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TULARE COUNTY GRAND JURY REPORT 2016-2017



3. The current unfunded pension liability is in excess of \$120 million.
4. Annually, an actuarial report is prepared for TCERA.
5. As of June 30, 2015, the Underfunded Actuarial Liability (UAL) was \$201 million based upon an actuarial valuation.
6. The total value of assets in the TCERA fund, as of June 30, 2016, is over \$1.165 billion.
7. TCERA has implemented a 19-year plan to eliminate the underfunded amounts.
8. The annual active member payroll as of June 30, 2016, is over \$248 million, an increase of 4.8% over the prior year.
9. Total active plan participants, as of June 30, 2016, is 4,405, an increase of 2.1% from Fiscal Year (FY) 2015.
10. Total inactive plan participants, as of June 30, 2016, is 2,821, an increase of 4.8% from FY 2015.
11. Total retired members receiving benefits as of June 30, 2016, is 2,940, an increase of 4.2% from FY 2015.
12. The ratio of retired members to active members has increased by 1.4% from FY 2015.
13. The Tulare County Agricultural Commission reported a 13.7 % decrease in total gross production value between 2014 and 2015.

FINDINGS:

- F1. Continuing drought issues affecting agricultural operations will significantly impact future revenues and the county's ability to meet its financial goals.
- F2. The UAL, as of June 30, 2016, was \$238 million, an increase of nearly \$37 million.
- F3. By the end of the proposed 19-year plan, the underfunded liability is expected to be eliminated.

RECOMMENDATIONS:

- R1. TCERA continue to review and modify the 19-year plan to ensure the funding needs of the retirement plan are being met.

REQUIRED RESPONSES:

1. Tulare County Board of Supervisors (R1)
2. Chief Administrative Officer, Tulare County (F1-3 and R1)

Disclaimer

Grand Jury reports are based on documentary evidence and the testimony of sworn or admonished witnesses, not on conjecture or opinion. However, the Grand Jury is precluded by law from disclosing such evidence except upon specific approval of the Presiding Judge of the Superior Court, or another judge appointed by the Presiding Judge (Penal Code Section 911, 924.1 (a) and 929). Similarly, the Grand Jury is precluded by law from disclosing the identity of witnesses except upon an order of the court for narrowly defined purposes (Penal Code Section 924.2 and 929).