



Town of Yountville

"The Heart of the Napa Valley"

June 17, 2014

The Honorable Mark A. Boessenecker
Superior Court of California
County of Napa
825 Brown Street
Napa, CA 94599

FILED

JUN 24 2014

Clerk of the Napa Superior Court
By: C. Baerman
Deputy

Subject: Response to the Grand Jury 2013-2014 Final Report titled *A Review of Public Employee Retirement Benefits for Each Napa County Jurisdiction: Working together for a Sustainable Future* (dated April 3, 2014)

Dear Judge Boessenecker:

The Town of Yountville has received a copy of the above noted Grand Jury Report. The Town Council has reviewed its findings and recommendations and appreciates the work effort the Grand Jury took in compiling this report. Consistent with PC 933.05, the Town of Yountville provides this response to the report recommendations.

Recommendation

The Town of Yountville is required to respond to two recommendations, as follows.

R1. Napa County Board of Supervisors and the incorporated Napa jurisdictions should form a pension/OPEB committee with appropriate financial and human resource management support to establish a communication process and a planning best practices platform to share insights and collaborate on strategies for addressing and managing pension/OPEB funding.

R2. Napa County Board of Supervisors and the incorporated Napa jurisdictions should, through the pension/OPEB committee, issue an annual report that summarizes each entity's pension/OPEB funding status at the end of each fiscal year.

Response

R1. The Grand Jury did an excellent job researching and reviewing retirement and post-employment benefit costs for each jurisdiction in Napa County. However, I would like to put this information in a broader, statewide context. Each city in Napa County is a member of the League of California Cities. This statewide organization provides substantial research and information on topics of interest to cities. In the last several years, the subject of retirement costs has been on the forefront of everyone's minds and the League has created a webpage of information on this topic (www.cacities.org/Policy-and-Advocacy/Hot-Issues/Pension-

[Information-Center.aspx](#).) Through this page as well as numerous regional and statewide meetings, the Town of Yountville, and the other cities in Napa County, has gained considerable insight into best practices, legislative constraints, PERS policy, and labor union interests. The County of Napa is a member of the California State Association of Counties, an organization that provides similar support for counties.

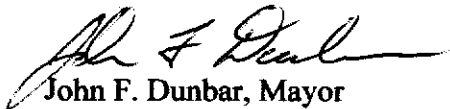
Moving to the more local level, each jurisdiction must work with their unique labor unions and comply with our existing labor contracts. Our fiscal situations are different, as are our labor contracts, and it would not be possible for all jurisdictions in the county to be consistent in the provision of retirement and OPEB benefits.

The Town of Yountville wholeheartedly agrees that the more information we share with our peers about best practices and issues related to pension and OPEB funding, the more insight we can gain and the better we can plan for the future. However, I believe that this sharing of information is already well-developed as our Finance Directors meet periodically and our City/Town Managers and County Managers meet monthly. Forming an additional committee locally would be duplicative to what already exists and of other statewide and regional efforts already in place.

R2. Every year, each jurisdiction is required to contract with independent auditors and complete a thorough audit of the agency's financial position. A major component of this audit is an analysis of pension and OPEB liabilities and details of review is found in each jurisdiction's annual audit report. The Town of Yountville's most recent audit, which is available on the Town's website, includes several pages of information about our funding status. This audit is updated and available to the public every year. We agree that the public should be informed about post-employment funding obligations, but believe the annual report recommended by the Grand Jury is already provided in each jurisdiction's annual audit report.

Thank you for the opportunity to review and comment on the Grand Jury report. Please contact our Town Manager, Steven Rogers, if you have any questions.

Sincerely,



John F. Dunbar, Mayor

cc: Steven Rogers, Town Manager
Kathleen Bradbury, Finance Director
Michelle Dahme, Town Clerk