

## **RETIRED EMPLOYEES ASSOCIATION OF VENTURA COUNTY (REAVC)**

Minutes of the Board of Directors Meeting

October 6, 2020

In Accordance with the Governor's Executive Order N-29-20,  
Members of the Board met Electronically (via Zoom)

### ***Call to Order***

President Nancy Settle called the meeting to order at 1:06 p.m.

### ***Roll Call***

#### *Present*

Board Members: Nancy Settle, Butch Britt, Colleen Bruns, Ken Cozzens, Anne Dana, Art Goulet, Roberta Griego, Will Hoag, Colleen House, Tom McEachern, Cindy Schneider, Maryellen Benedetto, Reddy Pakala, and Kelly Shirk

#### *Absent*

Board Members: Paul Callaway

Staff: Sharon Hurault

### **Approval of the August 4, 2020 Minutes**

The minutes of the August 4, 2020, meeting were accepted as presented.  
Moved/Seconded/Carried (M/S/C) (Shirk/Griego) (Unanimous)

### **Old/New Business**

#### **1. Receive and File Financial Report**

Butch reported that there has been very little financial activity. Newsletters are coming in a little bit above budgeted amount. Reddy recommended that something be put in the upcoming newsletter encouraging members to sign up to receive their newsletters electronically. Roberta suggested that members go to the REAVC website and print out the electronic newsletter themselves.

It was moved that the Financial Report be received and filed.  
Moved/Seconded/Motion passed) (Shirk/Griego) Vote: The motion was passed with 12 in favor, 2 abstentions, and 1 absence.

#### **2. Waive Election Process for Board of Directors Nominees and Declare Nominees Elected: Ken Cozzens, Anne Dana, Tom McEachern,**

**Reddy Pakala, Cindy Schneider (Term: January 2021 – December 31, 2022) - Nancy**

Following discussion, it was moved that the nominees be appointed in lieu of election. (Goulet/House/Unanimous)

Nancy stated that because Kelly will be doing quite a bit of traveling in 2021 and 2022, she (Nancy) is willing to serve one more year as President of REAVC.

**3. Update on Ventura County Health Care Benefits and Options for County Retirees – Kelly**

Kelly reported that Medicare-eligible County retirees have some health care options to choose from this year. The County is getting away from offering health insurance for retirees because the bid for health care insurance would increase 41%. No other health care vendors were willing to make an offer to the County, because the VCHCP plan is so favored by County employees. To fill this gap, the County decided to offer the AON Retirement Exchange to its retirees, an organization that will help retirees decide upon what options are now open to them. Kelly stated that should REAVC members contact us regarding AON, she and Will are willing to answer address their questions.

**4. Options for Holiday Luncheon**

Nancy reported that because this year's Holiday Luncheon has been canceled, the Board is looking into offering something in its place. The possibility of holding a raffle was suggested or offering a special issue of the newsletter. Anne suggested that for a raffle, to draw names from the REAVC membership. This would not involve any money on the part of our members. Maryellen recommended drawing names at the December 8 Board meeting, and Ken suggested that we notify members of the raffle ahead of time via our newsletter. The question was also raised on how much to spend on each gift.

A motion was made to approve the giving of up to 20 gift certificates or gift baskets, with a maximum combined total of \$2,000 (including postage), and that Anne and Nancy work out the details of how to do this and how to deliver the gifts. (Rodriguez/Cozzens/Unanimous).

**5. Update on California Supreme Court Decision on "Pension Spiking" - Art**

Art discussed the highlights of the California Supreme Decision and how it may impact County retirees.

The goal of the Board of Retirement (BoR) to attempt to come up with a solution that complies with the law in terms of what must be done, but on a fair and compassionate basis.

Art noted that “pension spiking” is a misnomer. The issue here is what can be included in what is compensation earnable and pensionable compensation, a term that was developed in the California Public Employee’s Pension Reform Act (PEPRA). PEPRA says that you can’t include certain things. There is also the issue of vested rights, i.e. what you’ve been making contributions on throughout your career. With PEPRA, we were then told that when you calculate pensions, you can’t include specific items. This was one of the issues that led up to the Alameda Decision, which unfortunately took to seven years to be issued (going through the Superior Court, the Appellate Court, and then finally to the California Supreme Courts.)

