

Attachment A
Independent Citizens' Pension Committee
Meeting Minutes for June 05, 2025

Date: 06/05/2025

Time: 10:00 am

Location: Sonoma County Administrator's Conference Room

Present:

Committee Members - Tony Withington, Lilo Kangas, Peter Vranich, Bill Robotka, John Hadzess
County Administrator's Office (CAO) – Nikolas Klein

Absent:

Sonoma County Employees' Retirement Association (SCERA) – Julie Wyne, Cristina Hess
County Administrator's Office (CAO) – Joanna Lutman

1. Call to Order

- Meeting called to order at 10:01 am by Chair Withington.

2. Chair Remarks

- No Remarks.

3. Approval of Agenda

- The June 05, 2025, agenda was reviewed and approved as presented. Vote: 5-0-0 (Pass)

4. Approval of meeting minutes for March 06, 2025

- Motion to approve prior meeting minutes. Vote: 4-0-1 (Pass)
- John abstained due to missing the March 06 meeting.

5. Public comment on matters not on the agenda

- No members of the public were present for comments.

6. County Administrator's Office Updates

- Training update:
 - Staff will coordinate with Human Resources to review completion status of required training modules for each committee member. Training for Tony and John needs to be cross-referenced with the Civil Service Commission.
 - Staff will email individual committee members regarding training modules that needs to be completed.
 - Committee members should email training completion certifications to staff.

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

- Julie and Cristina were unable to attend the meeting, so no detailed update provided.
- Staff distributed SCERA's investment policy and staffing plan update to Committee members via email on 06/03/2025.

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- Committee inquired about next steps for SCERA's new positions and how the County is involved. Staff provided clarification regarding roles and responsibilities.
- Committee members would like to learn more from SCERA staff regarding their investment policies and program, including whether the retirement fund invests in derivatives or private equity. Topic will be included on a future meeting agenda pending SCERA's availability.

8. Pension COLA Presentation Feedback and Next Steps

- CAO/SCERA jointly presented pension cost-of-living-adjustment (COLA) information to the Board of Supervisors and public on 04/30/2025 as part of FY 2025-26 Budget Workshops. Informational only presentation with no requested Board action/decision.
- Scope of the pension COLA presentation limited to the cohort of current retirees only (excludes active employees set to retire in the future).
- The presentation covered fiscal impacts, including increases to annual costs and total unfunded pension liability, for four different COLA scenarios to give the Board a sense of magnitude.
- Board members were less receptive to across-the-board COLAs for retirees and expressed interest in targeting the COLA for the group of retirees who retired prior to 2003, because they have lower nominal benefits (prior to 2003/2004 benefit enhancement) and have experienced the greatest erosion to purchasing power due to inflation.
- Committee members asked questions pertaining to across-the-board COLAs versus purchasing power COLAs, assumptions behind the cost estimates, and historical context/decisions that brought the system to this point of having no automatic COLA. Committee members also discussed how the County's compensation structure, which includes social security and a pension with no COLA, compares to other counties. There was also discussion around what the County promised and communicated to employees upon hire regarding the absence of a pension COLA.
- As a next step, the County and SCERA will analyze current statutes and legal framework and may need to explore legislative changes at the state level to allow for granting a COLA to a targeted group of retirees.
- Committee members would like to continue discussing this topic at future meetings. They would like to figure out how they can help advise the Board and provide their perspectives and inputs with respect to pension COLAs and developing a balanced solution to meet the needs of the County and employees/retirees.

9. 2024 Annual Pension Report Review and Feedback

- Staff walked the Committee through plans to reformat the annual pension report to move static content, such as pension overview information, into a separate narrative report attachment to shorten the PowerPoint presentation.
- Committee members provided feedback on the best format for each slide (i.e., should it stay in the PowerPoint presentation or be moved to a separate attachment), but asked to continue their review process at the next meeting.

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10. Committee Open Session Discussion

No open session discussion was conducted.

11. Proposed agenda topics for upcoming meeting

- Continue the pension COLA discussion
- SCERA investment update
- Review 2024 Pension Report outline with planned format changes

12. Adjournment/Next Meeting

- Meeting adjourned at 12:05 pm.
- Next meeting scheduled for Thursday, September 04, from 10:00 am – 12:00 pm.