**CALIFORNIA STATE RETIREES**

**BOARD OF DIRECTORS MEETING**

Hilton Orange County, Costa Mesa

June 30, 2016

## 1. Call to order

The meeting was called to order at 9 a.m. by President Tim Behrens, in honor of Bob Wilson, a pioneer of CSEA.

**2. Salute to the Flag**

The pledge of allegiance to the flag was led by Fritz Walgenbach.

**3. Roll Call**

Members present were:

 Tim Behrens, President, Chapter 35, District F

 Fritz Walgenbach, Executive Vice President, Chapter 2, District E

 Stephanie Hueg, Vice President, Chapter 23

 Harold Rose, Chief Financial Officer, Chapter 21

 Cynthia Frison, District A Director, Chapter 4

 Howard Wood, District B Director, Chapter 10

 Gus Lease, District C Director, Chapter 23

 Susan Sears, District D Director, Chapter 14

 Keith Umemoto, District E Director, eith KChapter 15

 Gerald “Jerry” Fountain, District F Director, Chapter 11

 J. W. (Jay) Jimenez, District G Director, Chapter 34

Headquarters was represented by Bob Hendricks, Trinda Lundholm, Renee Texeira, Corinne Wogksch, Dani Schenone and Addison Skov. Theresa Michael was excused.

**4. Introductions, Agenda Changes/Corrections and Unscheduled Items**

President Behrens introduced Marilyn Hamilton, CSEA Past President, and announced that United Health Care had a table outside the room for those with questions.

**5. Approval of the February 25, 2016 Board of Directors’ Meeting Minutes**

CSR 16/16/2 MOTION: Sears, second by Hueg - that the CSR Board of Directors

 approve the minutes of the February 25, 2016 meeting as printed.

 CARRIED.

**6. President’s Report of Activities (& 14C report on CSEA Board of Directors’ Meeting)**

The President’s printed report was included in the agenda material. President Behrens added that he met with the Secretary of Corrections and we hope to move forward with recruiting employees as they retire from Corrections. After a very successful Lobby Day, volunteers attended Congressman Garamendi’s BBQ event again and served over 400 people. There were no actions taken at the last meeting of the CSEA Board of Directors because there must be at least one representative from each affiliate, and SEIU was in bargaining, so the board will be having a telephone conference. CSEA got good news regarding its workers compensation coverage – a reduced premium from the State Fund means savings for all four affiliates. Discussions continue about the possibility of selling the headquarters building and parking lot. CSR, ACSS, CSUEU and CSEA Benefits are the only ones now occupying the building. 1108 “O” Street is an old building with problems, and we need to plan ahead -- Harold Rose has been assigned to meet with the other Fiscal Officers on the issue.

**7. Board Member Activity Reports**

The backup material contained printed activity reports from Fritz Walgenbach, Stephanie Hueg, Cynthia Frison, Howard Wood, Gus Lease, Susan Sears, Keith Umemoto, Jerry Fountain and Jay Jimenez.

Fritz Walgenbach commented that the meetings listed on his report are important to solicit coordination between other organizations with the same interest in protecting our benefits and pensions. The coalitions work to concentrate support with legislators throughout the state, and it is Important that CSR participate and show our presence.

Jerry Fountain also emphasized the importance of coalition meetings, adding the importance of meeting with chapters to see that information is spread so everyone has the most current information. Keith Umemoto added that along with working with other groups to fight such things as the DeMaio/Reed initiatives, he meets with labor organizations to find new partners to join in our efforts.

Howard Wood added that he visited chapters in Santa Cruz and San Luis Obispo before he broke his hip, stressing the importance of getting the Ambassador program up and going, getting the word out to active employees. Now that he is recovering, he will be out more and working with political action groups.

Cynthia Frison added that District A chapters are doing well and providing great leadership and guidance. Jay Jimenez noted that he has now visited District G chapters several times, learning new faces, and thanked the chapters for receiving him with open arms. Susan Sears reported that Chapter 14’s Susanville subchapter, which meets four times a year and has two big prisons, had struggled to find a place to meet until a new casino was built. Now turnout has improved dramatically. District D has geographical challenges and chapter members really appreciate having people bring news from the mother ship.

**8. Legislative Report – Ted Toppin, Blanning & Baker**

Ted Toppin related that he enjoyed the PAC meeting on June 29, where it was nice to hear members give input to the legislative races. Governor Brown signed the $122.5 state budget, the largest budget in the history of California, and it fully funds the state obligation to PERS and retired health care. The budget is not the great debate that it once was -- since the passage of Prop 25, the governor works out the budget with the two houses. The governor didn’t veto a single line item – he dictated every item in the budget, a concern regarding separation of powers. The governor’s view is that the recession is gone, and the legislature wants to restore programs cut during the recession.

