

DRAFT 3-20-24

Council of University of California Retiree Associations (CUCRA)

October 26, 2023

8:30 a.m. – 12 noon

Fall Meeting

Hybrid Meeting hosted by UC Davis

ATTENDEES:

UC Berkeley: Marian Gade, Patti Owen, Elise Woods

UC Davis: Emily Galindo, Dianne Gregory, John Meyer

UC Irvine: Jeri Fredericks, Jill Halvaka, Pat Price, Marianne Schnaubelt

UC Los Angeles: Sue Abeles, Sue Barnes, John Dahl, Adrian Harris, Jack Powazek, Judith Tuch

UC Merced:

UC Riverside: Bob Daly, Cristina Otegui, Andy Plumley

UC San Diego: Mae Brown

UC San Francisco: Gail Harden, Eric Vermillion

UC Santa Barbara: Ellen Pasternack

UC Santa Cruz: Lee Duffus, Frank Trueba

LANL:

LBNL: Nancy Brown

LLNL: Jeff Garberson

UCOP: Jim Dolgonas

Welcome:

John Meyer called the meeting to order at 8:35 a.m. and welcomed the attendees.

Approval of Minutes

Patti Owen presented the minutes, and they were accepted with no changes.

Chair's Report

John went over the agenda for the meeting. He then summarized the meeting of the UC Emeriti/Retiree Advisory Committee held the morning of October 26. The first meeting of this group earlier in the Fall was rushed. Deloitte Consulting presented a report on VIA benefits. There is a gap between support for in-state and out-of-state retirees. This gap is too costly to close. A question was raised as to whether a COLA could be provided this year, and in the future, so they wouldn't fall further behind. The answer was no. Allegedly there are still balances in the individual health savings accounts, but there is a question on how hard it is to seek reimbursement or if retirees are choosing cheaper health plans to

stay within the allocation. The committee is frustrated that the charter of the committee is narrower than anticipated.

In the second meeting on October 26, the contract between Anthem and UCSF was raised. The committee recommended that a communication be sent to affected retirees.

There was also concern that there is no regular schedule of meetings for this group. Cheryl Lloyd has a staff member assigned, and they will set a calendar. It became clear that the committee members need to propose agenda items. Role of the committee still needs to be determined, e.g. role in determining if an RFP is needed; development of RFPs; and development of assessment criteria. UCOP is currently recruiting an Assistant Vice President for Benefits.

John M. asked CUCRA for issues to bring to the committee. Jim Dolgonas asked for expiration dates of contracts to assess need for extensions or RFPs. Emily Galindo asked why there was such a huge increase in health care costs. Jim noted that UC is willing to increase contributions by 4% annually, and anything above that goes to the retirees. John M. noted that increased costs are a national trend. It was suggested that if the 4% increase is not needed, that the difference be banked; the answer was no.

How should the Joint Benefits Committee be restructured? Jack noted that the JBC got caught up in the UCRP holiday issue raised by the Regents. The Regents believe it is unfair to current employees and should be looked at. There was some consternation on the part of the JBC since employees weren't getting salary increases nor COLAs over that period. The Regents appointed a subcommittee and have asked UCOP to report back in November. There could be an impact on future annuitant COLAs. The UCRS Advisory Committee is having a special meeting.

John M. talked about the summer sessions of CUCRA. Irvine held the first one in the south, and Berkeley hosted the northern campuses. John found both groups surprisingly engaged, with animated, and better, conversations.

Regarding RASC, some things are getting traction. The Emeriti/Retiree Advisory Committee is asking how to integrate the new retirement counselors on those campuses which have counselors already, as well as with the Health Care Facilitators, Human Resources, and retirees. Jeri Fredericks hopes that the new counselors will use some sort of contact management system. The Retirement Center Directors need access to the same system. Further, new systems should be in multiple languages. Per UCSB, the Emeriti Task Force is recommending a half time recalled faculty member to help counsel. Frank Trueba noted that they need the right training.

Vice Chair's Report

Sue Abeles, as Vice Chair, serves as the Chair of the Nominations Committee. Three new officers were elected: John Dahl, Treasurer; Pat Price, Information Officer; and Eric Vermillion, JBC representative. They will serve from January 2024 through December 2025. She thanked Andy Plumley and Elaine Fox for their help.

It is time to do the CUCRA survey. Sue wants to start soliciting volunteers since the survey will come out next Fall. Issues to address are the timeline, communications, donor information, and liaison with the Associations. We need to find a resource to help with analysis. Elaine Fox and Bob Daly volunteered. It was suggested that Jon Good be asked to serve as a consultant. Sue Barnes also volunteered to be a consultant.

New Member Orientation

Marianne Schnaubelt reported that eight new members participated and that they had a lively discussion. They were encouraged to read the material for the meetings. The session was recorded for those who could not participate.

Marianne then commented on the summer session program and noted that they should be continued, especially in light of Zoom or hybrid meetings. However, she suggested that they needed more of an agenda, even though there were great conversations.

Travel Program

Sue Barnes advised that she is recruiting escorts and alternates. Priority will be given to active association members and those who understand the value of the program. She may hold an information session and then accept applications.

In 2024, there were 17 trips, although they started with 14. There were 189 travelers which were mostly retired staff. She thinks emeriti might be looking for trips with more academic content. We don't need to make a huge effort to get them to sign up. She may cut back on outreach generally.

For 2024, she projects an income of about \$59,000, making more on trips than anticipated. The expenses consist of Zoom, Constant Contact, gifts for travelers and insurance for the escorts. Cancellations are a nightmare. OAT does not give cash refunds, even if they are the ones cancelling the trip. UCOP offers travel insurance.

