



County of Sonoma Agenda Item Summary Report

Clerk of the Board
575 Administration Drive
Santa Rosa, CA 95403

Agenda Item Number:
(This Section for use by Clerk of the Board Only.)

Board of Supervisors

September 12, 2017

Majority

Board of Supervisors & County Administrator's Office

Nikolas Klein, 707-565-5312

Appointments to the Independent Citizens Pension Committee

- (A) Appoint Jack Atkin, Rebecca Jones, Anthony Withington, and Lynn Woolsey to serve an initial 2-year term on the Independent Citizens Pension Committee.
- (B) Appoint Sandra Coyle, Martin Jones, and John Hadzess to serve an initial 3-year term on the Independent Citizens Pension Committee.

This item requests Board of Supervisors ("Board") approval to appoint seven members of the public to the new, ongoing Independent Citizens Pension Committee ("Committee"). The Board has adopted Pension Reform as one of its key priorities, with a goal of ensuring a fair, equitable, and sustainable pension system for taxpayers and employees alike. In April 2017, the Board created the new Committee to represent the best interests of the entire community in a non-partisan manner, and to help improve communication between the County and local residents on pension issues.

The scope of the Committee is intended to improve accountability and transparency of the County's pension reporting, and provide a way for the County to engage citizens in the process of developing and refining its pension reform strategies. In May 2017, the Pension Ad Hoc co-chairs (Supervisors David Rabbitt and Shirlee Zane) and staff initiated a recruitment process to identify Sonoma County residents interested and qualified to serve on the new Committee. The seven individuals being recommended for appointment to the Committee were selected from a pool of 22 applicants based on their relevant experience, diverse viewpoints, and interest in pension and fiscal matters.

Discussion:

Background

In November 2011, the Board of Supervisors endorsed three main pension reform policy goals: contain costs; maintain market competitiveness and workforce stability; and improve accountability and transparency. The Board subsequently established the former Independent Citizens Advisory Committee on Pension Matters in September 2015 as part of its efforts to improve transparency and accountability. The former committee's July 2016 report assessed the County's pension reform progress since 2012 and communicated a number of findings and recommendations. Following receipt of this report, the Board created a new Pension Ad Hoc Committee in November 2016, and appointed Supervisors Rabbitt and Zane as co-chairs. Under its charter, the Pension Ad Hoc Committee will: (1) define a work plan for the next phase of reform efforts; (2) continue work under existing reform goals and strategies; and (3) address several key recommendations cited in the July 2016 committee report. Related to this last item, the Pension Ad Hoc Committee's charter specifically called for developing a scope and charter to establish a new Independent Citizens Pension Committee.

On February 21, 2017, the Pension Ad Hoc Committee and staff presented a proposed charter for a limited duration citizen's advisory committee, which was not fully endorsed by the Board. As an outcome of the Board's discussion, the Chair directed the Pension Ad Hoc Committee and staff to explore options for creating a permanent citizens advisory committee. On April 25, 2017, the Board adopted a Resolution establishing a new, ongoing Independent Citizens Pension Committee and approved its charter.

Independent Citizens Pension Committee Charter

The Board approved Resolution #17-0177 on April 25, which outlined the following Committee scope, focused on enhancing the County's pension reporting and improving accountability and transparency:

- 1) Review the County's annual "State of the Retirement System" Report (to be developed by staff). Evaluate the report's contents for accuracy and clarity, ask questions of staff, and provide feedback or suggestions for additional content and copy edits to improve readability and transparency.
- 2) Review relevant County and SCERA published reports, such as: annual Comprehensive Annual Financial Reports, annual valuations of the retirement system, and executed labor agreements.
- 3) Present annual updates to the Board of Supervisors. This deliverable would take the form of a short board report and presentation, rather than a formal, comprehensive written report. The Committee's annual Board updates would cover the following topics:
 - Meetings conducted, presentations received, workgroups formed, and other relevant activities of the committee;
 - Independent analysis of trends and key takeaways observed in the State of the Retirement System report and other County and SCERA publications;
 - Innovative pension reform strategies to contain costs being pursued in other local or state jurisdictions that could be applicable to the County;

- Synopsis of relevant news articles, academic studies, publications, legislative developments, or other items of interest pertaining to pension plans and reform efforts; and
- Additional recommendations, from a citizen’s perspective, that could help the County further improve its pension reporting and ultimately the public’s understanding of the pension system.

Consistent with the mission of the Committee and its status as an advisory body, the information communicated in its annual update shall be fair, constructive, and objective. Any and all pension reform strategies developed through the efforts of the Committee shall be advisory only to the Board of Supervisors. The Board would not be obligated to pursue any policy changes in response to the Committee’s annual updates or recommendations. Further, to the extent the Board of Supervisors authorizes the delivery of pension reform strategies developed through this effort, the implementation of such strategies will be subject to State law and the County’s labor relations policies and procedures. In this regard, the Committee will have no authority or involvement in the applicable labor relations process.

