

REMCO  
Luncheon Meeting Minutes  
Tuesday, March 12, 2013

Call to Order:

President Lola Barnett called the meeting to order at 11:50 AM followed by the Pledge of Allegiance. Lola introduced the Head Table, announcing that Sandy Teague was elected as President, taking office as of April 1st, and noting that David Baker, Treasurer, did not place his name up for re-election due to health issues and Lola would step in and handle those responsibilities until he was able to return or until he was re-elected. In attendance, Secretary LaVon Justice, re-elected for another term; Vice President Kaye Greeley, re-elected for another term, and Marla Pettygrove, Risk Management Analyst. Later, Retirement Board Representative Ron Kinchloe, and Bren Horrachs, MCREA representative, were introduced when they arrived.

Lola stated that David Baker was continuing as CRCEA Representative, and Kaye is continuing as Alternate. Lola also noted that the Board of Directors would be coming up for election next year.

Treasurer's Report:

As Lola had only recently assumed the duties of the Treasurer there was not a current report to present. Lola would present, with the help of Ron Kinchloe, a full report at the June luncheon meeting. No Treasurer report at this time.

Secretary's Report:

Secretary LaVon Justice reported highlights of the minutes of the December 11, 2012 REMCO meeting. The Secretary reported the full report is now on the REMCOMerced.com website, as well as hard copies were available for any members that requested them. Accept Report - \***M/S/P**.

Linc Clendenin, Chair of the Healthcare Committee reported on the status of the negotiations for a new health care program. There have been on and off meetings for over six months; the current plan is expensive, and a new plan is expected to save most retirees money. The proposed plan is expected to be integrated January 2014, as it would be better to integrate a Medicare supplement at the beginning of the year. Most retirees would pay less for their healthcare premium, with a possible issue occurring with the new drug coverage costs. The current Anthem Blue drug coverage provides more benefit than either of the two proposed drug plans (a possibility of falling into the donut hole). The \$850,000 subsidy provided by MCREA is gone. The County is proposing a \$100 subsidy for ages 65-69; \$125 70-74; and \$150 for ages 75+, with future increases in subsidy amount not agreed to yet. The Under 65 plan benefits remains status quo with a \$28 per month increase and the subsidy capped at \$300 for Under 10 years of service (those disabled due to service connected disability); \$325 for 10-14 years of service; \$350 for 15-19 years of service; \$375 for 20-24 years of service; and \$400 for 25+ years of service. Linc suggested that lowering the subsidy cap on the 10-year service group would result in a savings to the County and that savings could potentially be put into the retiree dental plan. Currently the retiree dental plan maximum is \$1,000 annually, with approximately a \$41 monthly premium paid by the County. The County is proposing a monthly cap of \$35 leaving \$6 for the retiree to pay monthly. There is a proposal that the monthly cap be \$40 which has not generated much interest yet from the County. Also proposed is that the retiree plan be the same as the active employee, with an annual maximum of \$2000. The premium is approximately \$55 a month and if the \$40 cap was accepted it would result in a \$15 monthly premium for retirees. Linc wanted confirmation that it was the direction of the retirees that the Committee continue to negotiate for a higher premium cap and an increase in dental services maximum of \$2000. Members signified by voting overwhelming in favor.

Marla gave a big "Thank You" to Lola for her service as President the last two years, and gave Linc a big "great job" for his reporting back to the members and his diligence during the negotiations. Marla reported that insurance is like a foreign language and Linc would take the information and try to understand what it would mean to him, and asked questions until he grasped all the information that was being discussed at the health care meeting. The current Anthem Blue premium that the County pays is over \$500, while the most expense plan from the proposed provider is approximately \$250 for medical and drug combined. With the approximate \$100 subsidy, most would save compared to the Anthem Blue premium. Marla also relayed an "Andrew story", about the Giants' trophy, that when he was several years younger he had been chastised by the security officers of the trophy when he touched it. When it was on display in Atwater recently, Andrew was quoted in the paper that "he had touched the first one and he would touch this one too"! Marla warned him that the Giants Security Officers read the Merced Sun Star so he better be careful!

Bren Horrachs, representative of MCREA, reported that the final actuarial report was being reviewed, that the possibility of changing the investment consultant was being discussed and that the pension administration system is coming along and hoped to be completely working great by the end of year. The status of AB340 is on hold, with the Attorney General stating they would defend it. Bren reported that in Fiscal Year 11/12 there was a net increase of 115 new retirees, and in the current Fiscal Year there have been 63 new retirees and subtracting the deaths of existing retirees results in a net increase of 40 new retirees. Bren confirmed there would be a 2% Cost of Living Adjustment (COLA) for Tier 1 retirees reflected in the April 30th retirement check, with a 3% for those retirees who had retired in 1985 and prior as they still retained a balance in their percentage-bank.

Lola reminded members that scholarship forms were present at the front table and the deadline for forms to be turned in is April 30th.

Kaye reported that due to the letter Lola wrote in the recent newsletter requesting help, someone had come forward offering to help. A question from the floor asked what type of help was needed and Lola said in recruiting members, prizes for the raffle, with Kaye suggesting creating prize baskets, or donating services such as haircuts. Lola reported that the raffle is self-supporting with no monies coming from the general fund.

Lola gave a big "Thank You" to the Board of Directors and their outstanding service these two years she has worked with them. She asked the Board to stand and be recognized.

Retirement Board Representative Ron Kinchloe reported that the \$1,000 maximum for dental services does not stretch far, and that if anyone had any questions involving the Retirement Board to contact him. He advised that the MCREA website has a lot of information available such as the Annual Financial and Actuarial reports, which would give a reporting history of what has occurred over the years.

Lola closed the meeting at approximately 12:35 PM for lunch to commence.