

**Board of Supervisors Meeting
August 20, 2024**

Presented by
Erin Mettler, Deputy County Executive Officer
Jeffrey Thorsby, Chief of Staff



Grand Jury Reports

**2023-2024 Nevada County Civil
Grand Jury Responses**

Nevada County's Ability to Meet
Future Pension Obligations

FIRE! Challenges of a Small, Rural
Fire District

Grand Jury Purpose & Overview

- Investigate the operations of all county agencies, special districts, schools, and other entities that receive public money.
- Issues are chosen by the jurors based on citizen-initiated complaints and on the will of the jurors.
- The jury is required to annually inspect all public prisons in the county.
- The jury may investigate the efficiency of all local government activity, audit financial records, and review all public records.
- The deliberations are conducted in secrecy and jurors are sworn to maintain confidentiality for life.

Purpose & Overview, cont.

- Grand Jury Issues Reports include Findings and Recommendations
- Identified public agencies are required to respond to the findings per Penal Code Section 933.05 within 90 days
- Responses incorporate:
 - Examination of County records
 - Interviews
 - Review of CEO and County Counsel
 - Incorporate any requested department responses

2023/24 Civil Grand Jury Reports

1. **Follow the Money: Fire Safe Council's Accountability Problems from 2022 Continue...and Appear to Worsen (4/8/24) – Responded on June 25, 2024**
2. **Nevada County's Ability to Meet Future Pension Obligations (6/3/24)**
3. **FIRE! Challenges of a Small, Rural Fire District (6/3/24)**



Requested Responses of the County

Nevada County's Ability to Meet Future Pension Obligations

Requested Responses:

- Findings 1, 2, 3, 4, 5
- Recommendations 1, 2, 3

Nevada County's Ability to Meet Future Pension Obligations

F1: The county pension plan currently lacks the funds to meet foreseeable pension-payment obligations, having only about 68% of the necessary funds.

Response: Disagree.

F2: If unfunded liabilities continue to rise, the county will have to increase revenues by increasing taxes, reduce expenses and the operations they fund (or a combination of the two), or become unable to make pension payments.

Response: Partially Disagree.

Nevada County's Ability to Meet Future Pension Obligations

F3: Because of economic fluctuations and existing unfunded liabilities, the county has decided that issuing bonds is not a good way to address the problem.

Response: Agree.

F4 : The constant rise in CalPERS's-required annual amortization payments shows that CalPERS predictions of financial recovery are highly questionable.

Response: Partially Disagree.

Nevada County's Ability to Meet Future Pension Obligations

F5: The county does not appear to have any realistic plan to address the steady increases in the total amount of unfunded debt the county and its taxpayers will owe its retirees.

Response: Disagree.

R1: The county should consider offering voters the opportunity to approve a special tax to resolve the unfunded-liabilities problem.

Response: The recommendation will not be implemented.

Nevada County's Ability to Meet Future Pension Obligations

R2: If the county decides not to approach the problem through a special tax, it should, within six months, produce a comprehensive plan to eliminate the unfunded pension liabilities.

Response: This recommendation has not yet been implemented, but will be implemented over the next year.

R3: The county should consider withdrawing from CalPERS and employing an institutional investment advisor with a better performance record than CalPERS achieves.

Response: This recommendation will not be implemented.

Nevada County's Ability to Meet Future Pension Obligations

Questions



Requested Responses of the County

FIRE! Challenges of a Small, Rural Fire District

Requested Responses:

- Findings 3,4
- Recommendations 3,4

FIRE! Challenges of a Small, Rural Fire District

F3: OHF's lacks the finances to hire the staff it needs.

Response: Agree.

F4: OHF's finances as a stand-alone district will not improve without increasing the annual tax assessment.

Response: Partially Disagree.

FIRE! Challenges of a Small, Rural Fire District

R3: If the OHF Board of Directors has not taken either of the actions in Recommendations 1 or 2 within 60 days, the Nevada County Board of Supervisors should immediately conduct an assessment of OHF operations to determine if the community continues to be at risk.

Response: This recommendation will not be implemented.

R4: If the Board of Supervisors determines that the Ophir Hill community is at risk, it should ask Local Area Formation Commission to initiate consolidation of OHF with other districts:

Response: This recommendation will not be implemented.

Recommendation – Approve the Recommended Responses to the Civil Grand Jury for the 2023/2024 Reports:

Nevada County's Ability to Meet Future Pension Obligations (6/3/24)

FIRE! Challenges of a Small, Rural Fire District (6/3/24)

Questions