

Contra Costa Times editorial: Contra Costa supervisors face critical pension board appointment

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Contra Costa supervisors must not blow the upcoming opportunity to finally bring fiscal sanity to the board that runs the county employee pension system.

Many people don't realize that the county doesn't run the Contra Costa County Employees' Retirement Association. It's a separate agency with its own nine-member board of directors. County supervisors appoint four directors; employees and retirees select four; and the county treasurer is the final member.

Thus, the board composition theoretically provides a numerical check so that employees and retirees can't set rules to abusively fatten benefits. Unfortunately, things haven't worked out that way.

Historically, some of the county representatives were too cozy with labor, leading to rules that allow some of the worst pension spiking in the state. Slowly, but surely, county supervisors replaced their irresponsible representatives with people who appreciate the long-term costs of their actions.

But one county representative, former Richmond City Councilwoman Maria Theresa Viramontes, still doesn't get it. Her term ends June 30. For the sake of Contra Costa taxpayers, county supervisors must replace her, too.

While Viramontes served admirably on the Richmond council, her overlapping tenure on the retirement board, starting in 2001, has been problematic. Most recently, she joined the board's labor faction by providing the swing vote to generously interpret new state pension laws. Her decision will unnecessarily increase county retirement costs for employees hired after Dec. 31, 2012.

At issue are provisions of the pension bill Gov. Jerry Brown signed last year. The bill seems clear that pensions should be calculated for new employees using only base salary. But some pension plans, including the labor-dominated California Public Employees' Retirement System, have interpreted the law to include a long list of add-on pays. With Viramontes' help, the Contra Costa retirement board followed suit.

Let's be clear: The Contra Costa retirement board was under no legal obligation to include add-ons such as longevity, bilingual and holiday pay in pension calculations. But labor members wanted to keep fattening future employees' pensions. Taxpayers will be stuck with most of the bill.

It puts the county in a bind. For technical reasons, it could avoid including add-ons in the pension calculations if it doesn't publish an official list of them. In other words, the county must choose between fiscal responsibility and financial transparency. That's untenable.

But that's the bind Viramontes put the county in. She essentially thumbed her nose at the supervisors who appointed her, and the taxpayers they represent.

The county Board of Supervisors has started vetting applicants to fill her seat. The board's Internal Operations Committee will interview nine finalists, unfortunately including Viramontes, on May 13. The committee's recommendation will be submitted to the full board for approval.

Supervisors must end years of labor control of the retirement system. They must select someone who understands the complexity of pension issues, and who can balance fairness to workers and retirees with financial reality.

That's not Viramontes.