Art stated that this boils down to two potentially significant items:

- 1) PEPRA (effective 1/1/2013) – This issue has to do with straddling. The law says that compensation for accrued compensation is limited to what you can earn and receive in pay over a 12-month period. If you’re a Tier II employee, that’s actually three different 12-month periods. If you’re a Tier I, its one 12-month period. But you can’t straddle – you can’t take two different 12-month periods and try and boost the amount. This is not allowed. This spikes pensions
  
- 2) The Alameda Decision (effective 7/30/20) - Says that an in kind benefit (something paid or given in goods, commodities, or services instead of money) received through utilization of your flexible benefit cannot be used in calculating pensionable compensation. The question is, can it be used in calculating compensation earnable. This applies to the Legacy employees. It appears it cannot be. It appears (although there is disagreement), that the cost of your health care premium, which is paid out of your flexible benefit, cannot be included in calculating compensation earnable.

Art stated that the question was raised, “Does the cash that you get back from flex credits count as compensation earnable?” Art said no. The question is, if it’s by getting a premium paid through health insurance, or an “Opt-Out fee” can those be included. The BoR has not yet made a decision. Art noted that if BoR adopts a resolution implementing the Alameda Decision, they’ll probably be litigation by the County and unions over the interpretation of the Supreme Court decision. Should this happen, he would expect that the unions may ask REAVC to help pay for this.

Depending upon what the BoR decides, people who retired subsequent to 1/1/2013, may have their retirement benefits reduced to the extent that PEPRA exclusions were included in the compensations of their benefit. This will have to be determined on a person-by-person basis. With the Alameda Decision, the big issue is how the flexible benefit is used. A health care premium is an in kind benefit.

Art also noted that that there may be a conflict of interest with BoR member Bennett as he is also on the County Board of Supervisors. On October 12, 2020, the final action of the BoR will be made.

The REAVC Board thanked Art for staying on top of this and for his comprehensive presentation on this issue.

**6. Report on See's CANDIES Certificates – Butch**

Butch stated that as of the last financial report, we had 227 certificates on hand. As of today, we're down to around 150. Currently, See's is not providing any information on gift cards.

**7. Addition of Board Member: Jacqui Richardson – Nancy**

Nancy reported that Jacqui Richardson would like to join the REAVC Board. Jacqui, who had previously worked for Ventura County Supervisor Mikel's office, has a history of working on philanthropic needs. It was the consensus of the Board to appoint her to the REAVC Board.

**8. Database Status – Sharon**

Report postponed due to Sharon's absence

**9. Membership Report – Sharon**

Report postponed due to Sharon's absence

**Committee Reports**

- *Retirement Board/Legislation (Art) – See Agenda Item No. 5*
- *Associate Members (Maryellen) – Maryellen stated that she has not received recent death information. Nancy said that she will work with Sharon on this.*
- *Benefits (Kelly) – See Agenda Item No. 3.*

- *Communications (Will) – Has not received any calls on the Alameda decision. Has been receiving about the same number of calls.*
- *Membership/Courtesy (Nancy) - For the time being, the County has cancelled their retirement workshops due to COVID-19.*
- *CRCEA (Will) – CRCEA will have a meeting on October 21. They are looking for a new secretary.*
- *Newsletter (Butch) – Asked members to please be sure to get their newsletter articles into Sharon on time.*
- *Nominations/Elections (Nancy) – See Agenda Item No. 6. Will have the election of officers at our next meeting.*
- *Program/Social (Tom) – Nothing to report*
- *Scholarship (Tom) – Nothing to report at this time.*

#### **10. Adjournment**

The meeting was adjourned at 3:05 p.m.

The next REAVC Board meeting will be held electronically via Zoom on Tuesday, **December 8, 2020**, at 1:00 p.m.

Respectfully submitted,

Sharon Hurault  
REAVC Executive Assistant