

**Minutes of the Meeting of the Board of Directors
Retired Employees of Alameda County
Monday April 12, 2021, 9:30 A.M.**

Zoom Video Conferencing Board Meeting

Marian Breitbart, Acting President of the Board, called the meeting to order at 9:30 A.M.

Roll Call: Marian Breitbart, Paul Reeves, Connie Land, Liz Koppenhaver, and Alicia Baptista were present. Charo Panesi-Guerra, REAC Member and Administrative Assistant was also present.

Minutes: Minutes of the March 8, 2021 meeting were reviewed. Paul mentioned that he failed to add his name to the Roll Call for the March 8, 2021 Board meeting. Connie moved that the Minutes from the March 8, 2021 Board meeting be approved as amended. Liz seconded the motion and the motion was approved.

Announcements & Communications: There was no new information to report

Reports

ACERA: Mike Fara was unable to attend today's REAC Board meeting.

Treasurer's Report: Suman was unable to attend today's REAC Board meeting, but he did send the Board, both the March 2021 Quarterly Report, and the March 2021 Treasurer's Report. Marian and the Board reviewed both reports. For the March Treasurer's Report, Receipts totaled \$8,284.90 and Disbursements totaled \$4,810.39. For the 1st Quarterly Report, Receipts totaled \$25,814.68 and Disbursements totaled \$17,024.34. For the Quarterly Report, there were a few Disbursement items which exceeded 25% of the budgeted amount. Printing and postage, for example, exceeded the 25% budgeted amount, and that was caused by several additional mailings the Board approved for recruitment efforts and related to the Annual Meeting. Connie moved that both reports be approved as submitted. Paul seconded the motion and the motion was approved.

CRCEA: The Board discussed the CRCEA Website as it related to the most current information regarding the LTC Lawsuit. CRCEA has added a link which anyone can use to access the most current information. (<https://www.calpersclassactionlawsuit.com/litigation-update.html>) Since Rosalie is no longer a Board Member, the Board will need to determine who will be the ongoing REAC Representative for CRCEA. Connie also mentioned that the CRCEA website included their November 7-10, 2021 Fall Conference to be held at the Long Beach Courtyard by Marriott Hotel. It does appear that the CRCEA Fall Conference will be an in-person event rather than virtual.

SACRS: Paul reported that he would be attending the SACRS Spring Conference which is being held virtually on May 11-14, 2021. The Conference will include discussions on subjects like Ethics Training for Trustees, Investments, and Legislation. The Conference will also include a discussion on the Alameda County Lawsuit which was related to how income is treated for retirement calculations.

Retirement Board: Liz reported on the April 7, 2021 Retirees Committee meeting. There were no Action Items for discussion, but several Information Items.

The first Information Item was a discussion on the status of the Supplemental Retiree Benefits Reserve (SRBR). Liz was pleased to report that the total interest credited to the SRBR, for the six-month period ending December 31, 2020, was approximately \$33.4 million of regular earnings. For the year ending December 31, 2020, approximately \$58.9 million of regular earnings were credited to the SRBR.

For the six-month period ending December 31, 2020, the net deductions from the SRBR were approximately \$23.5 million. These deductions include the net transfer to/from the employer advance reserve for 401(h) contributions of \$22.8 million, as well as payments of supplemental COLA and retired death benefits of \$0.7 million. For the year ending December 31, 2020, the net deduction from the SRBR were approximately \$51.8 million. These deductions include the net transfer to/from the employer advance reserve for 401(h) contributions of \$50.5 million as well as payments of supplemental COLA and retired death benefits of \$1.3 million.

Liz also reported that Betty Tse, ACERA's Chief Investment Officer, reported that the total Fund balance now stood at \$10 billion. Liz also mentioned that the December 31, 2020 ending balance of the SRBR account was approximately \$931.8 million.

The second Information Item discussed was a Semi-Annual Report on ACERA's Wellness Program. Ish Pina and Mike Fara reported that ACERA has continued their 2020 wellness approach into 2021. ACERA will continue to focus the majority of their resources on upgrading their virtual services with things like electronic forms and virtual signatures. At this point in time, they do not believe COVID-19 conditions will have improved sufficiently, to allow for an In-Person Retiree Health and Wellness Fair. They will instead hold a virtual event, over Zoom, like they did in 2020. The 2020 virtual event was well attended, with about 230 participants in the live event and 400+ visitors to the virtual expo page.

Liz also attended a seminar, provided thru the DA's Office, on fraud and scams on retirees. It was well attended and they provided very specific examples of various scams aimed specifically at retirees.

Liz also mentioned that she attended a Health Care meeting which included a discussion about Health Care Options. Kathy Foster, ACERA's Assistant Chief Executive Officer, led the meeting. One of the items presented was a report on ACERA's Call Center. The Call Center handled 14,257 phone calls in 2020. They did a remarkable job in handling that volume of calls. Liz mentioned that Mike Smart also attended the meeting and he will be able to provide additional information at the next Board meeting.