Treasurer's Report

The Treasurer's Report was emailed to the Council on October 22, 2023. It included financial statements as of September 30, 2023, financial projections for December 31, 2023, proposed 2024 CUCRA Budget, proposed 2024 CUCRA dues structure, and projected impact to the budget when two in-person CUCRA meetings are held per year. The Treasurer reviewed the September 30th asset holdings but stated that it was more meaningful to look at the December 31st, year-end projections, which were reviewed next. He highlighted the core section, which included dues income, officers' travel for the Fall 2023 meeting, and minimal other costs. The discretionary section included the travel program (both income and expenditures) and Fall 2023 host campus support. Both a variance report and 7-year trend report were presented.

The 2024 Proposed CUCRA Budget was reviewed in detail with the Council. Dues have been frozen for the time being. The budget assumed one hybrid (in-person and Zoom) meeting in 2024 thereby showing officers' travel and host campus support. Normal yearly costs for printing, copying, attorney, AROHE dues, etc. were included along with support to compile, print, and distribute the next CUCRA survey. The Council agreed to keep the hybrid costs for a Fall hybrid meeting in the budget despite some discussion about the possibility of the next hybrid meeting being in 2025 and not 2024. A budget trend report was included for reference.

A motion was made (Sue Abeles, Patti Owen) and approved to accept the 2024 Budget as presented.

A 2024 Dues Schedule was reviewed, which showed 2024 dues to be frozen.

The cost of hybrid meetings is not inexpensive when considering officer travel, host campus support, and technology expense required to set-up for both an in-person and Zoom interactive meeting.

Consequently, the cost of a second hybrid meeting per year if held is not insignificant and will greatly impact the year-end distribution of funds to be returned to the retiree associations.

Before closing, the Treasurer commented on what the retiree associations might expect to receive as a distribution in 2024. Although there was still outstanding travel activity through the end of the year and costs from the Fall 2023 hybrid meeting yet to be tallied, the retiree associations should expect a good distribution, possibly similar to the prior year.

Information Officer Update

Bob Daly thanked the Associations for sending in their reports. He reported that a change will be required in the future for the website. UCSD, which is currently hosting, is shutting down the site. However, Bob will be working with staff to transition to UCSD's new website which uses different software. John M. thanked Bob for his innovations while Information Officer. Bob indicated that he would like to remain active and for the time being will serve as webmaster.

Conversation with UC Retirement System Investment Directors

Eric introduced Marco Merz, Arther Guimaraes, and Satish Swamy from UCRS to discuss investment strategies, specifically the Savings Plans. It hasn't kept pace with inflation nor with STIP. They are looking for investments of shorter duration: 1) a bond product; 2) CD purchases; and 3) a balanced portfolio which mirrors the Blue and Gold Fund. Satish noted that he had never seen such extremes in the market. He would like to see a portfolio of products, but it has been hard to keep up with rates. The Savings Plans lag interest rate increases. He has been working with campuses to move out of STIP which is low yield. Eric asked what is the normal lag time. They have created a lagged portfolio in cash flow which goes out 3-4 months. By the end of next year, we will see yield rates jump. Interest rates went up quickly which was too fast and too soon. Jack asked what the impact would be on the fund if half pulled out of the Savings Plans. Per Marco, new funds will launch by June 30, 2024. There is a diversification of fund holders and ample liquidity. John M. asked how does this impact those less sophisticated or who are on autopilot. Per Marco, things look bad now, but going forward, it will look better.

Eric asked if there will be new products which don't have negative yields like before. Satish said that former programs were dropped. Marco noted that short duration bonds will fluctuate, but brokered CDs won't. Eric asked if there will be ladder CDs. Nothing will be pre-packaged, but one will have options on duration. Will this be through Fidelity? Marco said yes.

Feedback on meeting format

John M. asked for feedback on the hybrid meeting format including lessons learned. One needs a bigger Zoom screen so that it is easier to identify participants. There also needs to be a speaker view. Jim asked if anyone else can support a hybrid meeting. John M. acknowledged that not everyone can do it. Rotating can't be realistic and hotels won't work due to the cost. In the end, Davis opted for AV people. OP has facilities but can they staff the AV part? CUCEA wants Zoom more. Bob appreciates the hybrid model but a few details need to improve. Comments noted that those on Zoom couldn't hear questions and that there were microphone issues. Marianne thought it was very effective and offers more participation.

Frank noted that Santa Cruz, the Fall 2024 host campus, offers the worst of both worlds—no hybrid capability and the difficulty in getting to the campus. Eric supports the hybrid model since more people can contribute if they can't physically go. Jack noted some technical issues when trying to sign on. It was

suggested that we survey campuses on their ability to host a hybrid meeting. Julianne from Davis noted that it was a ton of work and took a lot of staff time. They were lucky that they didn't have to pay for a facility. Andy Plumley suggested that there should be a sheet with specifications of what would be needed to host a hybrid. Jill asked what was the true cost.

Open Forum on Association issues

Sue Barnes marketed the travel program again. She suggests putting out flyers at meetings. She is working on the website.

Frank wants to revisit the VIA Benefits issue or look to United Health Care upon the contract renewal. UHC was initially interested.

Mae Brown reminded the group that UCSD is hosting the spring meeting and that it will be via Zoom.

John M. adjourned the meeting at 11:58 a.m.

Respectfully submitted,

Patti Owen
Secretary