

Holding County Pension Funds Accountable

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“Op-Ed” – “Guest Viewpoint”

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Mendocino County Officials Hid Pension Increases from the People

Some wildfires you see. Others you don't. Some destroy in a moment. Others take decades.

Early morning, October 9, my wife and I saw flames hundreds of feet high on mountains 2 miles from home. Our hearts sank as headlights fled the flames.

Sheriff Tom Allman was magnificent. County officials rose to meet this terrible threat. Headlights headed back Friday night to homes fire fighters saved. Our hearts soared.

But there's another hugely destructive wildfire we don't see. Our County (population 88,000) is scheduled to pay \$450 million over the next 2 decades to eliminate today's unfunded pension debt. We've already paid \$190 million on past debt.

Two-thirds of a BILLION DOLLARS of County services and roads burned to the ground over 3 decades by a debt that isn't supposed to exist. That's about \$7500 of debt payments for every adult and child in our County.

County officials want to increase sales taxes \$35 million over five years for mental health services the community needs. In those years we'll pay \$100 million for unfunded pension debt. You're already paying for mental health services but this unfunded pension wildfire destroyed them.

My guess is the recent wildfires were caused by winds knocking down power lines. But what if people illegally started those fires? Should they be held accountable?

What if other people illegally created this unfunded pension debt? Should they be held accountable?

Retirement and County officials (mostly in the past) repeatedly broke laws in creating this debt. They did what they wanted to do – the law be damned!

Here's one of many stories.

Our Board of Supervisors (BOS) significantly increased County pensions in 2002-2003, a major reason we're in the worst financial shape of 21 California counties with their own Pension Funds.

State law obligated them to make sure the public knew they proposed to raise pensions, had information to understand the financial impact, and opportunities to ask questions and express their views.

The BOS had to “secure the services of an actuary to provide a statement of the financial impact upon future annual costs” including “annual dollar changes (in contributions) and any change in accrued liability”. They had to describe future costs “at a public meeting at least two weeks prior to the adoption of any changes in public retirement plan benefits”.

“Notice of any salary or benefit increase shall be included on the agenda for the meeting as an item of business. Notice shall occur prior to the adoption of the salary or benefit increase, and shall include an explanation of the financial impact that the proposed benefit change or salary increase will have”. This notice had to be 3 days before the meeting.

The agenda for the BOS January 15, 2002 meeting was published on January 10, 2002. There were no agenda items to increase pensions.

The next day proposed contracts that would significantly increase pensions were signed by three employee groups and BOS negotiators.

At the 1/15/02 BOS meeting County Counsel Peter Klein raised an “Off Agenda Item” asking the BOS to approve these contracts. They voted unanimously that “this matter arose subsequent to the agenda being published”. Then Supervisors Campbell, Colfax, Delbar, Lucier and Shoemaker voted to increase pensions – INCLUDING THEIR OWN.

There was no public meeting two weeks before. Pension increases weren’t on the agenda. Their costs weren’t made public.

They relied on the legal excuse that “there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted”. It’s impossible Supervisors didn’t know those contracts were about to be signed. And there was no reason they had to be adopted at that meeting.

Isn’t it obvious? County officials conspired to avoid these legal requirements because they felt an “urgent” need to avoid telling the People they were going to significantly increase pensions including their own.

This is but one of many such stories.

The purpose of government should be to Serve the People. We got served all right – medium rare on a platter.

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