County of Sonoma
2017 Independent Citizen's Pension Advisory Committee
Charter/Scope of Work
(Board Report - Attachment 2)

I. Background

In November 2011, the Sonoma County Board of Supervisors ("Board") approved several policy goals and strategies to reduce Sonoma County's pension system costs and ensure a fair, equitable, and sustainable local pension system. The Board approved three over-arching goals for pension reform: contain costs; maintain market competitiveness and workforce stability; and improve accountability and transparency. Under the goal of improving transparency, one of the strategies called for establishing an Independent Citizen's Committee to review and propose policy changes to control pension costs. To that end, in September 2015, the Board formed the Independent Citizen's Advisory Committee on Pension Matters ("Citizen's Committee"), and appointed seven members.

The Board established the original Citizen's Committee for a limited duration of nine months and charged it with producing a written report to address three specific areas: (1) evaluating the County's progress towards achieving its stated pension reform goals; (2) developing a brief summary of the County's pension system and the roles and responsibilities of governing bodies; and (3) proposing new pension reform recommendations for the Board's consideration. The committee's final report communicated its members' findings and recommendations culminating from their effort to study, analyze, and evaluate the County's pension reform efforts since 2012. The committee's work concluded on July 12, 2016 with submission of its final report. This charter outlines the scope for a reactivated committee, hereafter renamed the Citizen's Pension Advisory Committee.

II. Committee Profile

Appointing Authority: All member appointments must be approved by majority vote of the Sonoma County Board of Supervisors.

Membership: Comprised of five members who meet the following criteria:

- Resident of Sonoma County.
- Possesses an aptitude for dealing with complex financial information.
- Not affiliated with, participating in, nor a beneficiary of, the Sonoma County Employees' Retirement Association (SCERA) pension system.
- Upon initial appointment, and annually thereafter, will comply with requirements to submit a California Fair Political Practices Commission Form 700, Statement of Economic Interests.

Term Length: Appointees will serve a term of 20 months, ending no later than October 31, 2018.

Priority Appointments: Due to the steep learning curve and time commitment involved with understanding pension systems, at least two members of the former Independent Citizens Advisory Committee on Pension Matters will be given priority appointments to the new Citizen's Committee.

New Appointments: Staff will assist the Board of Supervisors with identifying and appointing any new members.

III. Committee Duration

Upon majority approval of the Board of Supervisors, the Citizen's Committee will be convened for a limited duration of approximately 20 months, ending no later than October 31, 2018. Any extension of the Committee must be authorized by the Board of Supervisors.

IV. Committee Meetings

Conduct of Meetings: Meetings will be facilitated by a Chair, selected by majority vote of the committee members. Shortly after its initial meeting, members must draft and adopt the committee's By-Laws, Conflict of Interest Code, and Ethics Policy. Meetings of the Committee shall be conducted in an orderly fashion. The Committee may refer to "Robert's Rules of Order" for assistance in developing procedures to ensure orderly conduct. Three of the five Committee Members must be present at any given meeting to constitute a quorum.

Brown Act: Meeting agendas will be made available to the public in advance, and meetings will be conducted in compliance with the open public meeting requirements of the Ralph M. Brown Act (Government Code Section 54950, *et seq*.).

Meeting Frequency: It is anticipated that the full Citizen's Committee will meet approximately twelve (12) times over the next 20 months, as follows: (1) two initial meetings to appoint committee officers, and establish by-laws, conflict of interest code, and ethics policy; (2) four meetings devoted to member education and relevant presentations; (3) two meetings to review and provide feedback on the County's anticipated September 2017 State of the Retirement System Report; (4) two meetings to review and provide feedback on the anticipated December 2017 Pension Ad Hoc Report; and (5) two meetings to review and provide feedback on the County's future September 2018 State of the Retirement System Report. The Committee may form individual workgroups comprised of a subset of members (less than a quorum) to accomplish specific work deliverables. The smaller workgroups would not be subject to Brown Act requirements and may meet more frequently.

V. Committee Support and Resources

The Citizen's Committee will receive administrative meeting support from the County Administrator's Office, with as-needed analytical support provided by subject matter experts from departments: County Administrator's Office, Human Resources, Auditor-Controller-Treasurer-Tax Collector, County Counsel, and the Sonoma County Employees' Retirement Association. County staff will not be allowed to direct the committee's work in any way, because it reports directly to the Board of Supervisors in an advisory capacity.

Given the committee's scope (refer to Section VI. below), it is not expected to utilize services from outside consultants or contractors (i.e., analytical, actuarial, or legal).

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VI. Scope of Effort and Deliverables

The following scope for the new Citizen's 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:

1) Review "State of the Retirement System" Report: County staff will build upon past pension reports to develop a comprehensive annual "State of the Retirement System" report that is informative, understandable, and accessible to members of the public. The report would be presented to the Board of Supervisors annually in September following the close of the preceding fiscal year. Staff will provide an advanced copy of the draft report to Committee members prior to presentation to the Board of Supervisors. Committee members will have the opportunity to review and 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 New County Pension Reform Strategies: The Committee will review, analyze, and advise on any new or revised pension reform strategies and approaches proposed by the Pension Ad Hoc as part of its anticipated December 2017 work plan and report. The Citizen's Committee members will be afforded the opportunity to provide feedback to the Pension Ad Hoc and suggest revisions.

As part of the aforementioned review of the Pension Ad Hoc's December 2017 report and work plan, the Citizen's Committee may also propose new pension reform strategies for consideration. The Pension Ad Hoc will review any additional suggested strategies and incorporate them as appropriate in its report to the Board of Supervisors.

VII. Stipend and Travel Costs

Members will be paid a stipend of $100 per committee meeting attended. The stipend does not apply to individual workgroup meetings when less than a quorum is present.

No travel is anticipated; however, should the need for travel arise, members will be reimbursed in accordance with the County's Administrative Policy 3-2 for Travel and Meal Reimbursements.

VIII. Stakeholders

- Board of Supervisors
- All County citizens
- County employees, employee groups, and retirees participating in the pension system
- Taxpayer advocacy groups
- Sonoma County Employees' Retirement Association