



*The Official
Monthly Publication of the
Retired Employees of Alameda County, Inc.
P.O. Box 302, Oakland, CA 94604*

REAC NEWS

VOLUME 37 NUMBER 8

AUGUST 2016

DIRECTORS' COMMENTS *by Paul Reeves, REAC Board Secretary*

Monthly Medical Allowance (MMA) for 2017

At the July 6, 2016, Retirees Committee meeting, the Retirees Committee considered whether to recommend to the Board of Retirement increasing the MMA for 2017. The MMA is a non-vested retiree health benefit provided in agreement with ACERA's participating employers through the use of Internal Revenue Code 401(h). The 401(h) benefits are funded by employer contributions. After contributions are made, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve (SRBR) assets as employer contributions available for paying pension benefits. This allows the contribution to be treated as a tax-exempt benefit to the retiree.

The Retirees Committee unanimously voted to recommend to the Board of Retirement that there be no increase in the MMA due to funding sustainability concerns. The current MMA maximum of \$540.44 will be maintained for the 2017 Plan Year for qualified retirees enrolled in group plans and individual plans through the Health Exchange. The current MMA maximum of \$414 will be maintained for the 2017 Plan Year for eligible retirees enrolled in individual plans through the Medicare Exchange.

They also voted to recommend to the Board of Retirement that it adopt revisions to the Supplemental Retiree Benefit Reserve (SRBR) Policy to reflect a change to the Retired Member (Lump Sum) Death Benefit payment when reciprocity applies. The change would require ACERA to pay a minimum death benefit of \$750 when a reciprocal agency with ACERA was the last employer, regardless of the amount the reciprocal agency pays the member. While the recommendation was approved, it was

not approved unanimously; and the change will be discussed further at a subsequent Retirees Committee meeting.

The committee also received a report on Dental and Vision Plan Experience and Dental Coverage Options by Kathy Foster and Keenan & Associates. This was a very complete report that included information regarding the option of blending Delta Dental's PPO and Premier Plan coverage levels. Over 50% of members use Premier plan dentists versus approximately 20% who use PPO plan dentists and only 3.5% who use non-contracted dentists. This will be discussed at future meetings along with the dental plan and vision plan contributions for 2017.

Retiree Health Fair and Open Enrollment for 2017

The Retiree Health Fair is tentatively scheduled for October 28, 2016, from 9:00 AM to 2:00 PM. The location has yet to be determined.

Open Enrollment Periods are as follows:

- **ACERA Group Insurance**—
November 1–30, 2016
- **OneExchange enrolled Medicare eligible members**—
October 15–December 7, 2016
- **OneExchange Out of Service Area Early Retiree exchange coverage**—
November 1–December 15, 2016

REAC's Fall Luncheon

REAC's Fall Luncheon will be held on Monday, October 10, 2016, at the Redwood Canyon Golf Course and Event Center, 17007 Redwood Road, Castro Valley.

continued on page 2

REAC BOARD MEETINGS

August 8, 2016

(Monday) 9:30 AM
Ala. Cty. Health Care #242
1000 San Leandro Blvd.
San Leandro

September 12, 2016

(Monday) 9:30 AM
Ala. Cty. Health Care #242
1000 San Leandro Blvd.
San Leandro

<http://reacsite.org>
reacwebsite@gmail.com

ACERA TRUSTEES MEETINGS

August 18, 2016

(Thursday) 2:00 PM
475 14th Street, Oakland

September 15, 2016

(Thursday) 2:00 PM
475 14th Street, Oakland

www.acera.org

WELCOME NEW MEMBERS

Kay Adams
Jacquelyn Bullock
Raymond Conner
Brian Dahm
Debra Ewing
Virginia Fivella
Shirley Griffin
Rebecca Legaspi
Eduardo Luang
Scott Paulsen
Connie Rutherford
Wayne Templeton
Luis Torres
Lynda Wise

ACERA Investment Report

ACERA reported in its June 2016 Performance Report that the fund had lost \$27,659,020. The total fund returned .13%. The total market value of the fund at the end of June 2016 was \$6,640,473,398.

