Hefty retiree package for Meeks Bay fire chief

By Kathryn Reed

Questions are swirling on the West Shore and in Placerville because of the package John Pang received when he retired as fire chief from Meeks Bay Fire Protection District earlier this year.

Pang, who worked for the district from January 1995 to April 2014, will receive a $6,746.09 check each month in retirement pay, according to CalPERS. That's $80,953.08 a year to do nothing. It's possible the monthly rate will be recalculated once CalPERS has all of the 2014 payout information.

While he was fire chief his total wages were $146,212 in 2013 and $131,776 in 2012. This was to manage a handful of employees. Meeks responds to about 200 calls a year, most of which are medical aid.

This compares to the South Lake Tahoe fire chief who oversees 37 employees and is paid $157,131.73 per year. In 2013 the South Lake Tahoe Fire Department responded to 3,293 calls; approximately 70 percent were medical aid.


John Pang

When members of the Meeks district, who have voluntarily voted to tax themselves to help pay for fire costs, started asking questions the district had outside counsel look into the legalities.

Ed Miller, president of the fire district board, had a prepared statement ready when *LTN* called. He told *Lake Tahoe News* further questions could be asked in public at the next board meeting later this month. The statement states that Stephen Lieberman, independent counsel, reviewed Pang's contract, salary, sick and vacation pay and determined it did not violate CalPERS rules and there was no gifting of public money.

The statement says, "Chief Pang retired with well earned retirement benefits …."

Miller, at the urging of Lieberman, is not releasing the attorney's full report. Attorney-client confidentiality was cited.

In 2012, the state Public Employee Retirement System instituted new rules, part of the Public Employees Pension Reform Act. Some of the changes deal with spiking of salaries. This means generating questionable extra pay in the last few years to inflate what the pension payout will be.

CalPERS is using Pang's last year of wages to calculate his pension. His last year is inflated because of the sick time and vacation payouts.

In 2012, Pang exercised his contractual option to receive a 7.3 percent salary increase in lieu of the district continuing to pay 8 percent into deferred compensation.

In July 2012, El Dorado County Auditor-Controller Joe Harn sent a letter to Miller stating, "Implementing this change will cause an increase to your district PERS actuarial rate for many years to come. Additionally, implementing this change could be construed as income spiking. CalPERS is very sensitive to cases of income spiking and has a research unit dedicated to the review of these potential cases."

Rosanna Westmoreland with CalPERS said while the agency does 20 to 30 audits a year, spiking and other inappropriate actions are usually investigated when someone anonymously calls the ethics hotline – 866.513.4216. Meeks Bay Fire has not been audited, according to Westmoreland.

"Unless it's reported, we don't look to see if there is something inappropriate," Westmoreland told *Lake Tahoe News*.

CalPERS relies on the public agency to provide the salary and compensation information for retirees.

Another issue involving Pang is that he used sick leave hours to buy credit in the CalPERS system. In a letter dated July 25, 2014, Harn questions Miller about the legitimacy of doing this. Pang's final termination pay was worth $503,597. Of that, $302,939 was to be used to purchase additional PERS service from his unused sick leave.

"Since a significant portion of these sick leave hours were awarded to Pang pursuant to his various employment contracts and not accrued by Pang, I believe that it is inappropriate that these hours be used to purchase PERS credits," Harn wrote.

The district has never responded to Harn.

Included in that final half million-dollar payout was $195,012.54 for Nationwide to pay for Pang's post-employment health plan. In other words, part of his ongoing perks are taxpayer funded health benefits for the rest of his life.

Ken Corcoran, a resident of the fire district and retired auditor-controller from Contra Costa County, raised similar and more questions. In a May 28, 2014, letter to the board, Corcoran said at most Pang should have been able to accumulate about 1,900 hours of sick time if he never called in sick. But the district paid out 5,080 worth of hours.

"… it is my belief that the proposed conversion of sick leave hours to service time will create an unfunded liability for the district, resulting in many years of increased retirement rates to cover this shortfall," Corcoran wrote.

In public comments at the May board meeting, Corcoran submitted a letter stating, "I can honestly say that in my extensive work experience in the area of compensation I NEVER encountered a pay package so generous in almost every category. Considering the district has five full time employees, the pay and benefits provided to the chief appear wildly excessive."

(Miller said in the last couple years the board has changed the compensation package for all new hires.)

Corcoran questioned the comp time vs. administrative leave, and the fact the board allowed Pang to accrue 25 weeks of vacation. (He received five weeks per year.)

But these are all things Miller, the board president, said his investigator found to be legal.

The ethics, according to others, is another matter.

El Dorado County has given the district $2,191,172 from fiscal year ending 2001 through fiscal year ending 2010 because Meeks fire cried poor and needed help.

The residents are paying for fire service. Each parcel is assessed $325 per year. Voters approved Measure Z in 1992 at $85 and Measure R in 1998 at $45. The board imposed a fire protection assessment of $195 in 2009.