Two important bills are AB 1878 and AB 72. AB 1878 seeks to address the inadequate death benefit for state and school employees under CalPERS by increasing the benefit according to the CPI. This year, that would have increased the $2,000 death benefit by $140. CSR has tried to increase the benefit with bills over the last six years and will continue working with school employee friends to get an incremental increase. As a comparison, the death benefit under CalSTRS is $6,100. AB 72 says if you follow all the rules in your health plan you will not be charged extra, usually for anesthesiologists. In a good sign, AB 72 passed the Senate Health Committee on June 29 with a vote of seven to one. While doctors’ groups are still opposed, Dr. Richard Pan voted for it, an indication that we have made progress and there may be an agreement in the works.

SB 1010 (Hernandez), opposed by big pharma, would require drug companies to provide health care plans the price they pay for drugs by reporting to the Departments of Insurance and Managed Health Care, sun shining costs. AB 2497 (Wagner) concerns the checkoff for the California Senior Legislature on the state income tax form. CSR helped the Senior Legislature maintain its checkoff by getting a change so they didn’t have to meet the threshold of $250,000 in contributions. Unfortunately, with the checkoff called California Senior Legislature, people did not contribute, and they are thinking of calling it California Senior Advocates instead.

In response to a question on efforts to change the death benefit under CalPERS from “benefit” to “insurance” so it is tax exempt, Mr. Toppin explained that is a large hurdle as federal law requires disbursements from CalPERS to be taxed at 20%. He suggested working to get the benefit increased first.

**9. State Controller - Betty Yee**

President Behrens introduced Betty Yee as an example of the American dream. She expressed her thanks to everyone – it is always an honor to address and thank retirees for the service they provided that affected countless lives in California. Her personal background speaks to the growing diversity within the state. As she looks at her own journey – first child born in the United States after her parents emigrated from China, the second of six. Her parents had a dry cleaning business, and her dedication stems from going to San Francisco public schools, dependent on public services – schools, libraries, firemen living in the neighborhoods they served. Today, struggles are more difficult for immigrant families, and for the first time in her life she feels the disintegration of society with negative attitudes toward government. She hopes members continue their great advocacy, as retirees are in a unique position, poised to help those still developing their voices, to help keep our economy stable and say that everyone should be able to retire with dignity after a lifetime of work.

She serves on 79 state boards and commissions, including CalPERS and CalSTRS, and as Controller is CFO of the firth largest economy, believes it is really about California being able to provide good quality of life for those in California, supporting public institutions that enable continuation of that quality of life. Whether serving on pension boards or working on environmental issues, the mission is very simple, to reverse the so-called disintegration of society created by special interests that have torn the fabric of society apart. We can bridge that gap by looking at creative ways to build a strong society so the companies we invest in are also take care of their own employees. She recently attended a meeting in New York calling out corporations that are not taking care of their employees, being sure they have health benefits. It is a disconnect that California is the fifth largest economy but first regarding poverty rates. For most Americans, a secure retirement is far from certain, with the US ranked 20th in the world. Norway has a personal savings rate of 20%, California has 5%, and people should be saving at least 15% to have a secure retirement. By 2050, the population over 65 is projected to be slightly double -- quality of life requires that we be able to support ourselves through a long retirement, but 55% of retirees will have to rely on Social Security benefits and may be forced to rely on government programs for support. Costs for long-term care are increasing beyond reach, with the cost of nursing homes now at $91,000 a year and increasing 4% a year. The same costs affected the CalPERS long-term care plan, requiring premium increases of 85%.

Regarding health care, with increased utilization and higher drug costs for specialized and generic drugs, 2017 rates show members will face increased premiums of 3.2% to 4.1%. When CalPERS negotiated with providers it was a struggle to get usage data to negotiate on rates. Concerning the PERS unfunded liability for retiree health care, the risk will be mitigated going forward and her job is to be sure we maintain our progress. Retiree health care had been on a pay-as-you-go basis, and the shortcomings of that method are apparent. The $74 billion liability for future benefits will grow to $100 billion in five years. The governor has proposed prefunding the entire liability, and five bargaining units have agreed to partially prefund health care liabilities. More than 450 public employers participated. Governor Brown has been working to lower the state’s contribution, which traditionally has used the 100/90 formula for service of 20 years.

