



Agenda Date: 1/16/2018

Agenda Placement: 4B

Napa Sanitation District Finance Committee Board Agenda Letter

TO: Finance Committee
FROM: Jeff Tucker - Director of Administrative Services/CFO
NS-Administration
REPORT BY: Jeff Tucker, Director of Administrative Services/CFO - 707-258-6000
SUBJECT: Provide Direction on Funding Options for Pension and OPEB Liabilities

RECOMMENDATION

Provide direction on funding options for pension and OPEB liabilities.

EXECUTIVE SUMMARY

Staff will provide information to the Committee on the current status of CalPERS pension unfunded liability status, NapaSan's current and projected pension liability and costs, and present potential options for lowering both the liability and the costs, without making changes to the benefits provided to employees.

Options that the Committee will be presented include:

1. Pay-Go (continuing to pay the minimum, as determined by CalPERS)
2. Make payments from one-time salary savings derived from position vacancies
3. Make additional payments when the side fund expires and the minimum amounts due temporarily decrease
4. Make additional payments from savings derived from debt refinancing
5. Adopt a 15-Year amortization schedule, to replace the current CalPERS 30-Year schedule
6. Issue Pension Obligation Bonds

Staff is requesting that the Committee make a recommendation to the full Board on a strategy for financing NapaSan's unfunded actuarial pension liability. The Committee will also receive an update on the NapaSan OPEB Trust that was established in 2010.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

In May 2017, the Board updated its Strategic Plan to include Objective 2B: Evaluate long-term liabilities, including pension liability and OPEB liability, and develop policy options for Board consideration.

SUPPORTING DOCUMENTS

A . Presentation

Napa Sanitation District Finance Committee: Approve

Reviewed By: Jeff Tucker