March 14, 2012
Agenda Item 15c

CONTRA COSTA TIMES
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Thursday, February 9, 2012

East Contra Costa Fire district poised to put parcel tax on ballot

By Rowena Coetsee
Contra Costa Times

Posted: 02/08/2012 12:55:24 PM PST

Updated: 02/09/2012 08:07:00 AM PST

Barring any last-minute changes, the East Contra Costa fire district parcel tax that's expected to go before voters this summer would be permanent but wouldn't increase each year as much as officials originally had planned.

East Contra Costa Fire District board members this week reviewed changes to the draft resolution and ordinance that would put the $197 annual tax on the June 5 ballot.

The board will hold a special meeting Feb. 27, when it is scheduled to make its pursuit of a parcel tax official by approving both documents.

Directors took a straw vote Monday on whether to have the per-parcel levy sunset at the end of 10 years, but most opposed the idea because the district would return to deficit spending if it lost that source of revenue, fire Chief Hugh Henderson said.

And although district officials initially had envisioned increasing the tax by 5 percent each year, they responded to property owners' concerns about the size of the hike by deciding last month to lower that rate to 3 percent or the Consumer Price Index, whichever is lower when the board reviews its budget in the spring.

The tax is projected to generate $8.6 million in 2012-13 and, assuming an annual adjustment of 3 percent, revenue gradually would rise to $11.7 million over the next decade. By then, the parcel tax is projected to be $257.04.

Henderson noted that the smaller incremental increases mean the district would resume deficit spending in five years, when it plans to open a seventh station with all the costs that additional personnel and equipment entail.

Last month the 2011-12 Contra Costa County grand jury concluded that the $8.6 million the district estimates the annual tax would generate the first year is significantly more than what's needed and that the East Contra Costa Fire District should offer taxpayers an alternative to the $197 parcel tax the cash-strapped agency is proposing. The grand jury made the recommendation after researching the district's attempts to boost its income so it can reopen a fire station and hire more firefighters with advanced life support training.

Although it will not appear on the ballot, the fire board this week also agreed to start forecasting income and expenses for 10 years instead of five to get a better idea of how the district is faring over the long term.

Whether the tax will receive the requisite two-thirds approval to pass is far from a safe bet, Henderson says.

"It's going to be very close because everybody's budget is tight," he said. "Any time is a hard time to pass a tax, and with the current economy and other agencies looking for additional revenue, it's going to make it extremely difficult."

Contact Rowena Coetsee at 925-779-7141.

The Press
Thursday, February 9, 2012
print

Fire District responds to Grand Jury report

by Rick Lemyre
02.09.12 - 10:58 am

The East Contra Costa Fire Protection District this week finalized its response to a December Grand Jury report that said fire service in far East County is "adequate" despite station closures, inadequate fire stations, the lack of money to replace aging equipment, substandard crews of 2 firefighters on some engines, and pay levels half of those in other parts of the county.

In its response, the District Board "emphatically disagreed" with virtually all the Grand Jury's findings, except for the fact that the District can not maintain its current level of service without additional revenue.

"I only wish we had been stronger" in the response's wording, ECCFPD Director Jim Frazier said at Monday's Board meeting.

For an earlier story on the report, click here.

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Monday, February 13, 2012

Borenstein: Dangerous road on Amgen race route exemplifies California dysfunction

By Daniel Borenstein
Staff columnist

Posted: 02/11/2012 04:00:00 PM PST

Updated: 02/13/2012 10:26:49 AM PST

The Amgen Tour of California's announcement last week that America's premier bicycle race will this year include a climb up the slopes of Mount Diablo provides the Bay Area an opportunity to show off one of its most underappreciated destinations.

It's a logical addition. The mountain, with its stunning views, attracts more than 45,000 riders a year and offers one of the most challenging ascents in the region. Unfortunately, so do the potholes at the southern approach.

If state park officials and residents of some of the Bay Area's wealthiest homes don't stop their stonewalling and reach a compromise on long-overdue repairs to a small stretch of privately owned road, this exciting event might turn out to be another embarrassing showcase of dysfunctional California government.

On May 15, for the third stage of the eight-day, 750-mile race, viewers worldwide will have a chance to see teams from the United States, Germany, Italy, Netherlands, Denmark, Canada, Luxembourg and Great Britain start in San Jose, ride through Livermore and then head toward the mountain.

