

**RESPONSE TO GRAND JURY REPORT FORM
Town of Tiburon**

Report Title: *Marin's Retirement Health Care Benefits*

Report Date: *May 10, 2017*

Public Release: *May 17, 2017*

Response By: *Town of Tiburon*

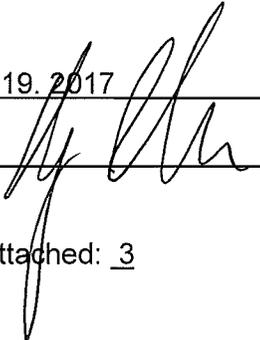
FINDINGS

- We agree with the findings numbered: Response not required.
- We disagree with wholly or partially with the findings numbered: Response not required.

RECOMMENDATIONS

- Recommendations numbered 4, 6,7,8,9 have been implemented.
- Recommendations numbered: NA have not yet been implemented, but will be implemented in the future.
- Recommendations numbered: 1, 2, 3 require further analysis.
- Recommendations numbered: 5 will not be implemented because they are not warranted or are not reasonable.

Date: July 19, 2017

Signed: _____


Number of pages attached: 3



Office of the Town Manager

July 20, 2017

The Honorable Kelly Simmons
Judge of the Marin County Superior
Court
Post Office Box 4988
San Rafael, CA 94913-4988

Mr. Jay Hamilton-Roth, Foreperson
Marin County Civil Grand Jury
3501 Civic Center Drive, Room 275
San Rafael, CA 94903

Re: Response to Grand Jury Report
Marin's Retirement Health Care Benefits

Dear Honorable Judge Simmons and Mr. Hamilton-Roth:

This letter explains in detail the Town of Tiburon's response to the Civil Grand Jury Report dated May 10, 2017. The Report directs the Town to respond to Recommendations Nos. 1-9.

RECOMMENDATIONS

Recommendation 1- Each agency should adopt a formal, written policy for contributions to its OPEB plan.

Recommendation 2- Each agency's standard practice should be to consistently satisfy its formal, written OPEB contribution policy.

Recommendation 3- Each agency's OPEB contribution policy and practice should support a projection under GASB 75 that its OPEB plan assets will be sufficient to make all projected OPEB benefit payments.

Recommendation 4- Each agency that uses special reserve funds for Postemployment Benefits should transition to a trust meeting the criteria of GASB 75.

Recommendation 5- Each term of service, elected or appointed officials of each agency should take a public agency financial class.

Recommendation 6- Each agency should make its CAFRs, Audits, and GASB valuations more readily understandable by the general public.

Recommendation 7- Each agency should ensure that all of its public financial presentations are more readily understandable and scheduled during hours convenient for the public.

Jim Fraser
Mayor

Emmett O'Donnell
Vice Mayor

Frank X. Doyle
Councilmember

Alice Fredericks
Councilmember

Erin Tollini
Councilmember

Greg Chanis
Town Manager



Recommendation 8- Each agency should have the following downloadable and text-searchable documents readily accessible on their website: the last five years of CAFRs/Audits and the last three actuarial reports.

Recommendation 9- Before the next round of bargaining begins, each agency should prioritize the cost containment strategies to be used, including reducing or eliminating OPEB benefits for future employees.

Town's Response to Recommendations:

Response to Recommendation 1: This recommendation requires further analysis. The Town of Tiburon recently issued a Request for Proposals for firms to serve as the Town's Municipal Advisor. We expect to work with the advisor on a number of issues related to the Town's finances, including an analysis of the Town's OPEB liability. Based on that analysis, the Town may choose to develop a written policy.

Response to Recommendation 2: This recommendation requires further analysis. As indicated in the Town's response to Recommendation 1, the Town may develop a written policy regarding OPEB in the future, but it does not have one at this time. If the Town chooses to develop a written policy regarding OPEB in the future, it would be with the intent that subsequent actions would be taken to comply with the policy.

Response to Recommendation 3: This recommendation requires further analysis. As indicated in the Town's response to Recommendation 1, the Town may develop a written policy regarding OPEB in the future, but it does not have one at this time. Therefore, it would be premature to speculate as to what the provisions of that policy will be.

Response to Recommendation 4: This recommendation has already been implemented. The Town of Tiburon established a trust, which meets the criteria of GASB 45, in October 2016. The current balance in that account is approximately \$1,350,000, and the adopted Fiscal Year 2017-2018 Budget allocates an additional \$290,000 for this purpose.

Response to Recommendation 5: This recommendation will not be implemented because it is not warranted or is not reasonable. Elected and appointed officials routinely consider matters on a wide range of complex issues, including public finance matters. Although there may be a benefit for these officials to participate in a 'class' on each of these issues, it is unreasonable to require, them to do so. On every issue considered by our elected and appointed officials, town staff strives to provide sufficient information for these individuals to make informed decisions.

Response to Recommendation 6: This recommendation has already been implemented. CAFR's, Audits and GASB valuations are complex financial



documents. Town staff endeavors to make them as understandable and readable as possible, and we do not have a record of residents voicing concerns on this matter.

Response to Recommendation 7: This recommendation has already been implemented. Staff strives to make all presentations related to financial matters as understandable as possible. This typically includes a summary narrative as well as a simplified summary visual (PowerPoint) presentation at public Town Council meetings. These meetings are scheduled on weekday evenings to encourage participation by residents.

Response to Recommendation 8: This recommendation has already been implemented. These documents can be found under the Administration & Finance page of the Town's website: <http://townoftiburon.org/154/Administration-Finance>. The page is one click away from the home page using the "Financial Reports" link in the mega-menu. All are downloadable and text-searchable.

Response to Recommendation 9: This recommendation has already been implemented. As of Fiscal Year, 2013, the Town of Tiburon no longer offers post-employment medical benefits to new employees.

The Tiburon Town Council reviewed and approved this response on July 19, 2017, at a duly noticed and agenda'd public meeting. If you have further questions on this matter, please do not hesitate to call.

Very truly yours,



GREG CHANIS
Town Manager

cc: Town Council
Town Attorney