

SONOMA COUNTY ASSOCIATION OF RETIRED EMPLOYEES (SCARE)

P.O. BOX 5513, SANTA ROSA, CA 95402 www.sonomacountyretirees.com

Minutes of the SCARE Membership Meeting – ZOOM and In-Person

November 15, 2022, 1 p.m. Meeting

1. Call to Order: President Alix Shor called today's Zoom Meeting to order. There were 40 members in attendance and 30 attending via Zoom

2. Speaker: Alix introduced Julie Wyne who is the CEO of SCERA. Julie gave us an update on performance of the pension fund (negative 12% return through Sept plus they didn't earn the projected amount of 6.7% so they have approximately 18% negative return. They smooth that over 5 years and they did have a 17% gain in 2021 so that helps).

The main topic was COLAs (Cost of Living Adjustments) since that is of utmost interest to retirees. Julie provided us with some history of COLAs in Sonoma County and an update on current discussions: There is no auto COLA like they have in other counties because in the 60's, the County decided not to prefund COLAs but to fund them out of excess earnings. The actual COLA was determined on an annual basis depending on excess earnings available for that year. This worked for a long time and allowed the County to give across-the-board COLAs and later, some 75% Purchasing Power (PP) COLAs. In 2005, a change was made to an 80% PP COLA that could be given without also giving an across-the-board COLA. However, the severe downturn in 2008 ended all COLAs. The losses in 2008 caused a huge negative contingency reserve. In order to give COLAs under the present rules, there needs to be a positive contingency reserve plus they need to have 3% of assets in another reserve fund to protect against future losses. The County could get rid of the negative contingency fund, but it would mean a larger unfunded liability so it has to be approved by the Board of Supervisors (BOS). The amount needed to fund a PP COLA is very high and under current rules, there is no way to give a PP COLA to some retirees and not to others who may not have lost as much.

The SCERA Board of Directors has been discussing the options around giving a COLA to current retirees. A committee has been formed that will meet with the CAO to see if there is any willingness by the BOS to look for a COLA solution. Julie, Chris Coursey (on the BOS), Bob Williamson, Neil Baker, and Travis Balzarini will be on this committee. The good news is that Chris Coursey has expressed willingness to look for a COLA solution. Julie said that since retirees are the ones affected, we should be yelling the loudest.

COLAs will be discussed at the December 15th SCERA Board Meeting. Julie encouraged SCARE members to join meeting online to show our interest in this issue. It is important for the SCERA Board to see our support for this issue.

3. SCARE Board Election: 5 members of the SCARE Board (Patty Hamley, Ed Clites, Shaun Du Fosee, Cora Guy, and Kathy Young) are up for re-election. They have all agreed to run again and no other member has expressed interest in joining the Board. There was unanimous support for reelecting this slate of candidates.

4. JLMBC Report: While there have been reports of several dentists who are dropping out of the Delta Dental network, we are being told they are not joining other networks. The County issued a Request for Proposals and got responses from 5 insurance groups. However, if the County switches to another company, a very high number of retirees would be displaced (not able to keep their current dentist if they want to stay in-network) so the County may stay with Delta Dental. There is another dental plan available to SCARE members through Pacific Group Agencies. It uses the Ameritas network. It is a little more costly but it also has better coverage with a \$2,000/year limit instead of the \$1,000/year limit in the County Plan. Next March, our members will get the County annual enrollment booklet and will also get the Pacific Group booklet so they can compare plans.

There was a question regarding when the County contribution will drop to \$200/month. Answer is that for people covered by the SCARE lawsuit (retired by June 30, 2016), the County contribution will drop to \$200/month in June 2026. It will remain at that level for 15 years until 2041. Retirees who retired after June 30, 2016, are covered by union contracts so at this point, they are getting the up-to-\$500 but their coverage in 2026 will depend on union negotiations.

Sutter insurance does not have Medicare coverage so people with Sutter must change to another plan when they turn 65. A member who switched to Western Health Advantage said it was very difficult to find a new family doctor, and once he and his wife found one, they had to wait months to get an appointment. It appears that there may be a shortage of doctors in Sonoma County.

5. Drawing: There was a drawing for \$25 gift cards at the end of the meeting. 3 were awarded to people on Zoom and 3 to those in attendance.

Respectfully submitted,
Phyris Tobler, Vice President

SCARE 2023 Calendar

January 4 -- Board Meeting – Manzanita Room
 February 28 -- Membership Meeting – Cypress Room
 March 1 -- Board Meeting – Manzanita Room
 May 3 -- Board Meeting – Manzanita Room
 May 23 -- Membership Meeting – Cypress Room
 July 12 – Board Meeting – Manzanita Room
 August 22 – Membership Meeting – Cypress Room
 September 6 – Board Meeting – Manzanita Room
 November 1 – Board Meeting – Manzanita Room
 November 28 – Membership Meeting -- Cypress