The tour will enter Mount Diablo State Park from the south and exit the only other road access, the northern route through Walnut Creek. Tour riders will be moving at high speeds and likely packed tightly when they hit the bone-jarring, broken pavement on the approach.

"It's a land mine," race director Jim Birrell acknowledged. He told me he will meet with area residents to try to help with repairs before world-class cyclists come whipping through. What he didn't know was he won't be the first to attempt to broker a deal.

Ron Brown, executive director of Save Mount Diablo, has tried for years. His nonprofit, dedicated to protecting the mountain from development, puts on an annual fundraising ride up the same road.

"All of the parties who have a stake in the road need to openly and objectively acknowledge their responsibility, come to the table, and have an objective conversation about what it would take to make the road safe for its users," he said.

At issue is a one-mile stretch of Mount Diablo Scenic Boulevard. It's hardly a boulevard. Rather, it's a narrow, two-lane, substandard road that provides the only connection to the park's southern entrance.

The posh enclave of Diablo lies on the west side of the street. On the east, the private Athenian School is followed by an upscale subdivision and individual private homes. The state, which owns the park that accounts for roughly 70 percent of the motor-vehicle traffic, has held an access easement since 1931.

The first stretch of the road has been decently maintained; it's the torn-up second portion, closer to the park entrance, that's at issue. It's treacherous pavement through a series of hairpin turns, perhaps the worst major biking route in the region. The continuous potholes will form an obstacle course for tour riders, who will have little room for maneuvering.

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Before the race, the state and the owners there need to repair that section. I'm told we're not talking huge sums -- probably $250,000 or less. Then, for the long run, all the owners and the state need to set up a standard private road maintenance agreement that fairly apportions the ongoing costs. The state parks department has similar deals elsewhere.

So far, everyone has had a reason to say no. Property owners apparently fear they would be liable for any accidents after a faulty repair. The state is broke and financially starving the parks. Guess what, folks? If people hurt themselves, you all will be liable because you all know it's a hazard. Pay now, or pay much more later.

Property owners and state officials need to hear the message. This road must be repaired and maintained to ensure safe access for all. If elected state officials don't act, they need to be prepared for voter/taxpayer wrath when someone finally sues after an accident.

In May, cycling fans want to see the race up Mount Diablo, not the avoidable crash at bottom. Let's look back at this event with pride, not embarrassment.

Daniel Borenstein is a staff columnist and editorial writer. Reach him at 925-943-8248 or dborenstein@bayareanewsgroup.com. Follow him at Twitter.com/borensteindan.

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Thursday, February 16, 2012

Discovery Bay board to look for candidates to fill vacant seat

By Paul Burgarino
Contra Costa Times

Posted: 02/15/2012 10:39:27 PM PST

Updated: 02/16/2012 09:38:55 PM PST

The Discovery Bay Community Services District is looking for a few good people interested in filling a vacant seat on its governing board.

Board directors kicked off a search Wednesday to find a replacement for Brian Dawson by asking district staff to send notices to the public that candidates are being sought for the position.

The board is still considering whether to appoint a candidate or have an election. During a discussion at the meeting, board members said their decision could hinge on the number and quality of candidates.

Candidate interviews will be held at the district's next board meeting March 7.

Discovery Bay has until April 6 to decide if it wants to appoint a candidate or wait for an election, said Dan Schroeder, the district's legal counsel.

Since the April date is fewer than 130 days before the June election, the board would have to wait until November to fill the seat if it chooses not to appoint a candidate, he said.

Dawson resigned from the board last week amid a contentious recall effort. He said last week he resigned to protect his family from the pain a recall could cause and the district from the cost of a special election.

The vacant seat will be up for election in November for a two-year term.

During a discussion among the directors, Mark Simon said he was in favor of letting the position stay vacant until November because it wouldn't be fair to the appointee to serve just a few

months before facing an election.

Further, the board functions fine on a majority of issues with just four people, Simon said.

Kevin Graves countered that it's better to have a full board to deliberate and sit on committees. Earlier in the meeting, directors delayed making appointments to a newly formed recreation committee because they already sit on so many groups.

"I think it's best to bring matters before a full board and not holding out on decisions the next seven or eight months," Graves said.