On the pension benefits side, as the ratio of active employees to retirees continues to drop, CalPERS must rely more on investment returns. Concerning the 7.5% assumed rate of return, looked at over the long-term of 30 years, she is not ready to give up on our economy performing at that level. As our economy shifts to a green economy, there will be more investment opportunities for where to place our assets. Both pension boards take their fiduciary responsibilities seriously. Looking at another slowdown in our economy over the next several years, CalPERS expects two-thirds of pension costs to come from investment returns. In late 2015, PERS Board action was to apply half of the excess returns to the unfunded liability, with the other half reducing employer rates for a few years. Lowering the assumed rate would cost employers more and put some at risk unnecessarily. Both pension boards have been working hard to mitigate risks.

While we have managed to stave off attacks on defined benefit plans, each of us need to be an advocate for defined benefits. When opponents talk about how rich these plans are, remember that it wasn’t long ago that the private sector had defined benefit plans, which they chose to discontinue – what does that say about them? Lastly, concerning the presidential election, she understands how the economy has left people behind, frustrated and angry, but the divisiveness is alarming. It seems to be “us versus them” even within a party. All of us must be advocates, person to person -- we need members voices to continue to be strong.

**10. CalPERS Board of Administration – Henry Jones**

Henry Jones noted that it is always a pleasure to address the CSR and he appreciates opportunity to provide updates on CalPERS activities. One event getting a lot of attention is “Brexit,” Britain’s vote to pull out of the European Union. There have been a lot of question on how that affects CalPERS. While Brexit is the kind of event that causes a short term up and down in the market, CalPERS is a long-term investor. Investment staff monitors the market on a daily basis and takes opportunities to make purchases on the low side. The market losing 600 points is good news – CalPERS has investments all over the world, and the market will come back.

At its June meeting, the CalPERS Board approved new health care rates and plan changes for January 2017. Open enrollment will be September 12 to October 7, with information on-line now, and he appreciates the efforts by retiree groups to make sure everyone knows about the changes. Members can call 888-CalPERS to get information mailed to them instead. There are also changes to prescription drug benefits, with Optum Rx replacing CVS/Caremark in 2017.

The Board received a report on its California investments, showing over $1 billion invested in companies located primarily in California, helping the overall economy of the state. Another issue is proxy access, when PERS has a vote on how the company is being run, a vote on who the board of directors are. Data shows that companies with diversity on their corporate boards outperform companies without different backgrounds and experience. CalPERS normally combines those efforts with other pension funds throughout the country to speak with one voice. On the issue of cost effectiveness, PERS commissioned a study to see how it is doing compared to its peers, and reduced costs by $134 million through bringing investment management efforts in-house and reducing fees paid to outside managers.

Concerning long-term strategies, investment staff were asked how they think CalPERS will look in 20 years -- concern is that as the world changes and the Fund invests in other countries, we needs to look at how we are organized. “Black Swan” is something unanticipated that has a negative effect on investments, like the stress test in 2008. A new law says that banks must undergo stress tests to see how they will survive under various scenarios, and CalPERS will bring in experts in dealing with long-term planning.

In response to a question whether PERS invests in any companies owned by terrorists, Mr. Jones noted that CalPERS’ divestment policy talks about where we will not invest, such as in Sudan, which is being cruel to its people. Board members have a fiduciary responsibility to pay benefits, and sometimes social issues conflict with fiduciary responsibilities. After PERS divested from tobacco, it received a report it lost $3 billion because of that divestment. The Board recently took some gun manufacturers off the investment list and must have an alternative investment plan.

To a question concerning better accommodation for members who have Medicare and a non-Medicare dependent, he explained that there are two separate bargaining process -- negotiations on basic plans are separate from Medicare plans. PERS is constantly trying to mitigate the rate of premium increases. It was noted that dependents in Sacramento County can be covered by UnitedHealthcare, but not in some other counties.

On the issue of the “opt-in” to receive health care material by mail, it was noted that only 80,000 responded of the 600,000 people affected. Concerned that many retirees who did not respond do not have access to computers, the SCORE coalition requested that there be a follow-up to be sure that those who did not respond receive updates regarding their health care.

To a question on the need to take advantage of investment situations, Mr. Jones reported that PERS has a 70-member professional investment staff dealing with equity investment and monitoring situations in making decisions to buy and sell – the caveat is that there is a cost every time you buy or sell, so it is not always advantageous. In stock market investments, 90% are done by in-house staff.

