

**County of Mendocino
Retiree Health Benefits Committee (RHBC)
Minutes of February 11, 2010**

MEMBERS PRESENT

**Shari Schapmire
Bob Mirata
Dennis Huey**

AMCREE MEMBER

Carol Mordhorst

STAFF PRESENT

**Carmel Angelo
Teresia Haase
Meredith Ford
Sue Goodrick
Toni Minor**

ADVISORS/CONSULTANTS

**Bordan Darm - MERCER
Jim Andersen
Sue Thornhill**

1. Call to Order

Carmel Angelo called the meeting to order at 1:03 p.m.

2. Introductions & Defining of Roles – Carmel Angelo (Assistant CEO)

Staff & guest introductions were made. It was noted that the Retirement Health Benefits Committee (RHBC) was created by authority of the County Executive Office, and not subject to the Brown Act. The public was welcome to attend as observers only. Public comment would not be taken.

3. History of RHBC – Dennis Huey and Bob Mirata, RHBC Members

A brief discussion of the history and intent of the RHBC was provided by current and former RHBC members, Dennis Huey and Bob Mirata.

4. Overview of Objective & Desired Outcome – Teresia Haase (HR Director)

Teresia reported that depletion of Retirement Health Insurance Reserve is expected by early 2011 and that the Board of Supervisors directed staff to evaluate ways to extend the life of the Retiree Health Plan. She described the objective of the committee is to evaluate options and develop recommendations to the Board of Supervisors for health plan changes which would allow the County to continue providing access to health care for retirees.

5. Discussion of Project Charter & Timeline Including Areas of Anticipated Review/Analysis – Sue Goodrick (HR Manager – Benefits)

A copy of a project charter and timeline for identifying solutions for the protection and preservation of the Retiree Health Plan was provided to RHBC members. The charter identified a number of areas for review/analysis which included: Plan Change Alternatives, Contribution Alternatives, Supplemental Plan Alternatives, Rate Structure Alternatives, and Plan Administration Cost Analysis and a timeline for completion of this review.

On the subject of Retiree Health Plan funding, Jim Andersen clarified that the Retiree Health Plan is funded by the County, Budget Unit 0716, and contributions from Retirees.

It is not technically funded by excess earnings from pension investments but rather, to the extent there is a shortfall, excess earnings may reimburse the County for expenses.

It was noted that the Retirement Board had initiated a Retirement Liability & Asset Allocation Study which depending on the outcome may or may not support the future use of excess earnings for funding the retiree health plan.

6. Presentation on Research & Marketing Results for Supplemental Plan

Alternatives – Bordan Darm, Mercer (Retiree Health Plan Consultant)

Bordan reported that quotes for supplemental plans for non-Medicare and Medicare-eligible retirees was requested in December 2009. He stated that there were no quotes received for non-Medicare eligible retirees. A number of quotes were provided for Medicare-eligible plan.

Bordan reported that, based on the quotes received, we can reduce Medicare Supplemental costs by looking at an insured option. There is no group plan available for non-Medicare eligible retirees. Discussion ensued on options for early retirees.

A copy of the Active Employees and Retired Employees Health Plan comparison was distributed. In addition the current year's Retiree Health Experience report was distributed.

It was agreed that for the next meeting, Bordan would provide the following: 1) A report on supplemental plan alternatives (Report 3 of charter); 2) Plan Change Alternatives (Report 1 of charter); and 3) A non-Medicare eligible longevity study based on information provided by County/Retirement Office.

7. Selection of Chairperson for Retiree Health Benefits Committee

Upon motion by Mirata, seconded by Schapmire, IT IS ORDERED that the Committee Chair person is Dennis Huey for the 2010 calendar year.

8. Next Steps/Other Business

Bordan said he would send the summary on Medicare Supplemental Plans by Wednesday, February 17, 2010 and the plan design options on Monday February 22, 2010.

9. Schedule Next Meeting Date

The next meeting is set for Thursday, February 25, 2010 at 2 pm, location to be announced.

Adjournment

The meeting adjourned at 3:00 pm.

Attachments:

- a) Bylaws - RHBC
- b) Project Charter – Retiree Health Plan Sustainability Project
- c) Project Charter Timeline

- d) Retiree – Active Health Plan Comparison
- e) Retiree Health Plan Experience Report