

## President's Report - August 2017

*Contrary to the conventional wisdom, thank goodness for some bureaucracies, namely the Government Accounting Standards Board (GASB). GASB now requires government agencies that grant pensions to their employees to disclose unfunded pension obligations in their annual financial reports.*

*Using public records requests, our CoCoTax Pensions Project Team has gathered a large amount of pension data on Contra Costa County's cities. (We will address the county and special districts later this year.) The Team's mission is to:*

- Quantify the problem;*
- Discover those positive practices some cities are taking to deal with the problem;*
- Establish some benchmark recommendations for further action at the local level, and*
- Develop proposals for action required at the state level in partnership with other taxpayer advocates.*

*While the information we've developed is sobering, the good news is that there are policies that are helping manage the challenge in some jurisdictions, which we can share with other elected leaders and staff. The bad news is that projected trends will cripple city governments' ability to provide essential services without major action at the state level. Further, it is now clear that taxpayers are not the only ones at risk. Public employees and retirees are also in jeopardy. In fact, some California cities and special districts are already experiencing dramatic cuts in retiree pension payments, with more sure to follow.*

*To make matters worse, GASB now requires that unfunded health care obligations must also be reported, and the scope of those shortfalls will only compound the challenge. (We will take that issue up next year.)*

*We plan to present our findings and recommendations at a special workshop this fall, and I expect sell-out attendance similar to when pension reform advocate Chuck Reed and East Bay Times editorial writer Dan Borenstein spoke at our Back Forty Texas BBQ "Pension Tsunami" luncheon in 2015.*

*My sincere thanks to our team - Jim Pezzaglia, Sue Pricco, Dan Walden and Hal Bray. They are working hard to carry out our CoCoTax mission, to promote "good government at affordable cost."*

*Jack Weir, President*