**11. Chief Financial Officer Report**

Harold Rose reported that he is no longer chair of the CSR Finance Committee; there are now no CSR Board executive committee members attached to any committee. He will be working with new Finance Committee chair Jim Moranda, and asked that Don Lehnhoff be appointed to the committee.

CSR 17/16/2 MOTION: Sears, second by Jimenez - that Don Lehnhoff be appointed to

 the Finance Committee. CARRIED.

He will continue to work on all other issues involving CSR/CSEA finances, including reviewing and approving CSR expenses except those of board members; working with the CSR and CSEA Finance Committees and Board on three-year budgets, income and expenses; working with CalPERS and other state agencies, in-house and outside attorneys and PAC managers, and the other three affiliates. He will continue to work on chapter and district issues and send out reports to the board, chapters and committees. He will also represent CSR on the CSEA/UAW bargaining committee for upcoming negotiations. He is also the CSEA Financial Officer and chair of the CSEA Finance Committee, which meets four times a year, mainly to review the staff 401(k) plan managed by the Bank of Switzerland.

All Lobby Day expenses have been resolved, with $74,000 reimbursed from the IPAC – prepaying attendees went well and resolved issues with travel expense claims. CSR has just over $142,000 in the IPAC and will continue to put in at least $25,000 a month; CSR members make voluntary contributions amounting to about $1300 a month. CSR has $427,571 in the CPAC and receives $5,000 a month in voluntary contributions.

are working to resolve fee issues, discussing fees paid against interest earned. Wells Fargo fees amount to $4,700 a month paid from earned interest on money held in our combined affiliates and CSEA Wells Fargo checking accounts, and he will probably ask CSEA to investigate other banks.

President Behrens recounted that he received an e-mail from someone saying they wanted to review his Wells Fargo account – he doesn’t have a Wells Fargo account. He reminded everyone that if a message looks suspicious, delete it, and delete anything that has poor English. Mr. Rose noted that he also received a message from “Wells Fargo” and sent it to Bob Hendricks, who reported it to the FBI.

**12. Headquarters Report – Internet Fraud Alert – Bob Hendricks**

Bob Hendricks distributed the printed Headquarters Report and gave a presentation on internet fraud alert. The report shared accomplishments, including the continued growth of CSR, with membership passing the 35,000 members mark. Two talented individuals have been added to CSR staff -- Dani Schenone, Senior Communications Specialist, will be working on membership, and Jamee Villa, Communications Specialist, will work with the Health Benefits Committee. The bad news is that Addison Skov is moving on to continue his pursuit of a career in state service, and Mr. Hendricks presented him with certificate in recognition and appreciation of his outstanding service.

Because of security concerns, CSR news has been moved from the main website page to where members log in. On the issue of fraudsters e-mailing chapter treasurers, spoofing the chapter president to request a transfer of money, the FBI says there has been a 200% increase in such activity over the last year. Luckily, there has been no crime yet, so there is nothing the FBI can do. He urged chapters to not be afraid, but to be smart – if ever in doubt about a request, don’t do it. At Spokeo.com, a people search engine that organizes white page listings, public records and social network information into simple profiles, you can enter your name and see what comes up – it is not something you have done, it is public record. Caryl Cole reported that she had received such a spoof, and when Chapter 12 opened a new account they specified to the bank that they would not be making many transfers.

## 13. CSR Committee Reports

**13A. Finance Committee**

Caryl Cole reported that the Finance Committee met on June 28, and presented the committee’s recommended changes to the Governing Rules.

CSR 18/16/2 MOTION: Sears, second by Jimenez – that the CSR Board of Directors

 approve the deletion of language in Governing Rules Sections 2.03 and

 2.07 to read as follows:

 **2.03 Membership Rights**

 All members of the Corporation shall have the right to attend and

 speak at membership meetings of their respective Chapters. The

 other rights of associate ~~and beneficiary~~ members shall be as

 follows:

 ~~(a) Associate Members~~

 Associate members have all the rights designated by the

 Corporation Board of Directors, including the right to participate in

 all member benefit discount programs, except the right to vote and

 hold elective office.

[Subsections (b) and (c) were deleted in their entirety. In Section 2.07 Dues, subsection (b) was deleted in its entirety.]

CARRIED.

