

## **Minutes of the Meeting of the Board of Directors Retired Employees of Alameda County**

Monday, April 10, 2017

*Health Care Services Agency Building, Room 242, 1000 San Leandro Blvd., San Leandro, CA*

The meeting was called to order at 9:30 AM by Jessie Guiton, treasurer.

**Roll Call:** Present were, Linda Barbaro, Jerry Jacobs, Jessie Guiton, Marian Breitbart, Rosalie Masuda, Mike Smart, and Liz Koppenhaver. Also present were Michael Fara, ACERA staff member; Nancy Reilly, member and ACERA alternate retired board member; Alan Turner, member; Jon Orellana, member; and Steve Scheinman, director emeritus and member.

**Minutes:** The minutes of the March 13, 2017, board meeting were reviewed. It was moved by Mike and seconded by Marian that the minutes be approved. The motion was approved.

**Announcements and Communications:** Jon received a call from a member asking if REAC could take a position on the types of investments ACERA makes, for instance in terms of socially-responsible investments. Jon informed the member that REAC does not take such positions and advised that the member might want to contact ACERA regarding whether they would consider taking a position in making investment decisions.

### **Reports**

**Treasurer's Report:** Jessie distributed copies of the March 2017 and Quarterly Treasurer's Reports. Receipts were \$6,343.90, and disbursements were \$9,979.59 resulting in a balance of \$14,302.47. The only unusual items were deposits of \$1,665, which were member checks for the spring luncheon; disbursements of \$3,794.46 for the spring luncheon; and a total of \$2,251.15 for CRCEA dues. It was moved by Marian and seconded by Mike that the March 2017 Treasurer's Report be approved as submitted. The motion was approved.

Jerry indicated that the CRCEA conference payments were not paid on time, and therefore we would not ordinarily be permitted to vote at the next CRCEA meeting. It is expected, however, that there will be a board motion at the meeting to seat Jerry as the REAC delegate, which would allow him to vote.

**ACERA:** Michael Fara reported on the April 5, 2017, Retirees Committee meeting. There were no action items and six information items. The first information item was a report on the Supplemental Retiree Benefit Reserve (SRBR) financial status. The SRBR ending balance as of December 16 is \$74.4 million, up about \$20 million.

The second information item was discussion of SRBR policy with respect to the Retired Member Death Benefit. This discussion concerns reciprocal members who did not render their last active service with an ACERA employer before retiring. Current policies are legal. Staff brought a recommended change to the SRBR policy requiring the payment of no less than \$750, which was

not approved by the board. Any potential changes to the SRBR policy will be presented at the May committee meeting. REAC did not take any position.

The third item was the Report on Annual Health Care Planning Meeting. The fourth item was a Health Care Reform Update by the benefits consultant indicating that the Affordable Care Act remains in place for now. The final items included the Semi-Annual Report on the Wellness Program, which is trending in the right direction, but will take time to see decreased cost benefits, and miscellaneous updates.

**CRCEA:** Jerry indicated that CRCEA is considering increasing registration fees for the fall conference. While this would probably be to our benefit as host to the fall conference, there was discussion that Jerry, as our representative, should refer such items to the REAC board for discussion. Liz has helped us get Rosie Rios, prior U.S. treasurer, to be keynote speaker at the conference and is trying to schedule Susan Muranishi to be a conference speaker as well. Jerry will follow-up with other speakers. One possibility is a session on pensions from the county's perspective and reaching out to millennials. Nancy will reach out to county task forces on millennial issues. CRCEA confirms the program. Al Turner is Jerry's backup for the conference.

**SACRS:** No update. Jon had previously distributed an electronic copy of the SACRS magazine.

**Retirement Board:** There was no additional information to report. The board of supervisors is moving ahead on replacing Don White.

**Investment Committee:** Marian reported on her previously submitted report from the March 8 meeting. The report indicated that Verus expects that over a ten-year time frame it is reasonable to expect fundamental valuation returns to return to the mean and forecast a ten year return of 6.63%. Longer term, ACERA's returns have ranked in the top third of large public pensions. She also noted that a number of managers have been on the watch list for some time, and the policy does not stipulate how long a manager can be on the watch list before they are removed.

**Heath Care:** As of week thirteen of twenty weeks of flu season, California has had minimal activity

**Activities:** Rosalie reported that there were 115 attendees and thirteen no-shows to the spring luncheon, with 125 paid luncheons and three refunds to those who cancelled within the deadline. There was some discussion of the venue as there is a new catering firm.

**Membership and Recruitment:** Membership at the end of March 2017 stood at 4,096.

**REAC News:** Jon has been doing the directors' comments, but is no longer on the board. Generally, the president has written the comments using relevant items on the Retirees Report.

**Other Reports:** There was no additional information to report.

**Old Business:** The REAC board's 2017 Goals and Objectives item was reviewed. Some felt that several items could be combined and further refined. Mike Smart moved and Marian seconded the motion to accept the Goals and Objectives in concept. It is anticipated that this will be a two-

year work plan and will be the subject of the May newsletter. The motion was approved with one no vote.

***New Business–Election of Officers:*** Liz nominated Linda Barbaro for president, and the motion was seconded by Mike and approved. Liz nominated Marian Breitbart for vice president, and the motion was seconded by Rosalie and approved. Marian moved and Mike seconded the motion that Paul Reeves remain as secretary and Jessie Guiton as treasurer. The motion was approved.

***For the Good of the Order:*** No additional items.

Jessie adjourned the meeting at 11:28 AM.

Respectfully submitted by Marian Breitbart, Acting as Board Secretary

### **Next Meeting**

Monday, May 8, 2017, 9:30 AM

Health Care Services Agency Building, Room 242, 1000 San Leandro Blvd., San Leandro, CA