The Committee’s membership has the following characteristics:

- Number of Members: Seven, appointed by majority vote of the Board of Supervisors
- Committee Duration: Ongoing, unless terminated by majority vote of the Board.
- Member Terms: Two-year staggered terms; no term limit, but subject to re-appointment.
- Membership Criteria: Must be a resident of Sonoma County and possess aptitude for dealing with complex financial information.
- Member Nominations & Appointments: Initial appointees to be nominated by the Pension Ad Hoc co-chairs after conducting an open application process. Future Committee vacancies will be posted on the County’s Boards, Commissions, Committees & Task Forces list to comply with the Maddy Act, and interested individuals may submit an application for consideration. Applications will be reviewed by the presiding Chair and Vice Chair of the Board of Supervisors, and member nominations will be presented to the full Board of Supervisors for approval.

Selection Process & Recommended Appointees

Following the Board’s approval of the Committee charter on April 25, the Pension Ad Hoc co-chairs worked with staff to initiate the application and selection process for new members. Notification of the recruitment was sent to local press, posted on the County’s website, and distributed to a mailing list of interested individuals. The County received 22 applications, which were reviewed by staff and the Pension Ad Hoc co-chairs. Supervisors Zane and Rabbitt interviewed 14 individuals from the applicant pool, and ultimately selected the seven individuals whom are now being recommended for appointment to the Committee.

The recommended appointees possess diverse perspectives and backgrounds, including individuals with knowledge of labor relations, to help promote balanced and productive discussions. In order to preserve historical knowledge and ensure some continuity of effort, the Ad Hoc co-chairs also selected three former members of the 2015 Independent Citizens Advisory Committee on Pension Matters.

The recommended Committee appointees include:

Name	Term (Yrs.)	Dist.	Former Member ?	Position, Company
Jack Atkin	2	1	Yes	Retired Business Owner, Real Estate & Mortgage Brokerage
Sandra Coyle	3	1	No	Retired Assistant Executive Officer, California Public Employees Retirement System
John Hadzess	3	5	No	Housing Compliance Officer, Valley Oak Park
Martin Jones	3	1	Yes	Business Management Consultant, Houlihan & Jones
Rebecca Jones	2	1	Yes	Retired Controller/Consultant/Financial Operations Manager
Anthony Withington	2	2	No	Retired Consultant
Lynn Woolsey	2	2	No	Retired Member of Congress, U.S. House of Representatives

Staffing and Support

The Committee is expected to convene approximately 6-9 meetings annually. The Committee's meetings would be subject to the requirements of the Ralph M. Brown Act for conducting open and public meetings. The Committee will receive administrative support from the County Administrator's Office, with as-needed analytical support provided by subject matter experts from other departments and agencies. County staff will not direct the Committee's work. The County will create a dedicated webpage for the Committee to post relevant information, such as: meeting calendar, charter, bylaws, contact information, meeting agendas, approved meeting minutes, annual reports to the Board, membership rosters, and other Maddy book information.

Meetings & Next Steps

The first Committee meeting will be scheduled for October, and regular meetings will be scheduled thereafter. All meetings will be public and dates and times will be made available on the County's website.

Prior Board Actions:

04-25-2017: Approved the charter for the 2016-17 Pension Ad Hoc Committee; adopted a Resolution to establish an ongoing Independent Citizens Pension Committee and approved its charter; and directed the Pension Ad Hoc and staff to initiate an open application process.

02-21-2017: Directed the Pension Ad Hoc and staff to explore options for establishing an ongoing pension committee.

11-15-2016: Appointed Supervisors Shirlee Zane and David Rabbitt to serve as co-chairs of the new Pension Ad Hoc Committee.

Strategic Plan Alignment Goal 4: Civic Services and Engagement

The Committee provides an opportunity for greater citizen participation in County government, and it gives members of the public an opportunity to review and provide input for the County's pension reform

strategies affecting the retirement system. The Committee’s work will also improve the County’s transparency and accountability with respect to pension matters.

Fiscal Summary

Expenditures	FY 17-18 Adopted	FY 18-19 Projected	FY 19-20 Projected
Budgeted Expenses	\$19,000	\$10,780	\$10,780
Additional Appropriation Requested			
Total Expenditures	\$19,000	\$10,780	\$10,780

Funding Sources

General Fund/WA GF	\$19,000	\$10,780	\$10,780
State/Federal			
Fees/Other			
Use of Fund Balance			
Contingencies			
Total Sources	\$19,000	\$10,780	\$10,780

Narrative Explanation of Fiscal Impacts:

The budget for the Committee is estimated to be \$19,000 in Fiscal Year 2017-18 to set up the website and cover staff support for nine meetings, and \$10,780 annually thereafter to cover staff support for six meetings per year. The anticipated costs for the Committee will be covered under the County’s adopted budget, without the need for additional appropriations. The County Administrator’s Office budget includes staff support costs, and the Non-Departmental budget includes appropriations for website support and potential legal costs.

Staffing Impacts

Position Title (Payroll Classification)	Monthly Salary Range (A – I Step)	Additions (Number)	Deletions (Number)

Narrative Explanation of Staffing Impacts (If Required):

None

Attachments:

Attachment A - Summary of Selected Applicants

Related Items “On File” with the Clerk of the Board:

Applications submitted by the seven recommended appointees.