CSR 19/16/2 MOTION: Sears, second by Jimenez – that the CSR Board of Directors

 approve the changes to Governing Rules Section 16.09 as follows:

 **16.09 Chapter Activities**

 Each chapter shall keep accurate and complete attendance,

 minutes and records of the proceedings of the meetings of its

 officers, committees and membership; accurate and complete

 financial records; and permanent files of its correspondence,

 contracts and other documents. All such records shall be retained

 for a minimum of five years at California State Retirees’ office. Each

 Chapter shall file with the Chief Financial Officer/Secretary ~~it’s a~~

 three (3) year budget, its meeting schedule, and such other reports

of the proceedings and activities of the Chapter, its financial affairs

and other information as the Board of Directors may reasonably

require.

[No changes to subsections (a), (b) and (c).]

(d) Financial Reporting

[No changes to opening paragraph and subsection (1).]

 (2) Chapters are required to prepare a three (3) year budget,

 updated annually. The three (3) year budget will be

 reviewed by the chapter annually and the current year

 adjusted as needed. A copy of its approved annual budget

 shall be submitted by the chapter to the CSR’s CFO by the

 last working day of February.

 CARRIED.

CSR 20/16/2 MOTON: Sears, second by Walgenbach – that the CSR Board of

 Directors approve the changes to Governing Rules Section 20.03 effective

July 1, 2016, as follows:

 **20.03 Meals**

 (a) Meal expense may be allowed up to $~~45~~55.00 per day. Individual

 meal limitations are: breakfast $~~12~~15.00; lunch $~~12~~15.00; dinner

 $~~20~~25,00

 CARRIED.

CSR 21/16/2 MOTION: Sears, second by Jimenez, amended by Fountain, second by

 Walgenbach – that the CSR Board of Directors approve the deletion of

 outdated language and addition of new language in Governing Rules

 Section 2.08 to read as follows:

 **2.08 Chapter’s Portion of Member’s Dues**

 **1.** **Monthly Dues Allocation**

(a) Each chapter shall receive $1,000 a month plus $.35, inclusive of

active and associate members as a share of its member’s dues.

Allocations shall be contingent on

* The chapter submitting a three-year balanced budget ~~,within their CAP,~~ as defined below and
* Monthly reporting of revenue and expenses to headquarters.

(~~a~~ b) Chapter funds shall only be used to accomplish the mission and

 implement the programs of CSR.

(c) Chapter funds shall not be invested, in any form, by a chapter.

(b d) Implementation of Chapter Dues Allocation ~~(CAP)~~

[text of prior subsection 2.08 (b) (1) through (5) deleted in its entirety]

(1) CSEA Accounting will calculate the annual dues funds allowable for each chapter. This amount will be divided into twelve (12) monthly allocations. The amount of annual dues will be recalculated on a quarterly basis as membership numbers increase or decrease.

(2) ~~(6)~~ Grants and scholarships funds held by a chapter shall not be included in the ~~calculation of maximum funds under the CAP;~~ annual dues funds allowable calculation, however, CD’s and savings accounts and other accounts of dues monies shall be included in the calculation.

(3) Chapters must submit chapter reporting documents to the headquarters no later than the 15th of each month, for the previous month.

(4) Chapter dues allocation will be issued after receipt and review of chapters reports.

(5) Payment will be withheld if reports are not submitted.

(6) If the chapter balance goes over the annual dues rate at any time during the year, a full month’s check will be forfeited.

(7) At the end of the fiscal year the chapter may hold a maximum of three months dues in reserve. If more than three months dues equal the fiscal year ending balance, dues funds will be forfeited until balance is at that level. At that time monthly dues allocations will continue.

(8) ~~(7)~~ Dues funds withheld for a chapter as a result of ~~the~~ going over the annual dues rate of the ending year reserve balance ~~CAP restriction~~ limits, ~~and not justified by expenditures, within that quarter~~ shall be forfeited by the chapter and retained by ~~the~~ CSR in the CSR General Fund.

(9) ~~(8)~~ A chapter whose funds have been restricted may appeal to the Board of Directors for review.

**2.** **Reporting**

(a) All Chapter reporting will be monthly.

(b) All chapter reports are due in CSEA Accounting no later than the

 15th of the month, for the previous month.

(c) No chapter dues allocations will be sent to the chapters until the

 chapter reports are received and reviewed.

 **3.** **Ways to Report**

(a) Option 1. Transfer all bookkeeping to CSR Headquarters including checkbook. Headquarters will review all documents and issue all checks to pay expenses. A chapter bank account will be established in Sacramento; no checks will be written in the chapter. Chapter dues allocation will be transferred to chapter account at headquarters monthly. Headquarters will send a Financial Report to chapter monthly. Chapters may request an advance if money is needed in the chapter ahead of the expense.

