

**MARIN COUNTY COUNCIL OF MAYORS & COUNCILMEMBERS
AD-HOC COMMITTEE ON PENSION & OTHER POST-EMPLOYMENT
BENEFITS REFORM**

MINUTES OF MAY 23, 2011 MEETING

PRESENT: Belvedere (John Telischak); Corte Madera (Bob Ravasio, Alexandra Cock); Larkspur (Larry Chu, Len Rifkind); Mill Valley (Andy Berman); Novato (Jeanne MacLeamy; Denise Athas); Ross (Scot Hunter); San Rafael (Marc Levine); Sausalito (Mike Kelly); Tiburon (Emmett O'Donnell); Marin Manager Association (Dan Schwarz, Jim Schutz); Novato Sanitary District (Bill Long; Mike Di Giorgio)

Chair Larry Chu opened the meeting at 7:10 PM.

Minutes for the April 25, 2011 were approved unanimously (M/S O'Donnell/Berman).

PUBLIC COMMENTS:

There were no public comments.

BUSINESS ITEMS:

Report on Pension Benefits Data – Scot Hunter

The survey is up to date as of a couple days ago. Novato has some change they would like to submit. This will continue to be a living document as each agency makes changes to their level of benefits.

Chair Chu acknowledged and thanked Ross Town Manager Gary Broad for his work and efforts in compiling the data and putting it into the spreadsheet.

Report on Other Post Employment Benefit Data – Larry Chu

About four cities still need to provide their responses on OPEB information. Their annual audits with the GASB 45 information are not online. Contact with the manager or finance directors of these cities is still needed.

Toolkit of Actions – Jeanne MacLeamy

Some additional updates to the report are still needed using the most recent CalPERS actuarial valuations. Even then, these numbers were released in October 2010 for June 30, 2009, so the numbers are almost two years old. The revised toolkit will have these numbers.

The Toolkit will also now have Post-Employment Survivor Allowance included in the analysis. This is an additional benefit to the employees which results in a surcharge to the employer. These costs were illustrated in the Toolkit presentation at the meeting on March 28th.

This is not the same as the 1959 Survivor Benefit Program which is a pre-retirement death benefit. Although this is an optional benefit in which the employee contributes \$2 per month and the employer pays about \$5 per month, this is not included in the Toolkit since the cost saving is not material and the fund for these benefits has been and continues to be superfunded even through the most recent economic downturn.

Manager Schwarz provided a brief overview of a summary of four different pieces of legal remedies by some Charter Cities. He described how each case is being test in court or through some labor relations process. This summary will go into the appendix of the report.

Paula Reynolds (Mill Valley) stated that the Mayor of San Jose just filed for a fiscal emergency and suggested this be included in the set of legal remedies.

Discussion of Policy Issues – John Telischack

A subcommittee which included Emmett O'Donnell and Alexandra Cock created a generic resolution that is a general policy statement on pension reform in which an individual agency could adopt or modify. This gives some momentum to what the committee wants to accomplish. It is not innocuous and still has some teeth.

The resolution was not discussed at the Legislative Committee meeting earlier in the day. Mayor Cock stated it needs to get on their agenda. She also recommended that they screen through which pieces of legislation should be followed.

Chair Chu asked if the Committee wanted to consider any other pending legislative actions, such as AB506 to prohibit the purchase of additional service credits. No additional items were added.

He stated it was not necessary for a formal vote to be taken on the resolution since it is still up to each agency participating in the process to adopt it on its own. The sample resolution will appear in the appendix of the report.

Draft of the Report – Larry Chu

Councilmember O'Donnell asked clarify the end-game for the Committee. Chair Chu referred back to the three options as outlined in the Next Steps section of the report and to complete the report for the next MCCMC meeting.

Vice Mayor Kelly asked if the next step would include a presentation to the other councilmembers. The Committee discussed creating a presentation and an executive summary that would be used by the representatives on the Committee to educate their own councils and residents on this issue.

Mayor Pro Tem Athas expressed concern that it did not seem that labor groups have been represented in the Committee meetings. Chair Chu expressed a personal observation that labor groups have attended meetings throughout the process. The meetings were to be educational for all stakeholders and the negotiations would occur individually with each city as labor agreements expired.

Bob Briare (President Marin Professional Firefighters) stated that he has attended all the meetings to understand the discussion, to be sure accurate information was being conveyed to all parties, and to answer questions. He agreed that it has been a sharing of information and not for negotiating new contracts.

Diane Vogel (Novato Police) stated she was attending to get information. The employee groups will present their own information at the appropriate time and venue. She concurred that it has been an open process.

Terry Brown (President of the Novato Police Officer Association) stated the need to look at everything as a whole given that employees have already given up benefits in the past. There is a need to understand the unique circumstances and history of each individual labor group rather than to be working towards a single solution for the whole county.

Paula Reynolds (Mill Valley) stated the work of the Committee needs to go back to the individual cities, and to use the information for looking at the specific situations as it applies to budgets two or three years out. She stated the report should be able to communicate the essence and importance of this issue to the average person.

Councilmember MacLeamy asked if anyone knew the origin of the Employer Paid Member Contribution. Councilmember O'Donnell recalled that one use was be more equitable in the contributions. When the local agencies were superfunded, employers were making a much smaller contribution as a percentage of payroll costs than the employees. Chair Chu noted this practice started in 1981 when CalPERS was not underfunded so there may have been another reason.

Bob Briare (President Marin Professional Firefighters) stated the EPMC can have tax benefits for both of the employer and employee.

Chu Chair stated he needs at least two weeks to wrap up the report.

Bob Briare (President Marin Professional Firefighters) wanted to state that overtime pay in the MCERA system is not included as part compensable earnings for benefits.

Councilmember Rifkind summarized the remaining process is to create the final draft, have the Committee review it in June, present it to the MCCMC, and then get a copy to each council.

Since Chair Chu will not be able to attend the MCCMC meeting on May 25th, Emmett O'Donnell will give a summary report for the Committee.

NEXT MEETING: June 27, 2011 at 7:00 PM at a place to be determined.

AJOURN: Meeting was adjourned at 8:10 PM