

# CITY OF CALISTOGA

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June 18, 2014

The Honorable Mark S. Boessenecker  
Presiding Judge  
Napa County Superior Court  
825 Brown Street  
Napa, CA 94559

## FILED

JUN 24 2014

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

**SUBJECT: Response to the Grand Jury 2013-2014 Final Report – A Review of Public Employee Retirement Benefits for Each Napa County Jurisdiction**

Dear Judge Boessenecker,

The Calistoga City Council has reviewed the findings and recommendations contained in the Grand Jury 2013-2014 Final Report – A Review of Public Employee Retirement Benefits for Each Napa County Jurisdiction. This report specifically requested that the City of Calistoga respond to the following recommendations:

*Recommendation 1: Napa County Board of Supervisors and the incorporated Napa jurisdictions form a pension/OPEB committee with appropriate financial and human resources management 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.*

As required by Penal Code Section 933 (c), the following is the City of Calistoga response:

R1. Each jurisdiction has vastly different circumstances and different options available for managing pension and OPEB funding. What may be a best fit for one agency will not necessarily be the best fit for another. For example, Calistoga has ten retirees in total, while City of Napa has hundreds. That being said, there could be some value in meeting together to discuss pension funding and managing the pension and OPEB liabilities, but the best options for each agency may be very different.

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It would be helpful for the various agencies to share information on options for funding an OPEB trust fund so that the local agencies are able to manage investments to maximize returns within the confines of the limited allowable investments, and reduce the reliance on CalPERS' and other agencies' investment advisors.

*Recommendation 2 – Napa County Board of Supervisors and the incorporated Napa jurisdictions 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.*

As required by Penal Code Section 933 (c), the following is the City of Calistoga response:

R2 – All agencies are issued an actuarial report from CalPERS on an annual basis, and are required to have an actuarial valuation performed on the OPEB liability every 2-3 years, depending on agency size. All of these reports are public information. Also, the comprehensive annual financial report (CAFR) is prepared by the city auditor each year. This document does list the unfunded liabilities of our PERS retirement benefits as well as the OPEB. This is presented at public meeting and posted on our web site. The City of Calistoga is willing to share this information as it becomes available to be part of a larger presentation if requested.

Appendix F lists the Calistoga Pension/ Post Employment Benefits in summary format. There are gaps in the information. Staff did respond to Grand Jury foreman as soon as it received the report, but it was already finalized. The appropriate information is attached to this letter.

Thank you for the opportunity to comment. The Grand Jury is to be commended for its work on behalf of the citizens of Napa County.

Sincerely,



Chris Canning  
Mayor

Attachment- Calistoga 2013/2014 Budget and PERS Information

**NCGJ 2013/2014**

JURISDICTION:	Calistoga					
<b>Category:</b>						
<b>2013/2014 BUDGET</b>	Miscellaneous			Safety		
<b>Retirement Tier</b>	Tier 1	Tier 2	PEPRA	Tier 1	Tier 2	PEPRA
<b>Retirement Formula</b>	2.5% @ 55	2% @ 60	2% @ 62	3% @ 55	2.0% @ 55	2.0% @ 57
<b>Total Budget (All Funds)</b>	\$17,250,888					
<b>Total Payroll</b>	\$2,421,026			\$1,195,929		
<b>PERS Contribution - Employer</b>	\$514,052			\$443,279		
<b>PERS Contribution (Employee)</b>						
<b>Employee PERS Contribution</b>	8%	7%	6.25%	9%	7%	9.50%
<b>% of Payroll (PERSable) Employer rate</b>	21.2%			37.1%		
<b>% of Total Budget</b>	3.0%			2.6%		
<b>OPEB Contribution - Employer</b>	\$206,923					
<b>OPEB Contribution - Employee</b>	\$0					
<b>% of Payroll OPEB - Employer rate</b>	5.7%					
<b>OPEB % of Total Budget</b>	1.2%					
<b>2012/2013 ACTUAL</b>	Miscellaneous			Safety		
<b>Total Budget (All Funds)</b>	\$14,091,011					
<b>Total Payroll</b>	\$2,339,294			\$1,206,006		
<b>PERS Contribution (City)</b>	\$ 393,293	\$ 5,748	\$ 3,847	\$ 357,610	\$ 13,642	\$ -
<b>PERS Contribution (Employee)</b>	\$ 148,323	\$ 5,121	\$ 3,763	\$ 102,101	\$ 6,096	\$ -
<b>% of Payroll (PERSable) Employer Rate</b>	17.2%			30.8%		
<b>% of Total Budget</b>	2.9%			2.6%		
<b># of Employees</b>	23	4	3	12	2	0
<b>Funded PERS Ratio AVA</b>	70.3%	N/A	N/A	72.1%	N/A	N/A
<b>Funded PERS Ratio MVA</b>	62.9%	N/A	N/A	64.6%	N/A	N/A
<b>OPEB Contribution - Employer</b>	\$185,227					
<b>OPEB Contribution - Employee</b>	\$0					
<b>% of Payroll OPEB - Employer rate</b>	23.9%					
<b>OPEB % of Total Budget</b>	1.3%					
<b>Funded OPEB to AVA</b>	33% estimated					