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MOFD Board Responds to Grand Jury Report

By Lucy Amaral



Moraga Orinda Fire District Board of Directors Meetings Meetings of the MOFD Board of Directors are open to the public and take place on the third Wednesday of each month in the Board Room, Administration Building, 1280 Moraga Way, Moraga. Next meeting(s): TONIGHT July 21st, 7:00 p.m. August 18th, 7:00 p.m. Work Session Meetings are held at 7:00 p.m. on the first Wednesday of the month, or as needed, at 1280 Moraga Way. For more information go to www.mofd.org.

Board had not interviewed the other member agencies.

Other findings from the Grand Jury included the comment that increased pension costs directly reduce funds available for services, some agencies rely heavily on staff input, many pay elements and policies for calculating final compensation are at the discretion of the employer member, and pension 'spiking' increases the amount of pension funds needed.

According to the Board's written response to the findings, there were many areas of partial agreement, however complete agreement was difficult. MOFD's responses took issue with some of the findings, including vague wording, the fact that the report was assuming MOFD had knowledge of other agencies' decisions, as well as in defining where MOFD's sphere of influence could occur and where CCCERA's policies took precedent.

Recommendations from the Grand Jury included board members being required to attend pension fund training by CCCERA, that MOFD review the current list of pay elements to determine which are required and which are discretionary, and that the Board evaluate current and future budget impact of these pay elements.

MOFD's response stated that it has proactively implemented many of the recommendations given by the Grand Jury. According to the response, MOFD Board's District Counsel reviews and evaluates current pay elements, and the Board has already implemented measures that evaluate future pension costs and obligations. The Board, however, disagreed with the Grand Jury's recommendation of having CCCERA provide pension fund training. Weil said that the Board has concerns that CCCERA's legal and economic interests may conflict with those of the District and that CCCERA's past policies have contributed to higher pension costs than required by law.

Weil did say that while the topic has not yet been fully discussed by the Board, it is a good starting point. "Since the Board has already implemented the substance of many of the recommendations," he said. "I expect that we will ask our counsel and staff to advise us on what additional steps are appropriate."

The full report and MOFD's responses can be found on its website, www.mofd.org.

At its July 7th meeting, the Moraga Orinda Fire District (MOFD) Board of Directors approved a written response to a report released by the Contra Costa Civil Grand Jury. The report, titled "Pension Spiking: Who Really Gets Stuck," challenges the Contra Costa County Employees Retirement Association (CCCERA) and its member agencies, such as MOFD, to address the increasing public employee pension costs.

According to the report, in September of 2009 the Grand Jury started looking into the issue of pension 'spiking.' The report defined 'spiking' as the act of including additional non-salary cash amounts in the final compensation calculation. The Grand Jury conducted interviews with current and former employee members, attended CCCERA meetings, reviewed pension information from San Ramon Valley Fire Protection District and analyzed County Administrator's financial report. The report concluded with five findings and four recommendations, and was released on May 18, 2010.

Sub-titled "Contra Costa County Employees Retirement Association: Wake Up!" CCCERA, which administers pensions for the County and 15 other local government agencies, was the main focus of the report. Those government, or 'member' agencies, such as MOFD, were asked to respond to the Grand Jury's five findings and three of its recommendations.

Board Member Fred Weil said that the Board responded as completely as possible, but there were some difficulties. "Many of (the Grand Jury's) findings, to which they state that member agencies must respond in only one of three ways -- agree, disagree or partially disagree -- were expressed in terms that we could not really address," he said. For example, Weil said that a finding stating that some CCCERA members are not fully knowledgeable about pension law could not be addressed by the MOFD Board because the

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