(b) Option 2. Chapter will send all documentation to headquarters to do their books. Chapter will retain the checkbook and write all checks. Chapter shall submit all backup documents to Accounting on a monthly basis. Documents must be submitted no later than the 15th of the following month. Chapter dues check will be issued after receipt of monthly documentation and review. Headquarters will send a Financial Report to chapter monthly.

(c) Chapters wishing to submit their own report, using online forms, may do so. They must submit the report with all back-up documentation no later than the 15th of the following month. Chapter dues checks will not be issued until monthly report is received and reviewed. Headquarters will send a Financial Report to chapter monthly.

4. All chapters will receive a CSR Finance Report from Accounting each month regardless of reporting option.

5. California State Retirees shall retain chapter official records in Corporate Office for five years.

6. Chapter may keep copies of records for review purposes for a minimum of one (1) fiscal year.

 CARRIED.

Mr. Rose reported that the CSR Investment Committee of Varon Smith, Jim Moranda and Jim McRitchie, continues to check out investments.

**13B. Health Benefits Committee**

Connie Lira reported on the committee’s June 29 meeting, noting that the committee also had a telephone conference on April 4 and an in-person meeting May 16 in Sacramento. Al Darby presented the efforts of the subcommittee working to improve dental benefits, including a meeting with California Human Resources and Delta Dental representatives on May 29. The objective is to raise the cap from $2,000 to $3,000 for needed dental work and to provide an optional plan with slightly higher premiums for expanded benefits to include some coverage on implants.

The Health Benefits Committee is also monitoring health plan rates for 2017, including increases of 4.14% for the basic and Medicare HMO plans, 3.76% for basic PPO plans and a decrease of 3.97% for Medicare. Open enrollment is September 12 to October 7 for both medical and dental.

Dr. Mark Hynum reported on the status of AB 71 (Bonta) regarding efforts to control surprise medical bills. He also reported on the Drug Price Relief Act and gave an update on the status of the excise tax on Cadillac plans. Jenny Hayden and Luanna Allard provided information on veterans’ benefits, including burial benefits and contacts for additional information. Blaine Edwards provided detailed information on the Long-Term Care program, including status of the lawsuit. Larry Woodson reported on changes in the pharmacy benefits program and the new contract awarded to Optum Rx and reminded members they have until July 1, 2016, to request continued mailing of health care materials from PERS.

The Health Benefits Committee continues to receive questions and complaints from members regarding pharmacy benefits, long-term care and health plan coverage and denials. Committee members have taken advocacy responsibilities along with CSR staff with representatives from CVS/Caremark, Anthem, United Healthcare and others, successfully reversing adverse decisions affecting members in several cases. Committee members continue to attend meetings of the CalPERS Pension and Health Benefits Committee, Stakeholders Briefings, Retiree Roundtable and SCORE, engaging in discussions and raising issues of concern.

**13C. Membership Committee**

Bobbi Estrada reported that the Membership Committee continues working to provide Ambassadors with photo ID. Any Ambassadors who have not received their badges should contact her. The Membership Committee is focusing on the Department of Corrections and Caltrans, identifying locations for Ambassadors to visit, and she thanked Phyllis Johnson, who identified 95 Caltrans locations.

Current CSR membership is 35,134 and there is a bright future ahead with the hiring of a staff person dedicated to membership. Regarding marketing, the committee will be looking at what kind of incentives to use, such as TVs and IPads, and more information will be coming out soon. The Membership Handbook distributed at the committee meeting has been reviewed for compliance with the Bylaws and will be distributed to the chapters within the next 30 days. She suggested it be put it in a binder as there will be updates. She thanked Susan Sears for her vision of a membership handbook and President Behrens for approving it -- it has been a three-year project for the committee with a lot of excitement and encouragement from chapters. Ms. Sears commended Merilee Colton, who created the handbook.

**13D. Political Action Committee**

Dick Mesa reported that the PAC Committee had a great meeting on June 29 and thanked Ted Toppin and CSR staff. This meeting was considered the Southern PAC meeting, to give people in the area an opportunity to participate in making recommendations. September 20 is the tentative date for the Northern PAC meeting, at the Hilton Arden West in Sacramento. The committee reviewed results of the primaries, where 60 of our 61 endorsed candidates will be on the November ballot, and added recommendations for five endorsements. He did an accounting of the PAC member responsibility chart and provided a quick look at what we’re doing regarding PAC membership and contributions. The PAC is losing people to death, but gaining members too, with a net increase of 76 members.

