

President's Report - February 2017

As our organization celebrates its 80th anniversary, the need for proactive taxpayer advocacy is dire, and CoCoTax members are meeting the challenge. Our mission to promote good government at affordable cost finds opportunities all around us here in Contra Costa and throughout the state - a "target rich environment." Known for over a century as the "Golden State," California is now awash in the red ink of massive public debt, and elected officials at all levels scramble to find new revenues to avoid governmental insolvency. Meanwhile, our public infrastructure crumbles, and overburdened families and businesses flee to Texas and elsewhere to pursue the American dream.

Schools

CoCoTax member Tom Panas now serves as trustee and members Denise Gianni and Anton Jungherr serve on the Citizens Bond Oversight Committee (CBOC) of the West Contra Costa Unified School District, after years of fierce fighting to force disclosure of abuse and corruption in a \$1.6 billion school bond scandal. The recently completed forensic bond audit, for which Ben Steinberg, Linda Lozito and other members pushed aggressively, confirmed whistleblower allegations of massive over-spending and lack of even basic financial controls. New district leadership now considers legal action to recover hundreds of millions in misspent funds and to pursue possible criminal action, while struggling to find ways to improve the district's schools, half of which were not addressed as the bond funds were exhausted. Member Alicia Minyen fought successfully on the Mt. Diablo USD CBOC to save district taxpayers \$100-150 million in bond debt. Members Margaret Eychner and Dan Walden serve on other CBOC's throughout the county; more \$ billions are at stake. Member Fatima Alleyne now serves as a trustee on the County Board of Education, and will push for more effective fiscal oversight of the county's school districts, while member Carol Hehmeyer fights for better protection for children with special needs.

Public Safety

Fire and emergency response capability has declined to dangerous levels in west and east county areas. 911 calls in east county are being declined, and small fires are going unanswered; fire insurance rates are skyrocketing. CoCoTax has partnered with East County Voters, co-founded by members Hal Bray and Bryan Scott, to push for property tax reallocation in the East Contra Costa Fire Protection District to reestablish fire stations, which have dropped from eight to four. CoCoTax successfully opposed two misguided utility user tax measures on the November ballot, which would have unfairly taxed district property owners. Hal will launch a new East County chapter in March. Under the leadership of member Sue Pricco, our year-old West County chapter is working with the Rodeo-Hercules fire district to address that agency's funding challenges.

Public Employee Pensions and Health Care

Nationally mandated disclosure of unfunded public employee pension debt revealed as much as one trillion dollars state-wide. That equates to a \$25,000 obligation for every man, woman

and child in the state. CoCoTax continues to work with the state Treasurer's department to push for legislation to address this crippling debt and to enact measures to end predatory practices in the school bond industry. While Sacramento has implemented minor adjustments in pension rules, it continues to kick the pension debt can down the road, and municipal bankruptcies in Vallejo, Stockton and San Bernadino are harbingers of what it is to come. Soon, similarly mandated disclosures of unfunded public employee health care obligations will further complicate the picture, and drive even more desperate measures to tax California's citizens and businesses.

The View from 30,000 Feet

Although CoCoTax is focused primarily on Contra Costa issues, we cannot ignore the broader context. Dan Walden is working to reactivate the now-defunct Alameda County Taxpayers Association. It is vital that we have a sister TPA with which to collaborate on regional issues, such as the recent BART bond and the impact of Plan Bay Area, which has reduced local control over growth and planning. Meanwhile, MTC, which controls our gas taxes and road maintenance funding, spent \$250 million of bridge toll funds to purchase a SF office building, and yet is now considering raising bridge tolls to \$8, and raising regional gas taxes as well. MTC's board - like those of other alphabet-soup acronym regional bodies - is not directly elected, and is basically unaccountable to taxpayers; taxation without representation - sound familiar?

Nationally, the new administration is warning it may dramatically reduce as much as \$100 billion in various federal grants to California, in response to "sanctuary" policies and as part of "draining the swamp" and reducing national spending. Sacramento is now engrossed in resisting Washington's conservative moves. CoCoTax is strictly non-partisan, and we will have to defend our taxpayers from the repercussions of all such actions. We can expect new attempts to impose taxes and fees, and it is clear that Sacramento will wage a war on Prop 13, starting with a scheme to "split the rolls," removing commercial real estate from Prop 13 protection. We will continue to work with the state-wide Howard Jarvis TPA to oppose this effort.

Show Up; Stand Up; Speak Up

Thanks to our members who are expanding our influence and performing so many feats of civic advocacy across the county and beyond. I am justly proud of our accomplishments, many of which go unheralded. Please spread the word, and invite your friends, neighbors and local businesses to join the fight. Bring them to a monthly board meeting, or ask them to visit www.cocotax.org.