fire stations.

Despite this huge cost, and the consequent hardship to county residents who are directly affected by the service cutbacks, the grand jury said the county has not challenged the assumption that state law prohibits it from negotiating pension benefit reductions for pre-2013 employees. "We believe that assumption is in error," states the grand jury report.

"The Board of Supervisors should without delay seek such a change or clarification in California law."

"We already can collectively bargain our pension benefits," said Vince Wells, president of Local 1230 of the firefighters' union, which represents ConFire firefighters. "If I got 100 percent of my membership to agree to a reduction in pension benefits, we could negotiate that. Of course, we would have to be compensated with a fair and equal benefit."

Which is at the crux of the problem, according to grand jury member Michael Moore, speaking at the July 22 Orinda Rotary Club luncheon. "Yes, you can collectively bargain pension benefits," he said. "But you

are not allowed to reduce the pension benefit unless you replace that benefit with something of equal value. Pensions are a special category. They cannot be reduced."

"I'm always looking for ways to reduce our pension liability, but under state law, and as defined by the courts, any reduction negotiated would need to be offset by other comparable benefits and agreed to by the employees," said Supervisor Candace Andersen, whose district includes Lamorinda. "The case law is quite clear that we cannot unilaterally take away vested retirement benefits, and we would need to negotiate any change with our labor groups."



Letters to the Editor

Opinions in Letters to the Editor are the express views of the writer and not necessarily those of the Lamorinda Weekly. All published letters will include the writer's name and city/town of residence -- we will only accept letters from those who live in, or own a business in, the communities comprising Lamorinda (please give us your phone number for verification purposes only). Letters should be 350 words or less; letters of up to 500 words will be accepted on a space-available basis. Visit www.lamorindaweekly.com for submission guidelines. **email: letters@lamorindaweekly.com**; Regular mail: Lamorinda Weekly, P.O.Box 6133, Moraga, CA 94570

Dear Editor:

As one familiar with the Urban Land Institute (ULI) and its Technical Assistance Program (TAP) program, I believe Orinda would benefit from a ULI study of our downtown. Just like our roads, which were long ignored to our detriment, the time is long overdue to address our downtown. Previous local attempts have proven divisively partisan -- hardly useful in problem solving. The ULI is a national, volunteer, professional organization made up of senior members, each with a demonstrated expertise in a particular aspect of cities and towns. The members contribute their time gratis to the TAP program and have no local constituency or preconceived philosophy. They are selected to participate based on their professional judgment and experience. The ULI (not the TAP participants) charges a meager "fee" to cover administrative front-end expenses and the expense of reproducing the report. It is not remuneration for professional services and well below what a for-profit consulting firm would charge for the same service.

Depending on the issues defined by a city, the ULI will assemble a specific TAP team of experienced experts from their multi-disciplinary stable (that includes economists, lawyers, architects, historians, planners, traffic/transportation engineers, landscape architects, developers, mayors, parking consultants, etc.) -- a team impossible to duplicate for \$15,000 because the panelists are volunteering their time.

The ULI has operated this service for decades in many geographic areas and dealt with virtually all the issues Orinda faces many times. Indeed many members come from towns comparable to Orinda.

This process, the epitome of openness, presents a path forward for Orinda. Our children and grandchildren will thank us for avoiding the temptation to again ignore our downtown problems and opportunities.

Peter Hasselman
Orinda

Editor:

I have an office in my home looking out on a cul-de-sac street in Moraga. I am home most of the time and I have made it a habit to leave my garage door up with my car in the garage. I also leave the keys in the front seat compartment (both bad ideas). Friday morning at about 11 a.m. I noticed a silver SUV drive up my street then back down. A few minutes later I noticed a girl in her early 30s dressed in black pants and a long sleeve black shirt with shoulder length blond hair and dark glasses. Suddenly it dawned on me that she had not passed by my window. I had a feeling she had gone into my garage. I quickly went to the inside garage entrance and saw the girl in the driver's seat of my car. I yelled and started for the car, she locked the passenger door and when I went around to the driver's side she locked that door. She found the keys and started the car. I jumped in the back seat as she quickly backed out of the garage squealing the tires. I reached forward and pulled the car out of gear. When the car reached the street, my hand still holding it in neutral, she got out of the car and ran down the street entering the silver SUV I had seen earlier.

I called the Moraga Police who arrived within minutes. They put out an APB on the car and woman. The police told me there have been over 20 such incidents of either stolen cars or car break ins the past week or so in Moraga. All these incidents were unlocked cars in front of houses, in driveways or garages with open doors.

I was lucky and did not get hurt and was able to save my car. The police very politely chastised me, advising in the future not to interfere, let the car go and immediately call the police. With a good description of the stolen vehicle plus license plates, they have a good chance to apprehend quickly. Also, there is a chance that the thief or thieves could have a weapon of some sort and would be willing to use it.

The moral of this story is to park your cars whenever possible in your garage, locked, door closed and keys in the house.

J. Northrup
Moraga

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