Request for Member E-mail Addresses

REAC's new web site is up and running. If you haven't had an opportunity to see it yet, visit it at reacsite.org. In the members only section, you will find some valuable

documents, such as REAC Bylaws and committee reports; ACERA Investment Performance Reports; editions of the *REAC News*; the *Public Retirement Journal*, and much more. In the members only section, you can also opt out of receiving the *REAC News* in print. If you opt out of receiving the newsletter in printed form, you will help REAC save postage, printing, and paper costs. In addition, by submitting your e-mail address, REAC can provide more timely updates to members electronically and allow members to communicate with the board more easily.

Go to reacsite.org, and click on the Members Only Resources tab. Type in your name and e-mail address to receive the password to access the Members Only Resources.

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE RETIRED EMPLOYEES OF ALAMEDA COUNTY, MONDAY, JULY 11, 2016

The meeting was called to order at 9:30 AM by Paul Reeves, board secretary, in the absence of Jon Orellana, vice president and acting president of the board, at the Health Care Services Agency Building, Room 242, 1000 San Leandro Boulevard, San Leandro.

Roll Call

Present were Paul Reeves, Jessie Guiton, Jerry Jacobs, Gerry Dunn, Mike Smart, Marian Breitbart, and Rosalie Masuda. Excused were Jon Orellana and Liz Koppenhaver. Also present were Michael Fara, ACERA staff member, and Steve Scheinman, director emeritus.

Previous Meeting Minutes

The minutes of the June 13, 2016, board meeting were reviewed. It was moved by Jerry Jacobs and seconded by Jessie Guiton that the minutes be approved as submitted. The motion was approved.

Announcements and Communications

Steve reported that the member who recently filed an appeal with the retirement board regarding ACERA's decision to not reimburse her for previously paid Medicare Part B premiums, and who accepted the retirement board's decision to deny her appeal, has followed up with ACERA to ensure the process is improved and retirees understand the actions necessary to receive this benefit. Steve also reported that ACERA has made changes as a result and will create a special newsletter to help explain the process retirees must follow in order to receive reimbursement.

Paul discussed Jon's e-mail response to a member who was concerned about ACERA's portfolio management. Jon explained that the REAC board has been monitoring and interacting with the ACERA investment staff for many months and that ACERA's staff has been open and responsive to all of our questions and concerns. Jon went on to explain that the ACERA consultants were paid a flat fee, that ACERA currently has limited exposure to hedge funds, and that REAC felt that ACERA was doing its due diligence in managing the portfolio.

Paul reported that he received two requests for membership cards and that he forwarded those requests to Jerry Jacobs for disposition. Jerry indicated that all communications and requests from members need to include at least the member's name and address in order to provide sufficient information to confirm their REAC membership and to allow for a response.

Reports

ACERA STAFF MEMBER: Michael Fara reported on the July 6, 2016, Retirees Committee meeting. There were four action items, three of which were related to the 2017 Monthly Medical Allowance (MMA), which is an amount retirees receive, paid for out of the Supplemental Retiree Benefit Reserve (SRBR), to offset all or part of their monthly medical plan costs. This action is taken every year. Two alternatives were considered: 1) keeping the subsidy the same as 2016; 2) increasing the MMA subsidy by 3.375%, which is one-half of the projected inflationary increase in premiums, the maximum allowed under ACERA board policy. Because approximately 70% of members in the ACERA health plans are in Kaiser Senior Advantage and because Kaiser premiums are lower than the MMA, the subsidy from the SRBR

will still increase even if there is no MMA increase in order to cover the increase in Kaiser premiums so long as they are equal to or lower than the MMA. The increase in the subsidy from the SRBR in order to cover premiums was estimated at \$768,315, and the increase to cover premiums and a possible 3.375% increase in the MMA was estimated at \$1,095,048. The Retirees Committee decided to recommend to the Board of Retirement that there be no increase in the MMA due to funding sustainability concerns.