Those interested in applying for the vacancy should contact the district at 925-634-1131 or go to www.townofdiscoverybay.org.

Contact Paul Burgarino at 925-779-7164. Follow him at Twitter.com/paulburgarino.

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Friday, February 17, 2012

Two Moraga-Orinda Fire District directors exit abruptly

By Jennifer Modenessi
Contra Costa Times

Posted: 02/17/2012 12:00:00 AM PST

Updated: 02/17/2012 06:18:27 AM PST

Richard Olsen and Brook Mancinelli have unexpectedly resigned their posts on the Moraga-Orinda Fire District board of directors, the latest sign of a deeply fractured board.

Both announced their departures at the end of Wednesday night's board meeting; they will formally step down Feb. 29.

Mancinelli, an Orinda resident, represented Division 5. His term was to end in November. Olsen, who also lives in Orinda, represented Division 3. His term was to expire in November 2014.

The surprise announcements came after trustees discussed ideas for administrative office space and extending fire Chief Randy Bradley's contract to July 2014. Both Mancinelli and Olsen voted against the contract extension but were outvoted 3-2.

In an interview, Olsen did not want to discuss that vote. Mancinelli could not be reached for comment.

About the broader question of leaving the board, Olsen said, "I'm totally frustrated."

In a prepared statement read at the meeting, he said the board has become dysfunctional and has been working at "cross purposes. Little of significance has been accomplished."

In addition, he said, leaving the board would allow him to speak out publicly on issues of concern "without the constraints" he currently feels.

"I felt that I wasn't able to affect the kind of positive change I hoped that I could facilitate," Olsen said later.

Board President Fred Weil said that while one departing trustee had

notified him of his plans before the meeting, the announcements came as a complete surprise.

"I'm very disappointed," he said. "Both of them are very intelligent people who are well motivated toward the district. I'm disappointed they decided not to continue on."

The departures of Olsen and Mancinelli rocked a fire district already reeling from a recent controversy surrounding a proposed building purchase -- ultimately not pursued -- that divided board members.

In December, Mancinelli and Olsen voted against the purchase of an office building at 1150 Moraga Way that would have housed MOFD's administrative staff.

The $1.1 million cash purchase of the building, along with plans to lease or sell excess office space, would have allowed administrators to bankroll the replacement of Orinda's 60-year-old Station 43.

The district planned to finance a portion of the $3 million replacement cost of the Orinda station with a lease/purchase.

Although approved by directors Weil, John Wyro and Frank Sperling, the complicated deal fell through when Sperling and Weil abruptly changed their minds and decided to oppose the purchase.

The district lost a nonrefundable $25,000 deposit

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to the owners of the office building as a result of backing out of the purchase contract.

Bradley, who is now charged with finding another location for office space, expressed surprise Thursday that Olsen and Mancinelli had resigned.

"It was unexpected," Bradley said in a phone interview. "It's unfortunate that they chose to resign."

But he said the board and the district should stay focused on providing fire protection and emergency medical services to the communities.

Bradley said there is no indication the board would revisit purchasing 1150 Moraga Way, noting that two of the board members who ultimately opposed it are still on the board.

Bradley said he was in the process of looking at options for filling the new board vacancies. The board could appoint new directors or hold a special election.

"Our board can choose either or a combination of the two," he said.

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Sunday, February 19, 2012

Daniel Borenstein: Fire director's resignation should serve as financial warning to Orinda, Moraga residents

By Daniel Borenstein
Staff columnist

Posted: 02/18/2012 04:00:00 PM PST

Less than two years after Moraga Orinda Fire District directors appointed Dick Olsen, a well-respected retired Transamerica Corp. vice president and community volunteer, to fill a board vacancy, he and another director have abruptly resigned.

Residents of the affluent fire district, already nationally embarrassed by a pension-spiking fiasco, should heed Olsen's departing warning that the dysfunctional board has failed to address very serious financial troubles.

Olsen had previously served for 12 years as a director of the old Moraga Fire District. When he was appointed to the Moraga Orinda board in March 2010, Director John Wyro boasted that, "At this point in time, our need is for someone like Dick Olsen."

On Wednesday, Olsen quit after concluding the board was working at cross purposes. "Enough's enough," he said later. "I was totally frustrated that there was no apparent progress being made to get the district on the road to (financial) sustainability."

