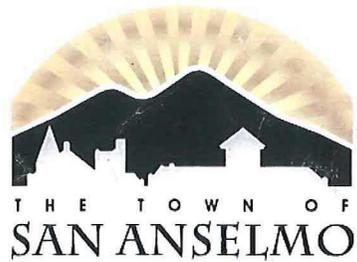


Scanned

Kay Coleman
Mayor

Tom McInerney
Vice Mayor



Ford Greene
Councilmember

John Wright
Councilmember

Matt Brown
Councilmember

525 San Anselmo Avenue, San Anselmo, CA 94960-2682
www.townofsananselmo.org
(415) 258-4600 | Fax (415) 459-2477

August 8, 2017

The Honorable Kelly V. Simmons
Marin County Superior Court
P.O. Box 4988
San Rafael, CA 94913-4988

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

Re: Response to the June 5, 2017 Civil Grand Jury Report titled "The Budget Squeeze - How Will Marin Fund Its Public Employee Pensions?"

Dear Judge Simmons and Mr. Hamilton-Roth:

The Town Council of the Town of San Anselmo has received a copy of the June 5, 2017 Civil Grand Jury Report titled "The Budget Squeeze - How Will Marin Fund Its Public Employee Pensions?"

As required, I have enclosed the Town Council's response to Recommendations R3, R4 and R8.

Please do not hesitate to contact me should you need additional information or clarification.

Respectfully,

Kay Coleman
Mayor

**TOWN OF SAN ANSELMO
RESPONSE TO RECOMMENDATIONS
MARIN COUNTY CIVIL GRAND JURY THE
BUDGET SQUEEZE:**

HOW WILL MARIN FUND ITS PUBLIC EMPLOYEE PENSIONS?

Recommendation 3:

Agencies should publish long-term budgets (i.e., covering at least five years), update them at least every other year and report what percent of total revenue they anticipate spending on pension contributions.

Response to Recommendation 3:

The Town will be hiring an outside firm to analyze the Town's overall long-term liability and revenue structure to develop a comprehensive funding plan and 5-year forecasting for its General Fund to ensure the Town will be able to meet its obligations in the long run.

Recommendation 4:

Each agency should provide 10 years of audited financial statements and summary pension data for the same period (or links to them) on the financial page of its public website.

Response to Recommendation 4:

This recommendation has been implemented. The Town's website provides links to audited financial statements going back to 1942. Under GASB 68, 10-year pension data is required to be disclosed in the Town's financial statements as required supplementary information. Due to the methodology and format changes required under GASB 68, a new 10-year history is in the process of being built, with each new reporting year. Fiscal Year (FY)16-17 will mark the third year that the Town reports under this format.

Recommendation 8:

Public agencies and public employee unions should begin to explore how introduction of defined contribution programs can reduce unfunded liabilities for public pensions.

Response to Recommendation 8:

As stated in the Grand Jury report, transitioning from a defined benefit plan to a defined contribution plan is precluded by current statutes and the costs associated with terminating the current plan. Any modifications to the structure of the plan would require changes to the statutes that govern plans under the Public Employees' Retirement law of 1931, in addition to negotiating changes with the affected labor units. As the Town hires new employees who have not previously been part of California Public Employees Retirement System (CalPERS) or a reciprocal retirement system, they fall under the California Public Employees' Pension Reform Act (PEPRA) rules, which limits the Town's pension liability. The Town is supportive of any and all legal alternatives that can be negotiated with labor groups to limit financial exposure.