

Marin United Taxpayers Association

THE REAL MUTA since 1977 • OUR NEW ADDRESS: P.O. Box 2533, San Rafael, CA 94912 • (415) 456-7910

T A X N E W S

MARIN UNITED
TAXPAYERS ASSOCIATION



MESSAGE FROM THE PRESIDENT:

Other advocacy groups kowtow to politicians to get political favors. MUTA speaks truth to those in power. **MUTA is the ONLY voice against more taxes and in favor of a more accountable government in Marin.**

MUTA's latest efforts include:

- (1) Trying to make local government comply with Open Meetings Laws since the State no longer enforces it;
- (2) Working with the Jarvis Taxpayers and other taxpayer groups to head-off any tax measure on the ballots; and
- (3) Getting financial information on local government and pressing for district consolidations to eliminate duplication.

PLEASE SHOW US YOUR SUPPORT by sending in your dues payment of \$10 in the enclosed envelope, along with any additional contribution, to help MUTA's all-volunteer board continue. We also need volunteers in many areas.

BE GREEN: Send us your email address so we can get information to you faster and cheaper.

THE MUTA BOARD:

Fielding Greaves, President; Michael Rothman, Treasurer
Nancy McCarthy, Secretary; Directors: Joe Salama, Dick Schulz

"The only difference between a tax man and a taxidermist is that the taxidermist leaves the skin." ~ Mark Twain

WHAT'S NOT WORKING:

Although there are so many unemployed, unable to pay their mortgages or taxes, the State and Local Governments in California are doing business as usual.

- In Costa Mesa, San Bernardino, etc. the politicians enhanced public employee pensions while the economy collapsed, offering higher pensions in return for small short run wage freezes. Boosting the pensions in one case cost \$684,000 per year, far more than the initial savings.
- In San Jose, one Supervisor decided to be his own "aide" doing his own typing and constituents contact directly. He saved the City \$70,000 - only to get sued by the public employee's union for taking away a job. And now the legal fees exceed the \$70,000 savings.
- In Marin we have people seeking election for the financial perks. In San Rafael if you serve one term as a Councilman, you get healthcare options for life.
- The Sanitary Districts are looking at increasing rates again, yet no one is considering the consolidation of all sanitary districts. The administration costs are ridiculous.
- Tamalpais High School District which sought and got two bond measures totaling about \$200 million in the last several years, with the "bill" to remain on our tax bills forever, now wants more – another parcel tax. Next Marin General will be seeking a \$300 million bond.
- Sadly, instead of taking action, the Board of Supervisors wastes time on nanny projects like a plastic bag ban, while ignoring the public employee unions pension reform, like other California counties are doing.

WE NEED CHANGE!

ARTICLES INSIDE:

- Marin Healthcare
- Reform in New Jersey, Wisconsin, Florida - Everywhere except California and Marin
- Sonoma-Marín Area Rail Transit (SMART)
- Marin Energy Authority
- The Annual Cost of Marin County Supervisors
- Unfunded Pension Liabilities
- School District Consolidation
- Ground Zero: The June or November Election



MARIN HEALTHCARE

Most people who have had to use Marin General Hospital would probably agree it is a good quality facility. The big question is how cost-effective it is.

Over the years there have been many “insider” deals that have siphoned off healthcare funds into private hands and left citizens and their insurance companies paying more than they should for services. The Marin General cash cow has to be weaned from those who are milking her for personal gain and using “exclusive” contracts to maintain monopolies for medical practices.

Reform in New Jersey, Wisconsin, Florida - Everywhere except California and Marin!

People finally seem to have had enough and are supporting reform. What is the common element? It is public employee unions and their impact on public budgets. One factor is salaries paid that are already in excess of those in the private sector. A more serious problem, carefully hidden by the union and politician axis, is health and pension benefits.

