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Public Forum

Moraga Orinda Fire District

I am writing in response to MOFD Director Frank Sperling's public forum article in the August 5 edition regarding Chief Nowicki's highly publicized pension. While Director Sperling spoke for the MOFD board, I think I speak for a significant percentage of Moraga-Orinda's 34,000 taxpayers.

While MOFD provides the community with superior and effective service, the community also expects that our tax dollars are well spent.

The MOFD board may feel their actions regarding Chief Nowicki's pension are appropriate, but many of us taxpayers doubt it, and a recent article and an editorial in the Contra Costa Times even question the legality of their action. The fact that these decisions increased Chief Nowicki's pension from a last year base salary of \$185,000 to a staggering (for a 51 year old municipal employee) \$242,000 (which will then be adjusted for inflation upward for the rest of his life) indicates that efficiency and financial prudence are not the district's main goals. This \$57,000 annual "bonus" will add up to \$2.7MM over the next 30 years and adds an additional \$1MM unfunded liability to the district's already seriously underfunded pension plan.

Let me address a few points Director Sperling made in his address to the community:

1) Director Sperling agrees that amendments were made to The Chief's contract but that these amendments were made "so that the Fire Chief's pension would be computed on a basis similar to the calculations for the lower-ranking Battalion Chiefs and Administrative staff." Lower ranking individuals in the department do not have a \$185,000 per year base salary. Three years prior to retirement, upon his elevation to chief, Chief Nowicki's salary was increased by about \$35,000. To carry that increase into retirement for the rest of his life would seem benefit enough for acting as chief for the last three years. An additional \$57,000 per year for life is excessive to say the least.

2) Director Sperling stated that the vacation sell-back "our Board agreed to accounts for only 3.9% of the Fire Chief's total pension." 3.9% of \$242,000 is \$9,400. But the Lamorinda Weekly says the impact of the contract amendments added 460 hours to The Chief's final year of compensation. With an \$185,000 base, 460 hours equates to about \$40,000. Another media account agrees with this \$40,000. If Director Sperling's assertion that the amendments only accounted for \$9,400, what accounted for the remaining \$48,000 increase?

3) Director Sperling stated that there is a major difference between private pension systems and the public safety employee pension system; that Chief Nowicki "regularly contributed 26.5 % of his base pay to the retirement system." A \$242,000 pension, inflating at 3% for 30 years, requires a \$3.8MM investment today assuming that investment could grow at 7.8%; which the county pension system contends has been their long term investment return (before their 27% loss in 2008). Can MOFD or Chief Nowicki show that the employee plus employer contributions to the pension plan over Chief Nowicki's tenure with MOFD have grown to \$3.8MM; especially after the 2008 plan losses? Now is not the time to be handing out special pension benefits as good bye gifts unless it is contractually mandated.

4) Director Sperling stated that cutting back on a chief's salary and benefits was not reasonable as "We're a small fire and emergency medical services district that must compete with ..." At the August 5 MOFD board meeting, it was reported that in response to a search for a new chief to replace Chief Nowicki, the district had received 56 applications. Obviously, the word is out in the firefighting community that MOFD provides more than adequate compensation.

5) Going further, Director Sperling stated "Were we to offer substantially lower salaries and benefits than our competitors, our ability to recruit and retain the excellent firefighter-paramedics that we now have would be

completely undercut." At a recent presentation to The Board, the firefighter in charge of the reserve program stated (a) the program was the doorway to full time employment and (b) they had to cut off the application process because the applications pile was several feet high. It appears, again, that Director Sperling's assertions are dubious at best. MOFD has 5.5 firefighters per 10,000 population. This is almost 4 times the ratio for neighboring Con Fire. The number of incidents, per capita, for the two districts is the same. The math says MOFD firefighters work 1/4 as many incidents and are open to 1/4 the risks as Con Fire firefighters. There are significant nonmonetary benefits for working at MOFD as well as monetary benefits.

Director Sperling seems to blame the vagaries of the county employee pension system for Chief Nowicki's pension spike, but it appears to many that the MOFD Board may have made a gift of public funds to the former chief. The MOFD Board's contention that they have been mis-portrayed as squanderers of the public purse has yet to be proven to this taxpayer. It leads one to wonder what other inefficiencies will be uncovered.

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