Director Brook Mancinelli offered no explanation for his simultaneous resignation. Olsen said Mancinelli was also troubled by the board dysfunction but that the two directors made their decisions independently and coincidentally acted on the same night. Their actions leave the three most-veteran directors to run the district. Mancinelli, who refused to return calls, was up for re-election in November while Olsen had nearly three years left on his term.

The three remaining directors were on the board responsible for changing Chief Peter Nowicki's contract just days before his retirement announcement in 2008, enabling him to boost his starting pension by 20 percent, to $241,000 a year for a career that spanned just 26 years. The board action was symptomatic of its ongoing fiscal irresponsibility. The three remaining directors have helped dig the district, formed less than 15 years ago, into a hole so deep that it will take decades to climb back out. Each year, the district spends, on a per-capita basis, three times the Contra Costa County median for fire protection, according to a 2009 study. The fire district annual budget is roughly the same as those for the cities of Orinda and Moraga combined.

At the same time, the district has been promising pension and retiree health benefits but failing to adequately fund them. Today, the shortfall, a debt future taxpayers will be forced to fund, is at least $68 million. That's equal to roughly four years of district operating expenditures. It works out to about $1,600 for every adult and child in the district.

Directors like to blame the stock market collapse, but the shortfall was already $49 million before investment markets went into a nose-dive. The district offered unaffordable retirement benefits and relied on unrealistic investment assumptions, and then directors sat back and watched the debt explode.

Nowhere is that more evident than current labor negotiations with district firefighters, which have been going on for two years now. If firefighters

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won't acknowledge that major benefit-cost reductions are essential, directors must act unilaterally. They show no sign that they're willing to do that.

Meanwhile, despite all this debt, despite Olsen's and Mancinelli's objections, directors were preparing last month to borrow more money, this time to finance a new administration building.

At the same time, the city of Orinda, whose residents contribute more than half the district's tax revenues, had extra space in city hall. If not for Orinda Mayor Steve Glazer's loud protests and a scathing editorial in this paper, the deal would have gone through.

This raises a big problem: Except for a handful of citizen watchdogs and Glazer, the community has been disengaged. Only one of the three incumbents in the last election faced a challenger. If history is any indicator, the three remaining directors will opt to fill Olsen's and Mancinelli's seats rather than letting voters decide, effectively disenfranchising two-fifths of the residents.

The fire directors are elected by the district, so that would mean that representatives of three of the districts would choose the directors for voters in the other two. It would also mean that three directors responsible for the past and continuing abuses would handpick their colleagues.

When will Moraga and Orinda residents wake up?

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Saturday, February 25, 2012

Your Turn: Paper's editorials and column wrong about fire district finances

By Fred Weil
Contra Costa Times Your Turn

Posted: 02/25/2012 04:00:00 PM PST

Updated: 02/25/2012 04:46:00 PM PST

In the limited space allotted to me, I want to correct
recent fictions printed about Moraga-Orinda Fire Di
strict finances.

Fiction: $68 million of unfunded MOFD liabilities ha
ve built up since the district was formed.

Fact: The district's unfunded liabilities include sign
ificant preformation liabilities. About 44 percent of
all retirees drawing medical and/or pension benefit
s retired before the 1997 merger of the Moraga and
Orinda districts. Further, another portion of the unf
unded liabilities is traceable to vested benefits of a
ctive employees who came over in the merger and l
ater retired.

Fiction: The pension liability was fully funded in 20
05.

Fact: The pension bonds were issued in 2005 to pa
y to zero a $28 million unfunded pension liability b
ecause the pension fund charged 7.75 percent on t
he liability, but bond interest was only 5.22 percent
, saving the district about $8 million over the life of
the bonds. However, the $28 million bond liability,
traceable to prior and then current employees, rema
ined.

Fiction: The current board is responsible for additi
onal pension liabilities accruing since 2005.

Fact: The recession has caused increased unfunde
d pension liabilities in nearly every district in Califo
rnia.

Fiction: The district has no plan to address unfund
ed liabilities.