Investment Committee: Marian reported that the next Investment Committee meeting will be held on Wednesday, April 14, 2021. One of the discussion items will be about possible changes to the Absolute Return (AR) Asset Class Structure. Another discussion item will be about the possibility of hiring an Overlay Service Provider. Overlay Service is a broad term that applies to any service that uses derivatives to add (and/or reduce) exposure to certain markets. The addition of a cash overlay "Equitization" program is expected to increase long-term returns to ACERA incrementally over time. "Equitization" replaces any exposure the Plan has to non-strategic cash with a mix of liquid stocks and bonds and projected to outperform cash over the long run.

Health Care: There was no additional information to report.

Activities: Liz mentioned, as an FYI, that ACRE is now considering having an In-Person Fall Luncheon in December 2021.

Membership and Recruitment: Charo reported that as of March 31, 2021, membership stood at 3,902 members. Alicia wanted to know if we could tell why our numbers are declining. Charo mentioned that part of the reason is a result of some of our members passing away, some members do not want to pay the \$2 monthly fee, and some members are just not interested in joining anything immediately after they retire. Liz will contact Mike to see how, or if, they are continuing to use the REAC video we supplied for their one-on-one meetings with pre-retirement members.

It has been several years since REAC conducted a membership drive. The Board decided to try and conduct a membership drive in the next few months. Paul and Charo will take the lead.

Administrative Staff Position: Charo reported that the Safeway gift cards have been sent to the first 20 members who signed on to the Annual Membership Meeting which took place on March 8, 2021. Charo mentioned that she has been receiving lots of junk mail in the REAC PO Box. She wanted to know what the Board wanted her to do with it. REAC past policy has been to toss all junk mail. If in the future, she gets something she is unsure about, she will contact one of the REAC Officers for clarification. Everything else may be tossed.

REAC News: The next REAC Newsletter will include information about CRCEA, the Recruitment/Membership drive, and the SRBR.

New Business: Marian reported that we received an email from Kathy Foster regarding what ACERA might allow as it relates to obtaining the email addresses for new members. Marian will follow up with Kathy to see what additional information she might need. Charo & Paul will work on a document that captures the email address for our new members. Alicia suggested that for new members, the default might be to receive the Newsletter on line, and they would then have to opt out if they wanted to receive it in the mail. Connie reminded the Board that members have to be given a choice. As long as the document we use provides a choice, that would suffice. So, the document we create should have a space for their email address, and then a box they could check, if they wanted to receive a paper copy of the Newsletter in the mail.

Election of REAC Officers - The election of REAC Officers will be carried over to the May 10, 2021 Board meeting.

Updating the REAC Website – The Board began a discussion about how the REAC Website might be updated. Paul reminded the Board, that when the original REAC Website was created, a questionnaire was sent to all members, to determine what members wanted. The Board decided to use the same process for the redesign of the current Website. The Board will send a questionnaire to all REAC members to ascertain what they want the website to look like, what sorts of information it should contain, etc. Paul and Charo will create the questionnaire and bring it back to the Board for review and approval.

Updating Bylaws to accommodate COVID-19 types of situations. Paul reported that he has not completed his drafts, but would have it ready for the May 10, 2021 Board meeting.

Updating Job Descriptions - Paul reminded the Board that the REAC Governance Manual contains the Job Descriptions for all REAC Officer Positions. In the past the Board would periodically review each Job Description and determine if it was still valid, or if it needed updating. The Board decided it was

time to do that again. Paul will send copies of all the Job Descriptions to all Board Members for their review and feedback.

Future Zoom Board of Directors Meetings – As a direct result of COVID-19, the REAC Board has been meeting virtually, via Zoom, rather than in person. Many organizations, including ACERA, are beginning to question whether or not it is necessary for all employees to physically return to work. Liz mentioned that Supervisor Keith Carson provided an update on working remotely, and is creating a committee to evaluate what the County should do in the future.

Paul suggested that the Board may also want to give some thought to whether or not REAC should continue Zoom type meetings in the future. Doing so would allow members, who have moved, or have transportation issues, and are therefore no longer able to attend meetings in person, to continue to participate in meetings, or even become Board Members.

Alicia mentioned that there were still real advantages to having in-person meetings. One of the suggestions was to have at least two in-person meetings per year, one for the Fall Luncheon and one for the Annual Membership Meeting/Spring Luncheon. The Board will continue the discussion in the future and wait to see what the County decides.

Old Business: There was no old business to report.

For the Good of the Order: There was nothing new to report.

Meeting adjourned at 11:08 A.M.

Respectfully submitted by Paul Reeves, Board Secretary

Next Meeting: May 10, 2021, 9:30 a.m. (Monday)
Zoom Video Conferencing