

CALIFORNIA STATE RETIREES

California State Retirees Board of Directors Meeting

June 22, 2022
Hilton Long Beach

Minutes

1. Call to order

The meeting was called to order at 10 a.m. by President Stephanie Hueg.

2. Salute to the Flag

The pledge of allegiance to the flag was recited.

3. Roll Call

Members present were:

Stephanie Hueg, CSR President
Elnora Hunter-Fretwell, Executive Vice President
Mary McDonnell, Vice President
Jerry Fountain, Chief Financial Officer
Sharon Stoltzman, District A Director
Manijeh Fatollahi, District B Director
Ron Franklin, District C Director
Vincent Herrera, District D Director
Keith Umemoto, District E Director
Tim Behrens, District F Director
Patsy Jimenez, District G Director

4. Introductions, Agenda Changes/Corrections and Unscheduled Items

President Hueg shared ground rules. Vice President Mary McDonnell added a new agenda item for after the CFO Report. Bob Duffield with Edward Jones will present at 11:30am. Ted Toppin with Blanning and Baker will present at 1:00pm.

5. March 30, 2022 Board Meeting Minutes

The minutes were included in the agenda material.

6. Approval of March 30, 2022 Board Meeting Minutes

CSR 13/22/1 MOTION: Behrens, second by Fountain - that the CSR Board of Directors accept the March 30, 2022 meeting minutes. CARRIED

7. President's Report of Activities

President Hueg's activities report was distributed with the agenda material.

8. Board Member Activity Reports

Printed activity reports were distributed with the agenda material; board members reviewed their reports, making updates and adding comments. Board Member Tim Behrens reported his activity report and it is listed below. Board Member Ron Franklin acknowledged he did not submit an activity report.

Tim Behrens District F Director Report

March 21, 22, 23 CSR Committees meetings and Leadership training and CSR Board meeting.

April 15 CalPERS Zoom meeting.

April 18, 19 CalPERS Sacramento

April 21st Urgent Board meeting Zoom

April 27th CSR committee meeting Zoom

May 10th Chapter 31 meeting Oxnard

May 11th CalPERS Sacramento

May 12th Chapter 35 Porterville

May 23rd Zoom meeting ASCME Retirees

May 26th CSR Urgent Board meeting Zoom

June 13th,14th,15 CalPERS Committee and Board meeting Sacramento

9. Chief Financial Officer Report

CFO Fountain reviewed and made edits to the Financial Report that was in the agenda packet:

CALIFORNIA STATE RETIREES
Chief Financial Officer Report
Jerry Fountain
June 22, 2022

CSR Financial Operating Results – April 2022

For the month ending April 30, 2022, CSR has recognized a net surplus of \$320k with a budgeted surplus of \$377k for 2022.

Based only on April 2022 activity, revenue is on track to exceed budgeted revenue by approximately \$160k. Expenditures are currently expected to come in under budget, which is largely due to restricted activity due to the pandemic. The June and September Board of Directors meetings will be budgeted in at a later time.

CSR's cash, money market, and investment balances held at Wells Fargo and Edward Jones on May 31, 2022, is approximately \$5.7 million.

There are no significant impacts on our investments at this time. We use investments for operational emergency reserves and we are in good financial shape.

New Agenda Items

Vice President Mary McDonnell mentioned the current increases in gas prices and shared the federal mileage reimbursement rate will increase from .585 to .625 on July 1, 2022. She requested the reimbursement rate increase become retroactive to June 19, 2022, so members can claim the reimbursement increase for this Board meeting.

Discussion included not choosing a specific start date, rather becoming effective at this series of meetings.

CSR 14/22/1 Motion: McDonnell, second by Fountain – to increase the mileage reimbursement rate from .585 to .625 effective beginning at this series of meetings (Leadership, committee and Board meetings). CARRIED

Bob Duffield, Financial Advisor with Edward Jones, presented to the group and gave an overview of CSR's investments. He stated they make money moves as they make sense. Most money is moderately focused between bonds and dividend paying stocks; not big risk takers but do a lot of behind the scenes analysis and discussions to ensure the risk level is appropriate for the organization.

10. Blanning & Baker

Ted Toppin presented updates on current bills and the May Revise. He stated the Legislative Analyst's Office (LAO) found the economy is in circumstances not unlike the

last six recessions and that the Governor's budget is barely balanced. Ted Toppin took questions and comments from members.