Fact: The pension bonds themselves are part of a pl
an. The district will have fully paid the $28 million l
iability from

committed tax revenues by 2024. After 2024, more
than $3 million of annual property tax revenues wil
l be available to address other long-term liabilities.
The board's consultant advised at a public meeting
on ways to reduce pension liabilities -- some reco
mmendations are in place. Long-term unfunded me
dical and pension liabilities are the subject of curre
nt negotiations with our unions.

Fiction: Nothing has been done to address the distr
ict's financial issues.

Fact: Two years ago, the board instructed the curre
nt chief to bring back a balanced operating budget,
even though the district's financial forecast indicate
d large future operating deficits.

In the past two years, through rigorous cost contai
nment, the district had an aggregate operating surp
lus of about $220,000. We also restructured fire chi
ef and battalion chief compensation to reduce or eli
minate future pension "spiking" possibilities. Signifi
cant cost cutting was achieved without adversely aff
ecting service -- actually, we increased the number
of firefighters with paramedic training.

Fiction: The current board increased former fire Chi
ef Pete Nowicki's pension by 20 percent.

Fact: Nowicki was a district battalion chief with vest

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ed pension rights, including the right under county pension board rules to sell back vacation time to "spike" his pension. He was induced to leave that position for the harder job as fire chief by a promise by the negotiators that he would do better financially as chief. However, had we not amended his contract, his pension would have been about 10 percent less than a battalion chief's. The board's choice was to break that promise or honor it to some degree.

The board honored the promise by improving his pension to about 6 to 9 percent more than a battalion chief's. In hindsight, perhaps the board should have broken the promise, or granted less, but decisions are made in the moment, not in hindsight.

To remain viable in these difficult times, the district must balance the general operating budget, manage long-term liabilities, and see that equipment and other capital needs, including the repair and replacement of fire stations, are not neglected. Achieving these goals will not be easy, but we have taken significant steps to do so.

This commentary may trigger more editorials -- including personal attacks -- but fair-minded readers should know that the board takes seriously its responsibilities to manage district finances.

The foregoing opinions are my own. The facts speak for themselves.

Fred Weil is president of the board of directors of the Moraga-Orinda Fire District.

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ContraCostaTimes.com

Tuesday, February 28, 2012

Fire district changes mind, adds sunset clause to parcel tax

By Rowena Coetsee
Contra Costa Times

Posted: 02/27/2012 10:58:55 PM PST

Updated: 02/28/2012 02:26:47 PM PST

East Contra Costa Fire District will go to voters proposing a parcel tax that will end after 10 years instead of the permanent one most board members were favoring.

In making the $197 per-parcel tax an official item on the June ballot, the nine-member board unanimously agreed Monday that the levy should sunset on June 30, 2023, unless voters decide to extend it.

The decision represents a change of heart among directors, six of whom had indicated with a straw vote at their Feb. 6 meeting that the financially trou bled agency needed a permanent tax to avoid returning to deficit spending.

But that didn't sit well with many voters, some of whom urged directors at this week's meeting to include a sunset clause.

In this weak economy, assuring voters that the additional tax won't last forever could make the difference between it passing or falling short of the requisite two-thirds approval, they said.

"This is going to be a tough sell (anyway)," Steve Reid said. "It's going to be a much easier road if you put a sunset clause in there."

Knightsen resident Vickey Rinehart said nearly all of the dozens of people she's discussed the tax with accepted the need for a parcel tax but objected to the idea of it remaining on their property tax bill indefinitely.

"No one, including myself, could in all good conscience vote for a tax to go on forever," she said.

Stephen Smith of Brentwood pointed out that the board always

can go back to voters to ask for a tax extension, although he predicted that the economy -- and the district's finances -- likely will improve over the next 10 years.

If the tax fails, however, "we know what life is going to be like," Smith said.

The fire district has been deficit spending since 2009-10 and had to close two stations in summer 2010. The agency expects to have an ending fund balance in June of $480,000, from which it will have to pay roughly $150,000 for the cost of the election.

Two of its remaining six stations have only two firefighters on duty at any time, although according to the industry standard, there should be three on an engine. None of the stations has firefighters with advanced life support training.

The additional $8.6 million the parcel tax is projected to generate the first year would enable the district to hire enough firefighters to meet the staffing minimum -- which would include having a firefighter with advanced life support training as that third person on each shift -- as well as to eventually reopen one of the stations.

