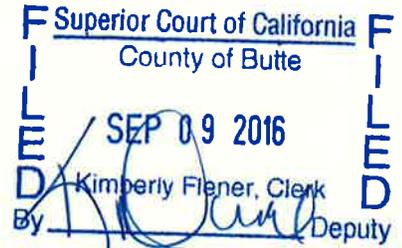




CITY OF OROVILLE
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September 6, 2016

The Honorable Robert A. Glusman, Presiding Judge
c/o Court Administration
Butte County Superior Court
One Court Street
Oroville, CA 95965

Re: *City of Oroville's Response to 2015-2016 Grand Jury Report*

Dear Judge Glusman:

Pursuant to Penal Code section 933, subsection (c), the City Council has reviewed the 2015-2016 Grand Jury Final Report ("Report") regarding unfunded pension liabilities. In preparing this response, information and input was obtained from various sources, including the Acting City Administrator and Finance Director. In response to the Report, released June 24, 2016, the City Council unanimously approved the following response in a public session of its duly noticed meeting held on September 6, 2016.

FINDINGS

F1. Calculation of the unfunded liability is complex and unique to each municipality.

Response: Agree.

F2. The five Cities in Butte County and the County itself have unfunded liabilities primarily due to CalPERS pension costs

Response: Agree as to the City of Oroville; the City of Oroville has no information related to the unfunded liabilities of other public agencies.

F3. Additional unfunded liabilities exist for retiree health care, but these are not yet on the balance sheets.

Response: Agree.

F4. Increases in a governmental entity's unfunded liability would impact its financial status and credit rating.

Response: Agree.

F5. Municipal contributions to CalPERS are projected to continue to rise which will result in pressure to cut services and/or require additional revenue.

Response: Agree.

F6. The unfunded liability is likely to increase for many years before it begins to decrease.

Response: Agree.

RECOMMENDATIONS

R1. The County and Cities should post their CAFR and CalPERS Actuarial Valuations Reports on their websites.

Response: Has been implemented.

The City of Oroville currently posts CAFR Reports on its website. The City will post its CalPERS Actuarial Valuations Reports as it receives them. The City of Oroville cannot respond as to the other public agencies.

R2. The County and Cities should report on their unfunded liabilities, contribution rates and trend lines.

Response: Has been implemented.

The City of Oroville reports on unfunded liabilities, contribution rates, and trend lines on its CAFR Reports, which are already posted on the City's website. The City of Oroville cannot respond as to the other public agencies.

R3. The County and Cities should conduct an analysis similar to the Bartel report and make that information available to the public on their websites.

Response: Will be implemented.

Staff members for the City of Oroville will conduct an analysis similar to that contained in the Bartel report and will engage an outside consultant to peer review the analysis. The City of Oroville will complete the study and will make its findings available to the public on the City's website when completed. The City of Oroville cannot respond as to the other public agencies.

HOMELESSNESS IN BUTTE COUNTY

In addition, the City Council hereby responds to the request addressed to the City of Oroville Police Department. As in prior years, the Butte County Grand Jury's request for responses by the "City of Oroville Police Department" violates Penal Code section 933, subsection (c), which provides that the "governing body of the public agency" shall comment on the Grand Jury's findings and recommendations. In preparing this response, information and input was obtained from various sources, including the Chief of Police.

RECOMMENDATION

R1. Local law enforcement agencies should explore more accurate ways to track dispatch calls involving homeless people, so the economic impact of the law enforcement effort can be determined.

Response: Will not be implemented.

The City of Oroville Police Department's current Computer-Aided Dispatch

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system (“CAD”) does not currently have the ability to track dispatch calls involving homeless people. When the Police Department updates its CAD system, it will review the feasibility of tracking such calls. For now, the City and Police Department’s priority is on eradicating homelessness. The City already recognizes the significant expense homelessness poses on the law enforcement budget. As such, the City will focus its strained resources on eradicating homelessness rather than on further research for a well-defined problem.

Respectfully submitted,

City Council of the City of Oroville, California



Linda Dahlmeier, Mayor

cc: Oroville City Council
Donald L. Rust, Acting City Administrator
Scott E. Huber, City Attorney