CSR 22/16/2 MOTION: Walgenbach, second by Jimenez – that the CSR Board of

 Directors endorse Cecilia Aguiar-Curry for election in Assembly District 4.

 CARRIED.

CSR 23/16/2 MOTION: Walgenbach, second by Umemoto – that the CSR Board of

 Directors endorse Raul Bocanegra for election in Assembly District 39.

CARRIED.

CSR 24/16/2 MOTION: Walgenbach, second by Jimenez – that the CSR Board of

 Directors endorse Sharon Quirk-Silva for election in Assembly District 65.

 CARRIED.

CSR 25/16/2 MOTION: Walgenbach, second by Wood – that the CSR Board of

 Directors endorse Henry Stern for election in Senate District 27.

 CARRIED.

CSR 26/16/2 MOTION: Walgenbach, second by Fountain – that the CSR Board of

 Directors make a dual endorsement of Steven Bradford and Warren

 Furutani for election in Senate District 35. CARRIED.

The committee also had a motion not to endorse a candidate, which it will review after that candidate’s questionnaire is received.

**13E. Bylaws and Governing Rules Committee**

Fritz Walgenbach commended the committee for a wonderful job and President Behrens thanked Rocco Paternoster, who attended workshops and gave guidance.

CSR 27/16/2 MOTION: Walgenbach, second by Fountain – that the CSR Board of

 Directors adopt the recommendations from the Bylaws and Governing

 Rules Committee in total except for five sections, Section 4.00, Section

 8.17, Section 16.08, Section 16.09(e) and Section 4.04. CARRIED.

CSR 28/16/2 MOTION: Walgenbach, second by Fountain – that the CSR Board of

 Directors adopt the proposed changes in Governing Rule Section 4.00 as

 printed, except striking the word “of” in the first sentence of 4.02, so it

 reads: “In addition to the duties ~~of~~ as a board member…” CARRIED.

CSR 29/16/2 MOTION: Walgenbach, second by Sears – that the CSR Board of

 Directors adopt the changes in Governing Rule Section 8.17, subsections

 (j) and (l) to read as follows: “(j) ~~Association President’s Report~~

 Committee reports, including any motions requiring action; (l) ~~Committee~~

 ~~reports~~ Guest Speaker;“ CARRIED.

CSR 30/16/2 MOTION: Walgenbach, second by Sears – that the CSR Board of

 Directors adopt the changes in Governing Rule Sections 3.02 and 16.08 to

 read as follows:

**3.02 Board of Directors**

 **T**he Board of Directors shall be the Corporate governing board

 consisting of eleven Board members, four statewide elected officers

 and seven district directors ~~nine Board members~~, one elected from

 each electoral district~~, the Chief Financial Officer/Secretary and the~~

 ~~Immediate Past President~~. All of whom shall have voting rights on

 all matters presented to the Board.

**16.08 Chapter Officer Duties**

The officers of the chapter are the President, Vice President, Secretary, Treasurer or Secretary/Treasurer. ~~Chapters may also~~

 ~~have the office of Immediate Past President.~~

~~(f) Immediate Past President~~

 ~~The Immediate Past President shall may serve as an advisor to~~

 ~~the President and the Executive Committee, and perform such~~

 ~~other duties as assigned by the President.~~

[reference to Immediate Past President also deleted in Section 16.10 (a).]

CARRIED.

CSR 31/16/2 MOTION: Walgenbach, second by Fountain – that the CSR Board of

 Directors adopt the changes in Governing Rule Section 16.09 to

 read as follows:

 **16.09 Chapter Activities**

Each chapter shall keep accurate and complete minutes and records of the proceedings of the meetings of its officers, committees and membership; accurate and complete financial records; and permanent files of its correspondence, contracts and other documents. All such records shall be retained for a minimum of five years. Written copies of the chapter meeting minutes will be made and distributed to chapter members. Each Chapter shall file with the Chief Financial Officer/Secretary its budget, its meeting schedule, and such other reports of the proceedings and activities of the Chapter, its financial affairs and other information as the Board of Directors may reasonably require.

(c) (7) Regularly scheduled chapter meetings:

 (a) ~~Suggested~~ Order of Business.

* + - * + Call to Order
				+ Pledge of Allegiance
				+ Roll Call of Officers
* Introduction of Guests
* Approval of the Agenda
* Approval of Written Minutes
* Written Financial Report
* Reports of Officers and Committees
* Report of District Director
* Old Business
* New Business
* Information Items
* Guest Speaker(s)
* Adjournment

(e) Prohibited Use of Chapter Funds

Chapters shall not use chapter funds to contribute to or support a candidate for any Corporation ~~or Association~~ office. They may, however, use chapter funds for chapter election notices, for publication or presentation of prepared candidate state­ments, and other expenses necessary for the holding of ~~an~~ a chapter election.