There was a great deal of discussion regarding the fact that the Retirees Committee, and ACERA, did not request REAC's input regarding this recommendation. There was not, however, any consensus to send a letter to the ACERA board in support of the alternative to increase the MMA.

The other action item was a change in the SRBR policy, which would require payment of a minimum death benefit of \$750 regardless of whether the member received a death benefit from another entity with reciprocity with ACERA. This change was approved, but will be discussed further at next month's meeting. Marian moved to not support the change to the policy; Jerry Dunn seconded the motion, and the motion passed.

There was one information item from Keenan regarding the vision and dental plans. Over 50% of members use Premier plan dentists versus approximately 20% who use PPO plan dentists and only 3.5% who use non-contracted dentists. Jerry Jacobs moved to support a recommendation increasing the maximum reimbursement for members using Premier plan dentists to \$1,300, which would match the maximum reimbursement of \$1,300 for members using PPO plan dentists. Rosalie Masuda seconded the motion, and the motion was approved. The VSP vision plan is currently running a surplus of \$104,254, which will be carried over to the subsequent year.

ACERA is still looking at the possibility of changing the venue of the annual Retiree Health Fair.

TREASURER'S REPORT: Jessie will provide both the June and the July 2016 Treasurer's Report at the August 2016 board meeting.

The transition to the new treasurer is still in process to ensure Jessie has full access to all accounts and statements. Jessie will also send copies of the financial statements provided by the credit union to the board president. A brief discussion took place regarding the preferred payment process for both the web site development costs and the web site maintenance costs. It was agreed that Jessie needs a final invoice from the web site developer for the web site development project completion and monthly invoices for the monthly maintenance work.

CRCEA: Jon sent CRCEA a letter indicating that REAC's contribution to hosting the 2017 annual conference was

limited to \$10,000 and based on current cost estimates, REAC would not be able to host the conference absent an additional subsidy from CRCEA. We are awaiting a response from CRCEA as well as a response from ACRE as to whether they could contribute an additional amount as well. Jerry agreed to continue looking at options for reducing conference costs.

SACRS, RETIREES COMMITTEE, NEW BUSINESS, AND FOR THE GOOD OF THE ORDER: There was no new information to report.

INVESTMENT COMMITTEE: Marian Breitbart attended the Investment Committee meeting and has forwarded her report for the board's review.

HEATH CARE: Rosalie reported on a personal experience with a Kaiser member who experienced an emergency while away from California, and Kaiser's response was outstanding, including medivac assistance by air to return the member to a Kaiser hospital in California.

ACTIVITIES: REAC's Fall Luncheon will be held on Monday, October 10, 2016, at the Redwood Canyon Golf Course and Event Center. Paul Reeves moved, and Gerry Dunn seconded, the motion to invite Diane Sturgeon (*REAC News*) and Lori Vandermeir (web site consultant) to the luncheon and pay for their lunch. Motion carried.

Jerry Jacobs indicated that the Costco in Hayward had a PA system on sale for \$200. REAC currently rents a system for \$150 for each event. Rosalie agreed to check to see if the Redwood Event Center has yet acquired a system we can use. Paul Reeves moved, and Rosalie Masuda seconded, the motion that Jerry be authorized to purchase a sound system that meets our criteria for up to \$300 if Redwood does not have a system available. The PA system must have speakers on both sides of the banquet room. Motion passed.

MEMBERSHIP AND RECRUITMENT: Membership at the end of June 2016 stood at 4,123. Jerry will be giving ACERA recruitment packets, which they can distribute at their Ready to Retire seminars. Jerry indicated that it is important for people to provide their name and address when they call so he can confirm that they are in the database.

REAC NEWS: There was no additional information to report.

OTHER REPORTS: There were no other reports.

OLD BUSINESS: Paul reported that the web site is going very well. He also reported that we have added an application called *MailChimp*, which is basically an e-mail marketing service that REAC will use for collecting member e-mail addresses and then using those e-mail addresses to send out communications. The REAC newsletter will include a request for member e-mail addresses.

Paul adjourned the meeting at 11:37AM.