If the tax doesn't pass, the fire district predicts it will have to close three of its remaining six stations and lay off half its 43-man crew.

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In the end, audience members' comments made their mark: Director Pat Anderson, who initially opposed a sunset clause, conceded that having one could make the tax more palatable.

So did fellow board member Bob Brockman, although he still thought that doing away with the tax at some point would create financial problems for future boards of directors.

"We just push the problem down the road," he said.

Brockman and some other directors weren't convinced that housing prices will have improved enough in 10 years to generate the additional property tax revenue the fire district needs to close the gap between income and expenses.

Although Director Erick Stonebarger also disliked the sunset clause at first, he said the entire board should agree on including it so the ballot measure will carry more weight with voters.

Terminating the tax in 2023 won't quash opposition from the Contra Costa Taxpayers Association, which is working with some far East County residents on writing an opposing argument for the ballot.

"This is a lot of money to lay on residents," said Executive Director Kris Hunt, adding that her organization's stance is that the fire district shouldn't have a staffing model it can't afford.

Last month the Contra Costa Grand Jury concluded that the East Contra Costa Fire District should offer taxpayers alternatives to the $197 parcel tax.

Although jurors agreed that the district can't continue operating as it is without more money, they asserted that the tax would generate significantly more revenue than what the district needs to support the additional level of service it's proposing.

Contact Rowena Coetsee at 925-779-7141.

Second credit-rating agency downgrades Pleasant Hill recreation district debt

Contra Costa Times
Monday, March 5, 2012

By Lisa P. White
Contra Costa Timescontracostatimes.com

March 5, 2012 4:12 PM GMT Updated: 03/05/2012 08:12:05 AM PST

PLEASANT HILL -- A month after the Pleasant Hill Recreation and Park District's bond counsel said a downgrade was unlikely, a credit-rating agency has dropped the rating on bonds funding construction of new teen, senior and community centers.

Fitch Ratings downgraded from AA- to A its rating of $20 million in general obligation bonds, due to the recreation district's small reserve fund and several years of deficit spending.

While the rating downgrade won't affect the district's interest rate, it does mean the $20 million of bonds are worth less to investors who own them, said Craig Hill, a bond counsel and principal with San Rafael financial adviser Northcross, Hill & Ach.

This is the second time Fitch has changed the bond rating.

In December, Moody's lowered the district's credit rating and downgraded the rating on $2.5 million in outstanding certificates of participation the district issued in the late 1990s to buy the land under the community center and Pleasant Oaks Park.

Board members worried Moody's action might drive up the interest rate on the bonds, which would result in taxpayers paying more to retire the debt. But Hill told the board in January he didn't expect a downgrade because the bonds are secured with property taxes.

Even if property values in the district plummeted, he said, the county could raise the tax rate to ensure the bonds are repaid. Certificates of participation are repaid from more

volatile general fund revenues.

The new lower bond rating, however, will raise slightly the interest rate on the remaining $8 million of bonds the district plans to issue this spring. Currently, homeowners are paying about $21 per $100,000 of their assessed property value. Hill has structured the release of the second series of bonds so that taxpayers would pay a maximum of $29 per $100,000, with the rate gradually decreasing over the 20-year repayment term.

The downgrade probably will cost the average property owner 25 cents a year more per $100,000 of assessed value, Hill said.

"It's pretty minimal, given the broad base of the properties that are in that district," he added.

Like Moody's, Fitch Ratings lists as strengths the recreation district's manageable debt burden and stable tax base. Fitch also echoes Moody's by pointing to the district's "deteriorating financial position" as the primary reason for the downgrade.

"The Negative Outlook reflects concerns regarding the district's ability to achieve budgetary stability. The fiscal 2012 budget forecasts a modest increase in reserves, but prior year results have typically failed to meet projections," the report says. "Fitch also notes the potential for credit pressure from the completion of a major capital program and operation of new facilities."

District leaders say unexpected expenses, including $232,000 to reimburse a pilfered pension fund for seasonal workers and $140,000 to shore up the community center in the months before it was demolished, pushed the district into deficit spending.

"Obviously, we'd love to be higher and we feel like staff and the board have made budgetary decisions to get us back on track," said Bob Berggren, district general manager. "We still have three people we aren't replacing that are leaving us. You don't see that savings immediately, but you will down the road. Our budget is definitely back on track and we're working to increase our reserves as well."