CARRIED.

CSR 32/16/2 MOTION: Walgenbach, second by Fountain – that the CSR Board of

Director adopt the changes in the Governing Rules deleting Sections 4.04 and 9.00, making the first paragraph of Section 15.06 subsection (a) and adding subsection (b) to read:

(b) The President and Chief Financial Officer may enter into a service

agreement with the Association. Upon entering into the service

agreement with the Association, the President and Chief Financial Officer must endeavor to negotiate the most advantageous agreement possible for the affiliate.

CARRIED.

**13F. Grants Update**

Fritz Walgenbach reported there were two grants in 2015, both completed successfully. So far in 2016, Chapter 6 has applied for a $2,000 grant to help with the health fair scheduled for January 7, 2017, and the board approved that grant.

**14. New Business**

**14A. Presidents’ Forum**

Christy Christensen-Fountain reported that the June 28 meeting of the Presidents’ Forum was attended by 20 chapter presidents and four designees. Harold Rose reminded presidents to make their hotel reservations when the meeting notice is sent out to avoid extra cost to their chapters – CRS staff are not able to assist with reducing room rates after the deadline. David Teyhaerts, CalPERS Stakeholder Outreach Manager, gave a detailed power point presentation regarding CalPERS financial investment strategies and their Ambassador program.

Written reports received from chapters were compiled and shared with all presidents, and Chapter 36 President Susanne Paradis shared her first-time experience as a CSR representative at a CalPERS benefits fair. Chapter 6 shared the “How to Plan an Event” guideline by Sharon Huddleston, with a power point presentation including pictures of their third annual health fair. Following the presentation, Chapter 6 members Erlinda Ochoa, Merilee Colton and Sharon and Willis Huddleston answered questions.

Barbara Powers shared her appreciation to Chapter 6 leadership for encouraging her to continue with plans for Chapter 5 to become more visible by participating in the annual “Mother Lode Round-up Parade” and “Horned Toad Parade” and hosting its second annual golf tournament at Castle Oaks Golf Course in Ione. Chapter 5 showed the magnetic car signs they used in the parades and a chapter banner. Jerry Fountain shared his experience in using Chapter 5’s magnetic car signs taped to the side of his truck, writing in Chapter 11, which worked very well and he learned to use only Windex to clean the sign so it doesn’t smear.

Sharon Stoltzman shared her experience in networking with the community by having Chapter 20 participate in a Senior and Baby Boomer Health Symposium “One Generation” at a senior center in Reseda. She also reported that new retirees from SEIU are reaching out to inform future retirees about CSR.

On the issue of a possible restructuring of the Presidents’ Forum, Ms. Christensen-Fountain reported that she will e-mail copies of the two proposals to chapter presidents for their review and comments.

The Forum passed two motions -- one to appoint Jerilyn Johnson as secretary, and one to respectfully request the CSR Board to have all committee chairs submit their agenda early enough to be included in the board agenda packet.

**14C. Report on CSR Board of Directors’ Meeting**

This report was given earlier in the meeting.

**14D. Unscheduled Items**

There were no unscheduled items.

**15. CSEA Member Benefits Committee Report**

The printed report of the CSEA Member Benefits Committee was included in the agenda material. Carol Bowen added that Anthem Life, which has been a long-time provider, is not addressing the needs of younger members, and New York Life sent two representatives to give a presentation to the committee. There has been no change yet in the Anthem plan -- the CSEA Board of Directors was not able to take action because not all affiliates were present at the board meeting, but members with an Anthem product should not be surprised if there is a change in the future.

**16. What’s On Your Mind?**

Jerry Fountain commented that we have heard repeatedly that membership is the lifeblood of the organization, and as retirees obtain benefits through legislation, he encourage everyone to talk to the members and emphasize the importance of joining CPAC and IPAC. Susan Sears commented that she found Betty Yee to be so inspirational -- when we were working, there were all kinds of class distinctions; once we retired, we can be in the same room as one group and class distinctions have gone away. Willis Huddleston reminded members to check their old insurance policies – he was going through some paperwork and found that he had taken out a life insurance policy in 1993. He contacted Theresa Michael and discovered that he has a paid-up life insurance policy for $2,000.

**17. Adjourn**

The meeting was adjourned at 2:40 p.m.

Tim Behrens

President

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