—*Respectfully submitted by Marian Breitbart, Director*

In Memoriam

In deepest sympathy to the family and friends of the following retirees:

ANAND, Tripta 6/1/2016 Alameda Health System	CRUMPACKER, Donna Lynn 5/29/2016 Superior Court	JACOBO, Jesus S. 5/12/2016 Behavioral Health Care Services	NANKE, Donovan J. 5/7/2016 Public Works Agency
BADION, Marsuliano 4/25/2016 Alameda Health System	DE SOTO, Daniel M. 6/4/2016 Social Services Agency	LAMEE, Howard E. 6/20/2016 Public Works Agency	NELSON, Donnell 5/29/2016 Superior Court–DEF
BAILEY, Thelise S. 6/6/2016 Alameda Health System	EVANS, Mohania 6/11/2016 Survivor of Melton Evans	LOVELACE, Loyce F. 5/21/2016 Child Support Services	PARKER, Helen J. 5/23/2016 Health Care Services Agency
CAMOZZI, John A. 6/14/2016 Survivor of Muriel J. Camozzi	FRANKE, Nancy J. 6/3/2016 Auditor–Controller–DEF	LUCAS, Ray 6/10/2016 Probation	PILLAR, Samuel A. 6/24/2016 Assessor
CAMPBELL, James P. 5/24/2016 Sheriff's Office	FRANKS, Lawrence F. 6/1/2016 Sheriff's Office	MACK, Donald L. 3/31/2016 Alameda Health System	PUGH, Walter 5/29/2016 Public Works Agency
CAREY, Janet H. B. 6/14/2016 Social Services Agency	GONZALEZ, John 6/7/2016 Probation	MITCHELL, Donald 6/22/2016 Alameda Health System	ROSEMON, Marcelle W. 5/30/2016 Social Services Agency
CHEW, Lillie G. 6/2/2016 Survivor of Paul Chew	HAUGNER, Richard A. 6/12/2016 District Attorney		SORISIO, Theresa 5/30/2016 Survivor of Anibal Sorisio

The surviving spouse of a member is eligible for REAC membership. To enroll, call Jerry Jacobs, membership chair, at (510) 835-5493.

2016 REAC Fall Luncheon

Monday, October, 10, 2016, 11:30 AM no host cocktails • 12:15 PM lunch

The Meadows at Redwood Canyon Golf Course

(formerly Willow Park) 17007 Redwood Road, Castro Valley • Free Parking

Lunch Speaker: Dave Nelsen, recently appointed ACERA CEO

Cost: \$30 Entrée Choices: A. Chardonnay Chicken B. Braised Short Ribs C. Vegetable Lasagna

The following will accompany all three entrées: Caesar salad with rolls and butter, mashed potatoes, and seasonal vegetables. **Dessert:** sheet cake; coffee and tea will be available.

Reservations must be made in advance by mailing the form below along with a check for \$30 per person payable to REAC to Rosalie Masuda, 2000 Asilomar Drive, Oakland, CA 94611, (510) 339-1307.

The deadline for reservations is Monday, October 3, 2016. Reservations received after this date will be charged an additional \$5 for a total of \$35 for the lunch. **No refunds after October 6, 2016.**

Reservation Registration for the 2016 REAC Fall Luncheon

(To indicate entrée choice, circle A, B, or C below.)

Member(s) _____ (entrée: A, B, C)

Guest(s) _____ (entrée: A, B, C)