11. Headquarters Report

Executive Director Rocco Paternoster answered questions regarding staff currently working in the office as well as replacing staff lost last year by bringing in a temporary employee that has the needed qualifications and skills. The temporary employee is currently working in the office and if it seems to be good fit, we will post the position and hire her. Rocco also shared staff is working and providing service without interruption and if there is any diminution in service to let him know. Similar to the rest of the world, CSR is operating in a hybrid situation and is fully supported, leveraging other resources to ensure all needs are met.

12a. Finance Committee

CFO Fountain stated he will work on getting a redacted investment report sent to members and shared CSR has no investments in Russia. The committee is working on giveaway language and thanked chapters for providing input regarding this topic. The committee is also working on an out of state travel and Delegate Assembly travel policy. He shared the moratorium of the CAP will expire at the beginning of next year. Chapters requested more time until the moratorium expiration so President Hueg referred this issue to the Finance Committee to explore.

12b. Membership Committee

Chair Merilee Colton announced the winners of the Membership Recruitment Drawing: Maria Nevarez Ch. 4; Anita McCabe Ch. 5; Patsy Jimenez Ch. 6; Ophelia Rabanal Ch. 26; Sandra Wagner Ch. 165. Chair Colton shared the committee is focused on recruitment and retention and provided a list of recommendations to the Board:

1. Poster campaign
2. Create a state map with chapters outlined
3. Develop a speaker's bureau with standard talking points – President Hueg approved this and directed the Membership Committee and staff to begin developing talking points.
4. Advertisement campaign
5. Ambassador program
6. Website corrections document

12c. Health Benefits Committee

Chair Larry Woodson thanked staff, Board Member Vincent Herrera and the Board for their support. He shared the committee stays on top of issues and regularly reports back to the Board on topics of Long Term Care, Healthy California for all Commission, legislative issues, and the private equity takeover of healthcare, privatization of Medicare, dental and vision benefits, veteran issues updates, and the 2023 health

premiums. Chair Woodson regularly attends CalPERS meetings and provides public comments.

12d. Bylaws and Governing Rules Committee

Chair Marilyn Hamilton presented that Article V, section 1 of the Bylaws state “a minimum of” seven geographical regions but the Governing Rules don’t say “a minimum of” and a correction is needed. President Hueg stated this correction can be made and does not need to come back to the Board. Chair Hamilton also shared Governing Rules section 4.03 (a) does not include the words “portions of” before Los Angeles as section (g) does and needs to be corrected to include the words “portions of.” President Hueg stated this can be corrected as it is an administrative change. Chair Hamilton shared a BGR subgroup has met and is looking at virtual meetings language. Finally, Chair Hamilton would like to schedule an in-person BGR meeting for some time soon. President Hueg asked for the request to include the date, time and agenda.

12e. PAC Committee

Vice Chair Dick Mesa shared the additional recommended endorsements from the committee.

State Controller

Malia Cohen (D-San Francisco)

Incumbent Assembly Members

AD 17 Matt Haney (D-San Francisco)

Open Seat Assembly Candidates

AD 28 Gail Pellerin (D-Santa Cruz)

AD 30 Dawn Addis (D-Morro Bay)

AD 39 Juan Carrillo (D-Antelope Valley)

AD 40 Pilar Schiavo (D-Chatsworth)

AD 60 Corey Jackson (D-Riverside)

AD 70 Diedre Nguyen (D-Garden Grove)

Open Seat Senate Candidates

SD 28 Lola Smallwood-Cuevas (D-Los Angeles)

SD 38 Catherine Blakespear (D-Encinitas)

CSR 15/22/1 Motion: Umemoto, second by Behrens – to approve the additional recommended endorsements for the general election. CARRIED

13. New Business

14. Upcoming Meetings:

- July 21, 2022 via Zoom: Executive Committee at 1pm; Board at 2:30pm
- August 30, 2022 via Zoom; Executive Committee at 1pm; Board at 2:30pm

Future tentative statewide Board meeting dates were also shared: September 12 – 14, 2022, in Sacramento; January 30 – February 1, 2023 in Ontario.

14. Adjourn

President Hueg adjourned the meeting at 3:50 p.m.