

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

Monday, April 9, 2018

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

Mary Miller, Treasurer and acting President of the Board, called the meeting to order at 9:30 a.m.

Roll Call: Mary Miller, Marian Breitbart, Paul Reeves, Renaye Johnson, Mike Smart, Jerry Jacobs, and Rosalie Masuda were present. Michael Fara, ACERA staff member, Nancy Reilly, member and ACERA alternate retired board member, and REAC members Jerry Jacobs, and Connie Land were also present.

Minutes: Minutes of the March 12, 2018 meeting were reviewed. A few typos were noted in the minutes. Paul will make the corrections and have the corrected minutes added to the website. A motion was made by Marian and seconded by Mike that the minutes be approved as corrected. The motion was passed with one abstention.

Announcements: Jerry reported that he received a few calls from older retirees who wanted to cancel their REAC membership. According to Jerry, the retirees wanted to cancel their membership because they no longer knew any of the individuals who were being referenced in the Newsletter.

Jerry explained that the value of REAC membership, in addition to the monthly Newsletter, is having an advocate and a collective voice that represents retirees. All retirees could, if they had the time, attend the many meetings held daily, weekly, and monthly at ACERA. They could participate in those discussions, and give voice to their issues and concerns. Unfortunately that is not a practical option for many retirees.

REAC Board members attend those meetings. They participate in those discussions, they review and track pending state and federal legislation, legislation that often seeks to eliminate, or to significantly reduce Defined Benefit Plans. Further, REAC Board members also review and monitor ACERA expenditures and provide a host of other services all of which are designed to assist and benefit retirees.

REAC closely monitors, and seeks to protect, the Supplemental Retiree Benefit Reserve (SRBR) against attempts to divert the fund from its legal purpose of providing cost of living increases, medical, dental and other benefits to retirees and beneficiaries. REAC also assists retirees and beneficiaries with any problems they might have in obtaining medical benefits or reimbursement. REAC assists survivors in the transfer of benefits to them after the death of a spouse or relative.

The Board then discussed how best to recruit new retirees by ensuring they are advised of the role REAC plays in the maintenance of their retirement benefits.

Reports

ACERA: Michael Fara reported on the April 4, 2018, Retirees Committee meeting. There was one Action item and three Information items. The action item concerned the Retiree Individual Medical Plan Marketplace Request for Proposal Results and Recommendation. ACERA Staff recommended that the Retirees Committee recommend to the Board of Retirement that they approve Staff's recommendation to award a contract for Retiree Individual Medical Plan Marketplace services to the selected firm with the highest rating as a result of the Request for Proposal process for Plan Year 2019. The select firm will not be made public until the Board of Retirement Meeting.

The first information item was the Supplemental Retiree Benefit Reserve Financial Status report. For the six-month period ending December 31, 2017, the total interest credited to the SRBR was approximately \$33.5 million. The net deductions from the SRBR were approximately \$21.0 million. For the twelve-month period from January 1, 2017 to December 31, 2017, the total interest credited to the SRBR amounted to \$66.7 million and the net transfers and deductions from the SRBR were approximately \$47.3 million.

The second information item was a report on the Annual Health Care Planning Meeting with Retiree Groups. ACERA Staff provided a report on its annual meeting with retirees regarding ACERA-Sponsored health plan issues.

The third information item concerned reminder notices which were sent by Via Benefits (formerly OneExchange) to members who still have a balance in the Health Reimbursement Accounts for plan Year 2017. Via Benefits also provided ACERA's Health Care Unit WebEx training on its new Gateway Portal. The Portal is a secured way of submitting member's issues or concerns to Via Benefits.

Treasurer's Report: Mary distributed copies of REAC's March 31, 2018 Treasurer's Report. Receipts were \$6,464.55 and Disbursements were \$6,449.39. The only unusual expense was a \$2,335.01 payment to Fairview Metropolitan Golf Course for the REAC Spring luncheon. The check book balance stands at \$6,526.83. Mary also distributed copies of REAC's January-March 2018 1st Quarterly Report. Total Receipts for the quarter were \$64,515.00 and total Disbursements for the quarter were \$69,193.00.

