



Southern Marin Fire Protection District

308 Reed Boulevard
Mill Valley, California 94941

Phone: 415 388-8182 Fax: 415 388-8181

November 10, 2015

John Mann, Foreperson
Marin County Civil Grand Jury
3501 Civic Center Drive, Room 275
San Rafael, CA 94903

Dear Mr. Mann,

This is to acknowledge receipt of your letter dated November 3, 2015 and to provide a response to the follow up questions from the Grand Jury Report titled, "*Pension Enhancements: A Case for Government Code Violations and A Lack of Transparency*".

As you note in your letter that Grand Jury Report included three recommendations. Below are those recommendations, our original response, and the current status.

RECOMMENDATIONS

R1. The Employers develop, adopt and implement a policy and procedures (including staff training) to prevent future violations of the California Government Code when increases in pension benefits are proposed. The Employers should consider making their legal counsel responsible for ensuring compliance with the Government Code.

Response: The recommendation has not yet been implemented, but will be implemented within the next six months. The District is a relatively small employer with a limited budget. The procedures will need to be adapted to the District's size and structure. Since the current version of § 7507 requires the chief executive officer in the entity to be informed regarding a covered change, that person is in the best position, with advice of legal counsel when needed, to ensure compliance.

Status: Completed. At the August 26, 2015 Fire District Board Meeting, the Board adopted two policies regarding this recommendation. They are titled, "Government Code 7507 Compliance Policy" and "Agendizing Responses to Grand Jury Reports". These

policies have been reviewed and approved by legal counsel. A copy of these policies is attached.

R2. The Employers develop, adopt and implement a policy for “reporting out” to the public regarding the employment and pension costs in terms of the amount and the Employer’s ability to pay on a current cash flow basis.

Response: This recommendation has not been formally adopted and implemented, but will be implemented within the next six months. This information is already reported through the documents utilized by the Finance Committee and the full Board in the development and adoption of the District’s budget. The policy will seek to formalize and expand on this process consistent with the recommendation.

Status: Completed. At the August 26, 2015 Fire District Board Meeting, the Board adopted two policies regarding this recommendation. They are titled, “Government Code 7507 Compliance Policy” and “Agendizing Responses to Grand Jury Reports”. These policies have been reviewed and approved by legal counsel. A copy of these policies is attached.

R3. Each Employer establish a Citizens’ Pension Oversight Committee comprised of resident tax payers who would: 1.) review pension funding levels in light of the Employer’s ability to pay; 2.) review proposed pension changes before final Employer approval of any collective bargaining agreement; 3.) review the Employer’s compliance with Government Codes related to pensions; 4.) develop written quarterly reports for the public as to the financial security of the pension fund.

Response: This recommendation requires further analysis which will be completed within six months from the date of publication of the Grand Jury Report. This District is a relatively small employer with a limited administrative staff. This recommendation is better suited to the larger employers with more active retirement programs. The District needs to determine if this recommendation is reasonable and practical for its organization or how it may be adapted.

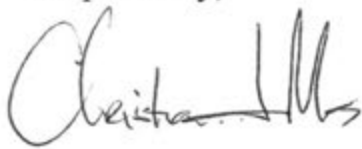
Status: Partially Completed. With respect to bullet point one (1): As residents elected to the Board of Directors, the Board has determined that this recommendation is the responsibility of the Board of Directors and not an oversight committee. All District Finance information is reviewed monthly by the Finance Committee and the Full Board. GASB 68 now requires the District to report the pension liability on the monthly balance sheets. Both of the Finance and Board meetings are open to the public and the documents are placed online.

With respect to item two (2): The intent of the policies that have been adopted as a result of this grand jury report, is to address this very item. Additionally, the meetings listed in item (1) work in support of achieving the intent of this item.

With respect to item three (3): The intent of the policies that have been adopted as a result of this grand jury report, is to address this very item. Additionally, the meetings listed in item (1) work in support of achieving the intent of this item.

Finally with respect to item four (4): we believe this is the responsibility of MCERA, though we are currently working with them to further evaluate item four (4).

Respectfully,

A handwritten signature in black ink, appearing to read "Christian Tubbs". The signature is written in a cursive, flowing style with a large initial "C".

Christian Tubbs, Fire Chief
Southern Marin Fire District

