

## Attachment A

### Independent Citizens' Pension Committee Meeting Minutes

**Date:** 12/05/2024

**Time:** 10:32 am

**Location:** Sonoma County Administrator's Conference Room

**Present:**

Committee Members - Tony Withington, John Hadzess, Lilo Kangas, Peter Vranich  
County Administrator's Office – Nick Klein, Joanna Lutman  
Sonoma County Employees' Retirement Association – Julie Wyne, Cristina Hess

**Absent:**

Committee Members - Bill Robotka

**1. Call to Order**

Meeting called to order at 10:30 am by Chair Withington.

**2. Chair Remarks**

No Remarks.

**3. Approval of Agenda**

The December 5, 2024, agenda was reviewed and approved as presented. Vote: 4-0-1 (Pass)

**4. Approval of October 3, 2024, Meeting Minutes**

- Item 6.B John Hadzess inquired how Violence in the Workplace will be conducted. Training can be done online. If members have any issues with completing the training online, Nick can explore having an in-person training conducted at one of the future committee meetings. Nick will also contact Information Systems to inquire about the possibility of committee members completing the training using private emails.
- Tony Withington commented that committee members should receive a stipend for completion of trainings. County staff will research past stipend payments and report back to the committee.
- Lilo Kangas noted that she and Peter Vranich had been appointed to pre-review the report. They had received the report at the last meeting and there was discussion. Nick Klein amended the 10/3 minutes to incorporate Lilo's comment.
- Motion to approve prior meeting minutes as amended. Vote: 4-0-1 (Pass)

**5. Public comment on matters not on the agenda**

No members of the public were present for comments.

**6. County Administrator's Office Updates**

- December 3 board item re-appointing members Hadzess, Robotka, and Vranich
  - The Board of Supervisors Agenda item to re-appoint John Hadzess, Bill Robotka, and Peter Vranich was approved on December 3, 2024, for a 2-year term. Lilo's term expires on May 9, 2025. Tony Withington's term expires September 12, 2025.

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- Violence Prevention Training
  - See note above under "Approval of October 3, 2024, Meeting Minutes".

#### 7. **Sonoma County Employees' Retirement Association (SCERA) Updates**

- Retiree Cost-of-Living-Adjustment (COLA) discussions between SCERA and the County:
  - SCERA and County executive leadership recently met to discuss the retiree COLAs.
  - SCERA and County will be requesting actuarial analyses to estimate cost and unfunded liability impact of three different retiree COLA options, as well as associated funding mechanisms. Options include an across-the-board 2% percent increase, purchasing power COLA, and hybrid approach that would be a purchasing power COLA capped at a 2% increase. Purchasing power COLAs just be funded via excess earnings per 1937 Act.
  - If a retiree COLA were approved and implemented, it would immediately create unfunded liability for the County that could be amortized over 20 years, and it would increase the County's annual employer contribution rate. Employee contribution rates would not be impacted since the County as employer would cover 100% of the cost.
  - SCERA Board will review the information in January/February to determine the recommendation to make the Board of Supervisors.
- Lilo asked if excess earnings could be used when available to cover retiree COLA costs. Julie responded that COLAs would raise the base benefits for retirees and become a permanent cost increase. Excess earnings are inconsistent year-to-year, and the County/SCERA would want to avoid funding ongoing costs with one-time or inconsistent sources like excess earnings.
- Provided update on staffing plan. Any potential changes will be deferred to Q1 2025.
- 2024 pension plan investment returns tracking around 11% YTD, above assumed discount rate of 6.75%.

#### 8. **Review Preliminary 2025 Meeting Dates**

- Tony proposed changing from 1.5-hour to 2-hour meeting duration starting in 2025, from 10:00 am – 12:00 pm.
- Committee agreed on quarterly meetings with one extra meeting on Thursday, August 7, for a total of five meetings in 2025.
- Motion to approve and seconded; approved 4-0-1.

#### 9. **2024 Annual Pension Report Review and Feedback**

- John praised competent management of the pension plan. The annual report shows pension costs are a reasonable portion of the County's revenue.
- Referring to Pages 11 and 14 of the report, Peter suggested highlighting/emphasizing bond interest rate at issuance compared to inception-to-date returns.
- Peter would like to see more information explaining how the pension plan contribution structure works. Julie has a pension plan overview presentation that she will share with Nick to distribute to the committee. Nick emailed the pension plan overview to committee members on December 6.
- Lilo suggested defining all acronyms in the report and rewriting last bullet/sentence on Page 17 to make it easier to understand.

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**10. Committee Open Session Discussion**

No open session discussion was conducted.

**11. Proposed agenda topics for upcoming meeting**

Continue discussing Annual Pension Report.

**12. Adjournment/Tentative Next Meeting**

- Committee adjourned at 11:59 am.
- Next meeting tentatively scheduled for Thursday, March 6, 2025, at 10:00 am.