Renaye motioned that the March 31, 2018 Treasurer's report be approved as submitted. Rosalie seconded the motion and the motion was approved. Rosalie then motioned that the REAC January-March 2018 1st Quarterly Report be approved as submitted. Mike seconded the motion and the motion was approved.

Mary reported that Douglas Taylor, the CPA which REAC has used in the past for our fiscal reviews, has agreed to perform the 2017 fiscal review, including the 2017 tax review. His charges will be the same as last year which was \$1,350.00. Paul motioned that REAC use Mr. Taylor's services to conduct our annual review, including taxes, for an amount not to exceed \$1,350.00. Marian seconded the motion and the motion was approved. Mary will send Paul a copy of Mr. Taylor's Engagement Letter, for his signature as Board Secretary.

CRCEA: Rosalie reminded the Board that she and Jerry Jacobs will be attending the CRCEA conference which is being held at the Fess Parker Double Tree in Santa Barbra from April 16-18, 2018.

SACRS: Nancy reminded the Board that both she and Liz would be attending the SACRS Spring conference which is being held at the Anaheim Marriott in Anaheim from May 15-18, 2018.

Retirement Board: Nancy took a moment to thank the REAC Board for its participation in ACERA's Annual Health Care Planning meeting which was held on March 5, 2018.

Investment Committee: Marian previously sent the Board a detailed report on the March 14, 2018 Investment Committee meeting. There were 3 Action items and 3 Information items. The first action item was a discussion of and possible motion to recommend to the Retirement Board that it make an additional investment of \$20 million in the Clarion LIT Fund as part of ACERA's Real Estate Portfolio Core. The second action item was a discussion of and possible motion to recommend to the Retirement Board that it make an additional investment of \$20 million in the Heitman Value Partners IV, LP Fund as part of ACERA's Real Estate Portfolio-Value Added. The third action item was a discussion of and possible motion to recommend to the Retirement Board to adopt a combined total investment of up to \$10 million in Khosla Ventures VI, L.P. and Khosla Ventures Seed D L.P. as part of ACERA's Private Equities Portfolio-Venture Capital.

The Information Items included a review of State Street Bank and Trust, and a Quarterly Performance Review for the fourth quarter of 2017-Equities and Fixed Income.

Health Care: Rosalie reported that the ACERA's Annual Health Care Planning meeting, which was held on March 5, 2018, was well attended and provided a great deal of useful information .

Activities: Rosalie gave a brief report on the results of the REAC Spring Luncheon and Annual Board meeting. The guest speaker was Kathy Mount, Chief Legal Counsel for ACERA. Rosalie reported that 140 individuals registered for the luncheon and 121 individuals attended. The total amount paid to Fairview Metropolitan Golf Course was \$3,960.00.

Membership and Recruitment: Jerry reported that there are currently 4126 members. Jerry then took a moment to explain the current process he uses as the Membership Chair. He felt the amount of work required, to do the reconciliation, produce membership cards, change addresses, etc., really required the support of a staff person and he recommended the Board consider hiring such a person.

He also agreed to cover the Membership responsibility for the current month.

REAC News: Mary will include information on the April 4, 2018 Retiree Committee meeting in the Newsletter as well as reminding our members of the need for additional Board members.

Old Business: The review of the current job descriptions was carried over to the next Board meeting.

New Business: Election of Officers: The existing officers were nominated to serve another year in their current positions. Mary was nominated to serve as Treasurer, Marian was nominated to serve as Vice President, and Paul was nominated to serve as Secretary. Mike moved that the three incumbents be elected for another year, Rosalie seconded the motion, and the motion was approved.

Rosalie reminded the Board that the November 2018 Board meeting, originally scheduled for November 12, 2018, needed to be changed because that date is a County holiday. She informed the Board that she has already reserved the room for November 13, 2018 beginning at 9:30 a.m.

For the Good of the Order: There are no additional items to report.

Meeting adjourned at 11:59 a.m.

Respectfully submitted by Paul Reeves, Board Secretary

Next Meeting

May 14, 2018, 9:30 a.m.

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