In July, the board approved a tight budget in which revenues exceed expenses by just $59,000. To cut costs, full-time employees now must pay part of their medical and retirement costs. Staffers also took two unpaid furlough days in the last week of December.

These changes already have saved the district $313,500 plus another $30,000 to $50,000, according to Mark Blair, accounting supervisor.

Revenue and expenses are down, due primarily to the closure of the senior and community centers. At the end of January the district recorded a loss of $149,000, down from $497,000 in 2011, Blair said.

Lisa P. White covers Martinez and Pleasant Hill. Contact her at 925-943-8011. Follow her at Twitter.com/lisa_p_white.

Concord is likely choice as successor to imperiled Mt. Diablo Health Care District

By Lisa Vorderbrueggen Contra Costa Times Contra Costa Times
Posted:

Tuesday, March 6, 2012
contracostatimes.com

Concord is poised to take on the few remaining tasks of a soon-to-be-dissolved public health care district as long as local regulators don't pass on the unfunded health care liability.

The Concord City Council is scheduled to vote Tuesday on a letter outlining its conditions if the city is appointed the heir to the Mt. Diablo Health Care District, a central Contra Costa entity currently governed by a five-member elected board.

The Local Agency Formation Commission, which oversees the jurisdiction of public agencies, is expected next week to disband the district on the grounds that the largely unknown public agency hasn't operated a hospital in 15 years, manages no services and spends most of its money on overhead and elections.

Concord is the commission's most likely choice to either wind down the health agency's affairs or form a subsidiary zone that would spend the district's roughly $250,000 a year in property tax proceeds. The city comprises the bulk of the 205,000-resident district, which also includes Martinez, Clyde, Pacheco and portions of Lafayette and Pleasant Hill.

"The current governance structure has outlived its usefulness and Concord is ready to play the partnership role with John Muir," said Councilwoman Laura Hoffmeister. "In turn, John Muir has stepped up and said they want Concord as a partner. I think we want to continue that positive relationship for us and our citizens."

But first, Concord wants the commission to identify funds to cover the free lifetime health and dental benefits worth an estimated $800,000 for Director Grace Ellis and former district board member and Concord Councilman Ron Leone.

City staff recommends regulators require the district to purchase a pension bond with its remaining assets before it closes.

It's an open question, however, as to whether the district will have any money left in the bank.

The health care district estimated it had reserves of $834,000 as of Dec. 31 and projected a surplus of $788,000 by the end of this year.

However, the board is on track to award tens of thousands of dollars in its reinvigorated grant cycle starting in April.

It has paid interim Executive Director Daymon Doss $10,000 a month since December, although the health care board is expected on Thursday to substantially reduce his contract.

The legal bills are racking up, too. Sacramento attorney Ralph Ferguson has billed the district more than $45,000 since September. And if the district decides to fight the commission in court, that amount will only rise.

Litigation is possible. Four of the imperiled district's five members vehemently oppose dissolution.

They say they have ramped up the district's community grant program and argue their presence as elected officials fills a vital oversight role with John Muir Health, the private nonprofit organization that took over the financially struggling Mt. Diablo Hospital in Concord in 1996.

Yet, regulators have already voted once in favor of closing the district's doors and Concord wants to be ready for what appears to be the inevitable outcome.

In a report scheduled for presentation to the City Council on Tuesday, city staff recommends that if regulators turn to

Concord, the city should negotiate a pact with John Muir Health to preserve the Concord hospital's $1 million annual contribution to a community health foundation.

John Muir has also indicated it would pay an additional $240,000 a year for 10 years to make up for the lost property tax revenues if the district is dissolved.

A new agreement would eliminate an existing clause in the deal between the health care district and John Muir under which the Mt. Diablo hospital and all its assets would revert to the district as early as 2049 under highly complex and speculative conditions.

"That provision now serves as a disincentive to continue upgrades and investment by John Muir in the former Mt. Diablo Hospital campus," reads a draft letter from the city under consideration Tuesday night.

As for the health care district's five seats on the 10-member foundation board, Concord proposes to appoint three members. Pleasant Hill and Martinez would appoint the other two.

Contact Lisa Vorderbrueggen at 925-945-4773, or at Twitter.com/lvorderbrueggen.

