



Independent, locally owned and operated!

www.lamorindaweekly.com 925-377-0977

Published March 27th, 2013

Lamorinda Fire News Briefs

By *Nick Marnell*

Supervisors Ask CCCERA for Change of Plan

The Contra Costa County Board of Supervisors voted to issue a notice to the Contra Costa County Employees' Retirement Association board. The notice requested that CCCERA reduce its investment rate of return to 7.25 percent on July 1, 2014, rather than phase-in the reduction from 7.75 percent over a number of years. The recommendation was made by County Administrator David Twa.

Rollie Katz, Local One representative, argued that, as a result of the lower assumed rate of return, employees will have to pay more into their pension funds. Supervisor John Gioia countered that the new rate was a fair compromise, since if an assumed rate of investment return is not met, the result is a greater unfunded pension liability, which is the total responsibility of the employer.

The pension plans of both the Moraga-Orinda Fire District and the Contra Costa County Fire Protection District are managed by CCCERA.

Highway 24 Accident Investigation

The Moraga-Orinda Fire District hired Sharry and Associates to investigate the Dec. 2 Highway 24 accident in which three MOFD firefighters-Kelly Morris, Mike Rattary and Steve Rogness- were seriously injured. The investigation began March 14, and the report is due in mid-May.

"John Sharry was the lead investigator for one of the most famous life-loss fires in the country - the Beverly Hills Supper Club," said MOFD fire chief Randall Bradley. Sharry has also chaired the National Fire Protection Association's Technical Committee on Firefighter Health and Safety. He will be paid \$125 per hour, up to a maximum district expenditure of \$10,000. This cost was anticipated and included in the MOFD's mid-year budget review according to Sue Casey, administrative services director.

The scope of the investigation will run from a determination of the district's safety culture to a thorough analysis of MOFD policies and procedures, according to Division Chief Stephen Healy, who is the district's liaison to Sharry. Morris said recently that her knees are feeling much better, but that her ankle is still bothering her and may require surgery. Healy confirmed that Rattary returned to work in March, and Rogness continues to recover at home from his injuries.

Pension Obligation Bonds

When the Moraga-Orinda Fire District issued its Pension Obligation Bonds in 2005, the bonds were purchased by Lehman Brothers. The district then entered into a Debt Service Deposit Agreement in which Lehman paid the district a \$450,000 fee in lieu of future investment earnings; the fee in reality being an advance against future revenue-that is, the interest on property tax payments. In 2009, Lehman Brothers declared bankruptcy.

A representative of Legacy Asset Management Company, a subsidiary of Lehman Brothers Holdings, contacted MOFD and explained that, since the DSDA represents an asset to the Lehman estate, it would like to bring the contract to a mutually beneficial conclusion to both parties after a termination payment is made by MOFD. The matter was forwarded to MOFD's legal counsel, Steve Meyers.

Meyers recommended that the district work with Craig Bettencourt, of Prager & Co., LLC, to negotiate a settlement and termination of the DSDA. Bettencourt agreed to negotiate the settlement pro bono.

At its March 20 meeting, the MOFD board unanimously approved staff's recommendation to engage Bettencourt's services.

Reach the reporter at: info@lamorindaweekly.com

[back](#)

Copyright © Lamorinda Weekly, Moraga CA