

REMCO  
Luncheon Meeting Minutes  
Tuesday, June 11, 2013

Call to Order:

Vice-President Kaye Greeley called the meeting to order at 12:02 PM followed by the Pledge of Allegiance.

Retirement Board Representative Ronald Kinchloe requested to address the members. His message was for members to be sure to tear their raffle tickets apart and keep the part marked "Keep this ticket", and place the other section into the raffle jar. Ticket sales were still in progress for those who had not yet purchased tickets.

VP Kaye noted President Sandy Teague was not present due to difficulty maneuvering his wheel chair into the Lodge. Kaye reported that President Teague requested that the Board of Directors be seated at the head table for members to become familiar with their Board members. At today's meeting the Scholarship recipients are seated at the head table. In addition the Head table consisted of Vice-President Kaye Greeley, Secretary LaVon Justice, Interim Treasurer Lola Barnett, Risk Management Analysts Marla Pettygrove and Tina Machado, Retirement Board Representative Ronald Kinchloe and Brenda, MCREA representative.

Vice-President Kaye Greeley requested a motion from the floor to accept the slate of officers that had been elected in March. M/S/P.

Treasurer's Report:

Interim Treasurer Lola Barnett reported that from January 1, 2013 through May 31, 2013, there were deposits of \$21,865 (dues, refunds), expenses of \$5,524.32, with a current balance of \$51,802.02. Accept Report - \*M/S/P.

Secretary's Report:

Secretary LaVon Justice reported highlights of the minutes of the March 12, 2013 REMCO luncheon meeting. The Secretary reported the full report is on the REMCOMerced.com website, as well as hard copies available from the Secretary. Accept Report - \*M/S/P.

Vice-President Greeley reported that plans for a picnic in the park were being discussed for next year, and asked if members would prefer the picnic to be in place of one quarterly meeting or in addition to the quarterly meetings. Comments from the tables closest to the head table seemed to be in favor of the picnic be a separate event.

V-P Greeley requested an update from Director Linc Clendenin, Chair of the Healthcare Committee. Director Clendenin mentioned that hearing aids are not a covered expense when he was requested to speak louder. Director Clendenin reported the new health care plan is integrated with Social Security, which may create a Medicare drug coverage donut hole for some. The current Anthem Blue plan is expensive, with the County paying a higher premium cost annually, as well as the retirees premium increasing. Director Clendenin reported there had been rumors that United Healthcare had experienced large increases in premiums, and he stressed that that was just a rumor. He reported that the County was checking on the current rates. Historically, the increases have been 4.5% which is reasonable for medical plans. The new plan has 7 individual plans that can be chosen for an individual's needs. There will be educational meetings on the plans and each retiree will have someone to help them choose the plan best for them based on their medical and drug coverage needs. The best medical plan is

expected to save \$2,000 annually, and \$3,000 with spouse coverage. A problem exists that the drug coverage plan out-of-pocket expenses, or co-pays, are higher due to the amount of drugs taken and type of formularies that differ from the current plan. A high drug user could incur \$1,000-\$1,500 more annually. Typically 10-15% of those enrolled will fall in the high user category. Most of the out-of-pocket expenses are offset by the lower medical premium for 85-90% of REMCO members. On June 24th, the County will present the proposed healthcare plan to the Board of Supervisors for approval to implement the plan.

Risk Management Analyst Marla Pettygrove was requested to give additional healthcare information. Marla gave Linc kudos for his ability to understand the insurance information presented at the United Health Care meetings. Marla reported that United Health Care informational meetings haven't been scheduled yet due to Federal guidelines that require the Board of Supervisors approve insurance changes first. Members should hear about meetings by August and September as open enrollment begins in October, for plan implementation in January 2014. Risk Management Analyst Marla reported that for over 12 years the average premium increase for United Health Care has been 4.7%. It appears that next year the increase will be 4%.

Risk Management Analyst Marla reported there had been questions of United Health Care not participating in Exchanges. Under the Affordable Care Act, Exchanges are being formed in each state for individuals that do not have healthcare coverage. Our plan is a Medicare supplement plan, not part of an Exchange. In answer to a question from the floor, RMA Marla reported that at this time the Under 65 plan had no changes next year; they would remain with Anthem Blue Cross. RMA Marla suggested that members become responsible consumers, and if they could reasonably take generics, it would benefit them and the plans. The drug plans are Part D prescription plans. It would be best if members had one doctor, usually a primary doctor, to review their drugs. Sometimes when seeing a specialist, members are prescribed new medications which might be duplicates or similar to current medications. RMA Marla also reported members could change their medical plan annually, choosing between the 7 plans during open enrollment. RMA Marla also introduced Tina Machado, the newest Risk Management Analyst, who would assist Marla in providing risk management services.

Brenda, representative of MCREA, reported that new pension administration computer system is coming along and implementation would be the first part of next year. Gayle Garcia is retiring and David Liu is taking her place. If any members need any changes, such as addresses or tax information, there are forms on the website as well as at MCERA.

Vice-President Greeley reported that wonderful scholarship applications had been received this year, which had made it difficult to choose between the applicants. There were stellar stars this year.

Interim Treasurer Lola Barnett, and Chair of the Scholarship Committee, reported that 12 applications were received, with such outstanding applicants the Scholarship Committee required approximately three hours to make their final choices. The successful recipients for Continuing Education were:

Katrina Justice with a career goal in Film Production. Parents Aaron and Cheryl Justice, and REMCO member, grandmother LaVon Justice.

Austin Pacheco Timmerman, who plans to transfer to San Diego State for his career goal as Music Composer. Parents Chris Timmerman and Christine Pacheco, and REMCO member, grandfather Albert Pacheco.

Successful recipients for Graduating Seniors were:

Mattea Nicole Clarke who plans to attend UCLA with a major in Biology with a career goal of Reproductive Endocrinology. Parents Ron V. and Andrea Clarke and REMCO member, grandfather Ron H. Clarke.

Not attending, Madeline Chavez who plans to attend Fresno State with a major in Kinesiology and a minor in sports coaching at Fresno State with a career goal as a physical therapist. Parents Rafael & Shon Chavez, REMCO member, grandfather James Copher.

VP Greeley reminded members to provide their email address to receive the newsletter sooner and to save costs, and their current mailing address to receive the hardcopy newsletters, as we had quite a few returned newsletters. With no further business VP Greeley asked for a motion to close the meeting at 12:40 PM. **\*M/S/P**

Interim Treasurer Lola Barnett made some remarks prior to the raffle being held. She reminded members that the next meeting was the second Tuesday in September, and to please make their reservation as early as possible, at least a week prior to the meeting to ensure that REMCO doesn't have too many meals or too little. Also, she reminded members to go to REMCOMerced.com for information on CRCEA, or if they have information that they want placed on the website.

**\*M/S/P** (Motion made/Seconded/Passed)