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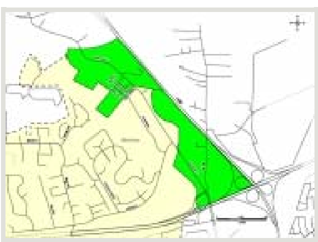
LAFCO To Hold Protest Hearing On Annexation

By Greta Mart
Staff Reporter
Tuesday March 06, 2012
Local News



A protest hearing against the planned North Pacheco annexation by the City of Martinez is set for today at 3 p.m. The public meeting will take place at the sixth-floor office of the Contra Costa Local Agency Formation Commission at 651 Pine Street.

It's been over a year since the Martinez City Council voted to submit an application to LAFCO to annex roughly 100 acres and 252 parcels into the city limits, an area with an assessed value of $34.5 million. The City's share of property taxes, shared with the county, is expected to be around $13,000 a year.

For the past four years, City staff and consultants have been working on the annexation plan and have held a handful of public meetings to gauge public response.

According to LAFCO, the annexation's purpose is to "allow for the extension of City services, and to facilitate future development and economic revitalization of the area."

The owners of the housing development company that built the Belmont Terrace subdivision and plans to build another on neighboring land are in favor of the annexation, as long as the City does not radically change the present zoning and regulatory framework for the area, which is now considered unincorporated Contra Costa County and governed by the Board of Supervisors.

But local activist Tim Platt has informed residents of the planned annexation area and mounted a protest effort. At today's meeting, LAFCO executive director Lou Ann Texeira will count the number of submitted protests to learn whether North Pacheco residents will put the plan to a vote.

"A couple of us have worked very hard to tell the citizens out there that this is a big deal, that it's not a good idea for the businesses there," Platt said Monday. "From my standpoint, it's important that the people of North Pacheco should decide this for themselves and not just go by the word of the City Council."

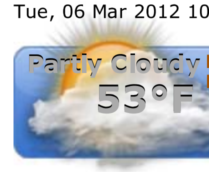
Should 25 percent of registered voters, living or owning property within the annexation area, voice opposition to the plan, the question will be placed on a ballot.

Texeira confirmed Monday that her office has received two written protests.

Affected residents have until the end of today's meeting to submit their opposition.

The City maintains that several property owners in that area prompted the annexation bid, and that it

Weather in Mar
Current Forecast
Tue, 06 Mar 2012 10:5



Sunrise 6:31 am
Sunset 6:06 pm
Wind: 22 mph
Humidity: 32 %
Visibility: 10 mi

will create economic development opportunities and put the City in charge of upgrading a "major entrance" into Martinez.

When voting on the issue, members of the Planning Commission said that the City's move to annex North Pacheco was long overdue. The Commission voted unanimously in 2011 to approve a package of general plan amendments and related environmental documents, facilitating the annexation proposal to proceed to the City Council.

As a member of LAFCO, Mayor Rob Schroder will be voting on the plan.

Email **Greta Mart**

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Contra Costa Times editorial: MOFD Board should call election to fill its vacant seats

Posted:

Wednesday, March 7, 2012
contracostatimes.com

History suggests that the directors most responsible for reckless financial management of the Moraga-Orinda Fire District on Wednesday night will disenfranchise 40 percent of district voters.

Two of five directors abruptly resigned last month. The other three can either fill the vacancies or let voters decide. For the last vacancy, two years ago, directors made the pick. However, the directors are elected by geographic regions. So, the remaining three do not represent constituents of the two open seats.

But that probably won't stop them. They'll argue that they don't want seats left vacant; what they'll mean is that they don't want dissenters. The three shouldn't be allowed to perpetuate their stranglehold by selecting new directors with whom they agree and who will enjoy incumbency advantages next election.

They'll also assert that they're saving money on election costs. It's laughable. The cost -- about $10,000 to $15,000 if they wait until the November election; more for earlier balloting -- pales in comparison to the infamous pension spiking the board approved for its former chief, or the district's $68 million unfunded liability for its pension and retiree health plans.

One open seat represents Orinda north of Highway 24. The other, in the district's southwest, includes Canyon and parts of Orinda and Moraga. Residents should demand representation of their choosing. The meeting begins at 7 p.m., 1500 St. Marys Road, Moraga.