



CITY OF BUENA PARK

OFFICE OF THE MAYOR

September 15, 2014

Honorable Glenda Sanders
Presiding Judge of the Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

Dear Judge Sanders:

In compliance with the Penal Code Section 933.05, enclosed are the required responses from the City of Buena Park in reference to the 2013-2014 Orange County Grand Jury report, "Orange County City Pension Liabilities – Budget Transparency Critically Needed."

Please feel free to contact me should there be any questions regarding these responses.

Respectfully,

Steve Berry
Mayor

Cc: Orange County Grand Jury



Grand Jury Report Responses

FINDINGS

- F1. The respondent agrees with the finding as applied to Buena Park.
- F2. The respondent agrees with the finding as applied to Buena Park.
- F3. The respondent agrees with the finding as applied to Buena Park.
- F4. The respondent partially disagrees with this finding as the current city budget information and prior year budgets are available on the Buena Park website. The respondent cannot comment on the policies of other cities.
- F5. The respondent partially disagrees with this finding as the City does include prior year data for Buena Park in its budget document. The respondent is not certain about other cities.
- F6. The respondent partially disagrees. The City does have information noting changes and key assumptions to budget amounts, included in the City Manager's budget message. The respondent is not aware of other cities' budgets and cannot comment.
- F7. The respondent agrees with the finding. The City has adopted a policy for the City's various reserve levels. This separate document is not included in the budget.
- F8. The respondent agrees with the finding.
- F9. The respondent agrees with the finding. The City's Comprehensive Annual Financial Report (CAFR), which is posted on the City's website, has a discussion on this information.

- F10. The respondent agrees with the finding.
- F11. The respondent agrees with the finding. The CalERS Annual Validation Reports for Miscellaneous and Safety City employees is not available on the City's website. However, this report is available to the public on the CalPERS website for every city.
- F12. The respondent agrees with the finding.

RECOMMENDATIONS

- R1. This recommendation has been implemented. The prior three adopted budgets are available on the City's website.
- R2. This recommendation will not be implemented. The current City budget is for two years. The respondent believes that the inclusion of five years of projected revenues and expenditures would not be reliable. Additionally, the City does not have a policy to include such information.
- R3. This recommendation has been implemented. The City has always shown pension contributions as a separate line item in the budget. The current budget does not show employee contributions because the employees are paying those costs.
- R4. This recommendation requires further analysis. The City Council plans to hold a study session to discuss the City's reserve policy and unfunded pension liabilities related to CalPERS and OCERS by January 2015. Following Council's direction, the City will forward its analysis and policy decision to the Grand Jury for their review within six months.
- R5. This recommendation requires further analysis in regards to the CalPERS catch-up contributions and risks associated with CalPERS' projections. The City will provide further analysis of this review within six months.
- R6. This recommendation requires further analysis by OCFA in regards to their projections of future costs of service levels and the relationship between those projected costs and pension costs. The City will provide the Grand Jury with more information within six months.
- R7. This recommendation will not be implemented as it is unwarranted. CalPERS already provides this information for each City and is available to the public on its website.