These benefits are particularly troubling, as they are “unfunded” (promised for the future, but not funded now); the expense is pushed forward to future taxpayers. If you’d like to understand more about this, read *Plunder: How Public Employee Unions are Raiding Treasuries, Controlling Our Lives and Bankrupting the Nation*, by Steven Greenhut, a book that pinpointed the issue about a year ago. We wish everyone could read its message and understand our unsustainable mess!

Sonoma-Marin Area Rail Transit (SMART)

This organization is taxing our Marin residents via a tax that Marin voted against (but was outnumbered by the much larger Sonoma population) to fund an overhyped rail system of vastly understated cost and greatly overstated ridership. In addition, we now know it will only be half the promised route for the same full 30 years of taxation. The public is increasingly recognizing SMART’s questionable viability.

The seven highest paid employees of SMART receive salaries over \$100,000. They range from \$107,066 to the \$178,907 paid to Lillian Hames (the recently resigned CEO). Annual pension contributions for the top ten salaried employees range from \$13,150 to Ms. Hames \$36,200. Annual health benefit contributions range from lows of zero and \$5,172 up to four individuals at \$23,658. Other costs per employee are \$1,302 for dental, and \$217 for vision insurance. The two top employees, Lillian Hames and David

Heath Jr., receive auto allowances of \$8,270 and \$5,609 respectively.

Marin Energy Authority

The Marin Energy Authority (MEA) has not responded to MUTA letters (Oct. 14, 2010) sent to Dawn Weisz, the MEA CEO. It is remarkable that a CEO and eight directors (governing four employees), found no time to comply with the US Freedom of Information Act and provide information about those employees and Board members. We know from news reports that Marin Supervisors voted to double Weisz’ former salary to \$198,000 a year, plus a \$22,000 signing bonus, and a potential pay raise of \$49,500 next year. Comparable municipal utilities (Alameda and Palo Alto) pay considerably less, even though both utilities have much larger operating responsibilities and considerably more employees.

MEA is doing very little and paying bureaucrats a lot of money. Is there something wrong with this picture?

THE ANNUAL COST OF MARIN COUNTY SUPERVISORS

We've collected the following information for you to consider. Overwhelming questions are: (1) What value are taxpayers getting? (2) Could the job be done more cheaply? (3) Are the supervisors spending too much time on "non-essential" business that we don't want or need (e.g., plastic bag ban, MEA, SMART, nuclear free Marin, etc.)? What's your reaction?

	District 1 Adams	District 2 Brown	District 3 McGlashan	District 4 Kinsey	District 5 Arnold	Total
Supervisor Salary	\$97739	\$97739	\$97739	\$97739	\$97739	\$488696
Health Benefits	0	15556	24769	30665	17526	88516
Pension Benefits	0	32490	32089	30655	31337	126571
Total Supervisor Salary & Benefits	\$97739	\$145785	\$154597	\$159059	\$146602	\$703783
Aide 1 Salary	82052	82036	82036	86138	86696	418958
Aide 1 Health Benefits	11629	8223	14070	14070	1307	49299
Aide 1 Pension Benefits	12851	16153	12557	13185	16237	70983
Aide 2 Salary	70274	72974	82036	82036	79425	386745
Aide 2 Health Benefits	1117	12545	10466	14070	2355	40553
Aide 2 Pension Benefits	14035	11170	13911	12557	15561	67234
Total Aide Salary and Benefits	\$191958	\$203101	\$215076	\$222056	\$201581	\$1033772
Ave. Aide Salary & Benefits	95979	101551	107538	111028	100791	516886
Total Supervisors & Aides	\$289697	\$348886	\$369673	\$381115	\$348183	\$1737555
Other Agency Meeting Income	1950	3600	2400	5700	400	14050
Total Supervisors & Aides + Meetings	\$193908	\$206701	\$217476	\$227756	\$201981	\$1047822

Unfunded Pension Liabilities

You've seen this term in the news. Ever wonder how it affects us? First a little bit of history: In the early 1970's many publicly-traded companies were playing fast and loose with their employee's pension funding. They told their employees that they were entitled to a pension, but neglected to mention that no provision was made in corporate account books for the funding of those pensions. This "pay as you go practice" led to the 1974 Employment Retirement Income Security Act (ERISA). Since then, pension funding has been assured for employees of private firms.

