



Relevant Provisions of the California Government Code

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1. Section 7507

Cal. Gov't Code § 7507 (2001) requires city and county entities to "...secure the services of an enrolled actuary to provide a statement of the actuarial impact upon future annual costs before authorizing increases in public retirement plan benefits. The future annual costs as determined by the actuary shall be made public at a public meeting at least two weeks prior to the adoption of any increases in public retirement plan benefits." (Note that Section 7507 was amended in 2009 to require that an actuary be present at the public meeting and that the adoption of any benefit be on a regular calendar, as opposed to a consent calendar.)

2. Section 23026

Cal. Gov't Code § 23026 (2001) contains four separate requirements that a board of supervisors of any local pension system must fulfill before enhancing pension benefits. It states that the board of supervisors

- "shall make public, at a regularly scheduled meeting of the board, all salary and benefit increases that affect either or both represented employees and nonrepresented employees;"
- "shall" include "[n]otice of any salary or benefit increase . . . on the agenda for the meeting as an item of business;"
- "shall" provide that notice "prior to the adoption of the salary or benefit increase;" and
- "shall include an explanation of the financial impact that the proposed benefit change or salary increase will have on the funding status of the county employees' retirement system."

The Grand Jury notes that these notice provisions provide citizens the opportunity to know what is being offered to the public employees and to understand exactly how much those new benefits will cost them.

3. Section 31515.5

Consistent with Section 23026, Cal. Gov't Code § 31515.5 (2001) requires the board of supervisors to notice, at a regularly scheduled meeting, all salary and benefit increases. It authorizes the preparation of an actuarial estimate on the impact of the salary and benefit requirements. Specifically, the mandatory language provides that the board of supervisors:

- "shall make public, at a regularly scheduled meeting of the board, all salary and benefit increases that affect either or both represented employees and nonrepresented employees;" \
- shall include "[n]otice of any salary or benefit increase . . . on the agenda for the meeting as an item of business;"
- "shall" provide "[n]otice . . . prior to the adoption of the salary or benefit increase;" and
- "shall include an explanation of the financial impact that proposed benefit change or salary increase will have on the funding status of the county employees' retirement system."

4. Section 31516

Like Section 7507, Cal. Gov't Code § 31516 (2001) requires that the board of supervisors "shall" hire an "actuary to provide a statement of the actuarial impact upon future annual costs before authorizing benefits." It also provides that the actuary's report "shall be made public at a public meeting at least two weeks prior to the adoption of any increases in benefits."