Phone No. _____ total # of people _____ total amount enclosed \$ _____

Congratulations On Your Retirement

ADAME, Angelina H.
Superior Court-DEF

ALVA, Imelda A.
Auditor-Controller

BAILEY, Christina
Community Development
Agency-DEF

BAROSSO, Robert J.
Sheriff's Office-DEF

BLOOD, Richard
Public Health-DEF

BONDE, David M.
Public Works Agency

BONTRAGER, Alan L.
Alameda Health System-
DEF

BROCKMAN, Robert J.
Social Services Agency

CHAPNICK, Henny
Social Services Agency

CONWAY, Richard
County Administrator

DE LUCA, Germaine M.
Social Services Agency

DELA FIGANIERE, Terri
Child Support Services

DESTAFNEY, Kathryn L.
Superior Court-DEF

EVERARD, Wendy M.
Behavioral Health Care
Services

FENTON, Janet L.
Social Services Agency

GALLES, Steven C.
Sheriff's Office

HENDERSON, Zina C.
Sheriff's Office

HERNANDEZ, Virginia M.
Social Services Agency

HIGGINS, George A.
Public Defender

HOH, Arlen R.
Alameda Health System

HORN, Wesley W.
Sheriff's Office

JOHNSON, Karen M.
Social Services Agency

JOHNSON, Patrick D.
District Attorney

JONES, Linda F.
Assessor-DEF

KEOGH, Pauline M.
County Administrator

KOHLER, Manfred A.
Sheriff's Office

LARSON, Phyllis L.
Alameda Health System-
DEF

LEDEZMA, Sonia E.
Alameda Health System-
DEF

LEE, David
Public Works Agency

LEE, Michael C.
Public Health

LEGASPI, Rebecca
Social Services Agency

MAKRES, Dorian M.
General Services Agency

MARCHENA, Marina
Social Services Agency

MARTINEZ, Fredrick F.
Probation

MC COMBS, Dewald D.
Zone 7

MC KINNEY, Gloria M.
Probation

OPPIDO, Michael J.
District Attorney

PATTON, Valerie L.
Social Services Agency

PAULSEN, Scott T.
Community Development
Agency

PEEK, Kenneth S.
Community Development
Agency

POE, Karen L.
Treasurer-Tax Collector

PRICE, Robert J.
Social Services Agency

RAVEN, Jon M.
Public Works Agency

RIVAS, Margaret R.
Public Health

ROSCHER, James E.
General Services Agency-
DEF

SADBERRY, Manuella T.
Social Services Agency

SAECHAO, Kouichoy C.
Social Services Agency

SANDOVAL, Annette L.
Human Resource Services

SERRANO, Lourdes L.
Public Works Agency

SPICER, Gary L.
Behavioral Health Care
Services

TRUONG, Hai Q.
Social Services Agency

VALENCIA, Pedro
General Services Agency

VISTA, Eufrocina R.
Alameda Health System

WALTERS, Herbert O.
Sheriff's Office

WARREN, Denise M.
Assessor

WICKHAM, Jerry T.
Environmental Health

WILLIAMS, Mary B.
Human Resource Services

YUDICE, Egda
Social Services Agency

ZHU, Yizhuang
Behavioral Health Care
Services



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REAC Officers and Directors

- **Vice President, Acting President:**
Jon Orellana..... (925) 922-0907
- **Secretary:** Paul Reeves..... (510) 755-3740
bongsaw@gmail.com
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jjmjacobs@comcast.net
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James J. Hartnett, Jr..... (925) 935-3763

Editor: Diane Sturgeon; Membership: Jerry Jacobs, (510) 835-5493; Printing and Mailing: Red Arrow Printing

REAC'S Mission

The purpose of the Retired Employees of Alameda County (REAC) is to promote the common good and general welfare of Alameda County retired employees, subject to the County Employees Retirement Act of 1937, by promoting the interests of its members throughout the community by means of social, political, and educational activities that advance the social welfare of such retirees.

Moving? Please fill out and mail this notice to the following address:

REAC, P.O. Box 302, Oakland, CA 94604
or e-mail *jjmjacobs@comcast.net*

Name: _____

Address: _____

City/State: _____ Zip Code: _____

Date of Move: _____ Telephone: _____

08/2016

Also send change of address to ACERA

Alameda County Employees' Retirement Association (ACERA)

475 14th St., Ste. 1000, Oakland, CA 94612

Phone: 800-838-1932 or 510-628-3000

Select **Option 1** for the **Retiree Benefits Unit** (health, vision, dental, etc.)

ADDRESS SERVICE REQUESTED

August 2016

P.O. Box 302-Oakland, CA 94604
Retired Employees of Alameda County

REAC
NEWS



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