The consequence of unfunded liabilities for government is that either current services will have to be cut or taxes will have to be increased to meet the shortfall in funding. If the problem is unresolved, this means future citizens will receive reduced services and/or future taxpayers will have to pay more because of this politically-based deception.

Now government faces the equivalent of the 1970's situation. Politicians promise benefits (i.e., pork) to constituents and let the next set of politicians deal with how to pay for it. Not surprisingly, most government pensions are not funded adequately to serve retirees. We are seeing the reality playing out in places like New Jersey, Wisconsin and other states and cities in America.

Not surprisingly, Marin County and its various cities and districts are facing the same problem.

The best solution is an immediate change from the current benefit plans to a defined contribution plan. This means requiring all new hires to contribute to their own pension plans. Current employees' new contributions should be converted to these plans as well. The existing "unfunded" liability can be allowed to work itself down over a period of years, not growing out of control as it is doing now. Let's hope Marin faces reality and ends the coming unfunded pension disaster!

School District Consolidation

It makes sense to reduce the cost of multiple school bureaucracies in Marin County. Each district has duplicate departments and facilities that could be eliminated by consolidation. This would reduce the ability of unions to coerce small school boards into fat teacher contracts by citing to settlements in other districts. Small boards are not strong enough to withstand the powerful teacher unions. MUTA does not suggest that one district is the solution, but 19 districts are far too many for a small Marin county. Consider that both Los Angeles and San Francisco have a single district. The impact of consolidation will have little change in the schools but a huge change in school expenses, and in turn your property tax bill.



Ground Zero - The June or November Election

This is what we've been waiting for! Governor Brown has proposed cuts, some of which will be agreed to by the tax-spending legislature. He has actually cut some spending already! Are we willing to agree to more taxation to fund out-of-control state government? The new tax measures must be voted down! New taxes will do nothing more than continue already out of control salaries and pensions for state bureaucrats. Nothing will

be fixed; the tax and spend crowd will soon be back for more money.

If California is to ever return to its glory days of innovation and progress, we must cut taxes and stop spending to halt the business exodus and the out-migration of wealthy taxpayers who vote with their feet at a rate of 3000 each week. Dysfunctional Sacramento has got to stop!

WHY IS THIS MAN SMILING? >>>>>>

MUTA would like to introduce you to one of our new MUTA Board of Directors, Joe Salama. Joe joined the MUTA Board early this year. He shares MUTA's goals of fair taxation and better and more accountable government. Joe also wanted to modernize MUTA to make it more efficient, greener, and more accessible to all. Joe is a life-long Marin resident with two children, ages 5 and 3. Joe is a Bay Area attorney specializing in mediation and litigation.

Joining Joe on the board is another new person you may have noticed on the list of board members. Michael Rothman is not only a new board member, but agreed to take over the Treasurer's post from retiring board member Michael Hartnett (no, we didn't just change last names). Michael comes to us as an experienced businessman in San Francisco. His experience includes running his own internet store. Why didn't we include his picture? One reason is that we didn't have it, but a further reason is we have to give him a reason to smile. See the next section for how you can help.



MEMBERSHIP DUES INFORMATION

We're in another year and we have to ask you to help us carry on from here. We've been active this last year in bringing to your attention what we think are important Marin County issues. Our time is volunteered but we can't expect the newsletter printer or the post office to donate their costs. Your dues are important to keep us alive. Basic MUTA membership costs \$10/yr. *However, if you are able to add a few more dollars, it would help a lot.*

Note any address changes on the Information Form we've included and let us know any areas where we should turn our attention. Stuff the Form and your check into the stamped membership dues envelope pre-addressed to MUTA and drop it into the mailbox. In advance, you have our deepest thanks for your help!

A Closing Thought – Proposition 13 must be protected at all costs. It is the bulwark against Sacramento craziness.