

## **Friday, June 15, 2018 Minutes**

### **Present**

- **Institute Board Members:** Teresa Acosta, Michele Beal Bagneris, Stan Caldwell, Brett Channing, Carolyn Coleman, Hal Conklin, Nick Gonzalez, Mark Gaughan (via phone), Rod Gould, Jim Keene, Graham Knaus, Tamara Letourneau, Lydia Romero, Erin Steffen and Art Takahara
- **Absent:** Stephany Aguilar, Patrick Blacklock, James Gore, Neil McCormick, Dan Miller, Amy Shuklain and Casey Tanaka
- **Guests:** Norman Coppinger, Kelly Fox, Dillon Gibbons, Dane Hutchings, Dorothy Johnson and Jennifer Whiting
- **Staff:** Karalee Browne, Isabella Dalton, Kristy Jensen, Melissa Kuehne, Christal Lazard, Steve Sanders, Hanna Stelmakhovych, Randi Kay Stephens and Hang Tran

### **I. Welcome/Introductions**

Michele opened the meeting, and welcomed new board members. Michele asked each board member to share some positive news either professionally or personally.

### **II. Administrative Items**

#### **March 2018 Minutes**

Mark moved to approve the March 2018 minutes. Lydia seconded. All in favor. Motion approved.

#### **Goals and Objectives Update (Informational)**

An update on the goals and objectives was included in the packet. An infographic overview was distributed. .

### **III. Executive Session**

The Board met in an Executive Session.

## **IV. Pensions and CalPERS**

Michele introduced Kelly Fox with CalPERS, Dillion Gibbons with CSDA, Dane Hutchings with the League, and Dorothy Johnson CSAC.

Kelly shared an overview of CalPERS, including a breakdown of their members, how retirement benefits are funded, their funded status, historical factors that have impacted the funded status, projected increases in agency contributions and strategies to reduce pension debt and lower future contribution amounts.

The board asked if CalPERS has a clear goal on funded status. Kelly stated that though the goal is always to be funded 100%, it depends on liabilities and other factors.

Dane shared the League's Retirement System Sustainability Study and Findings produced earlier this year. Key findings included:

1. Rising pension costs will require cities over the next seven years to nearly double the percentage of their General Fund dollars they pay to CalPERS;
2. For many cities, pension costs will dramatically increase to unsustainable levels; and
3. The impacts of increasing pension costs as a percentage of General Fund spending will affect cities even more than the state. Employee costs, including police, fire and other municipal services, are a larger proportion of spending for cities.

Dorothy and Dillion shared that counties and special districts are impacted differently than cities - many counties and special districts do not participate in the CalPERS system.

The speakers discussed that the narrative in California is that is that CalPERS is all you need for retirement, which put an enormous amount of pressure on the organization. . They also discussed the need to change that narrative and have an open and honest dialogue between employees, employers and CalPERS about the pension system and the future.

The board inquired about options to bring down pensions costs. Dane shared that a lot depends on the CA Supreme Courts' ruling on the "California Rule" which will determine how much flexibility local governments have to adjust pension benefits.

The board asked if public safety unions could be part of the solution. Dane shared it is very challenging to get all of the groups to consensus. Kelly added that it can be helpful to share the potential ramifications of the cuts – what happens if the trash is not collected or you water does not work – to underscore the importance of local government services outside of police and fire. Board members shared that it is important to engage the statewide organizations as well because they put pressure on local unions to hold the line.

## **V. Governance Committee Report**

## **New Board Member Orientation**

The Board welcomed new members Jennifer Whiting and Tamara Letourneau.

## **Expiring Terms**

Brett shared that five Board members have terms expiring in 2018 – Michele Beal-Bagneris, Rod Gould, Mark Gaughan, Art Takahara and Dan Miller. Michele and Rod have confirmed their continued service on ILG's Board. The Committee and staff will connect with the other members.

## **Board Vacancy**

Brett reported that there is one vacancy on the Board and invited Board members to share potential Board candidates with the Committee.

# **VI. Finance Committee Report**

## **March 2018 Financials**

The March 2018 Financials were included in the packet.

Jim moved to approve March 2018 financials. Rod seconded. All in favor. Motion approved.

## **Operating Reserve Policy**

Art shared that the Committee is also exploring creating an Operating Reserve Policy. A recommended policy will be brought to the full Board for approval at a later date.

## **2018 Audit Update**

Art reported that a draft of the audit was submitted in June and the Committee expects to bring the Audit to the Board for adoption at the August retreat.

# **VII. Advancement Committee Report**

## **Board Giving**

Teresa reminded the Board of the 100% Board giving goal and shared that she will follow up with Board members who have not yet contributed.

## **Big Day of Giving**

Teresa shared that ILG participated in the Big Day of Giving again this year and asked Melissa to provide an update. Melissa reported that ILG met the modest goal for the Big

Day of Giving raising \$2,163 in unrestricted funds. \$700 of that came from Board members, and ILG received a \$1,000 boost from the Sacramento Regional Community Foundation. Staff will continue conversations with the Committee about ILG's participation in 2019.

### **Fundraising Summary**

The Fundraising Summary was included in the packet.

## **IX. Program Updates**

### **Sustainability – Governor's Global Climate Summit**

Karalee shared a brief update on the Beacon Program and that ILG is working with the Governor's office to incorporate messaging about local government accomplishments into the Global Climate Summit.

### **Public Engagement – TIERS and Immigrant Integration**

Hang shared information about ILG's immigrant integration efforts in San Mateo and Santa Clara counties and that ILG is on track to complete all grant deliverables even with Sarah's departure. Hanna added that the recent TIERS Training in San Diego was a success and that there are a number of local governments interested in the next training. Melissa added that ILG is committed to maintaining the public engagement documents and that section of the website, and will continue to respond to inquiries as they come in.

### **GEY – Innovative Paths to Public Service**

Randi Kay shared information on ILG's Governments Engaging Youth work particularly related to IPPS (Innovative Pathways to Public Service) and ICMA's talent initiative. Both initiatives focus on encouraging youth to consider the public sector as a career path.

Written updates were in the board packet.

## **X. Adjourn**

Approved August 23, 2018