



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

REAC NEWS

VOLUME 38 NUMBER 6

JUNE 2017

DIRECTORS' COMMENTS *by Linda Barbaro, President*

There is not a report on the May ACERA Retirees Committee meeting because there was not a quorum.

Publication of Interest to Seniors

The State Bar of California published a guide entitled *Seniors and the Law A Guide For Maturing Californians*. I obtained a print copy, but it is now available online only. I urge you to visit the website, www.calbar.ca.gov; click on Free legal information, Legal Guides, then Seniors and the Law. The guide is well written and contains a wide range of information on topics including choosing where to live, obtaining health care, debt, consumer scams, nursing home information, and much more.

One of the topics that I found to be most interesting regards consumer scams. If you hire a contractor for a home repair or improvement, you should not pay more than the maximum allowed by law which is 10% or \$1,000 whichever is less before the work is done. It is important to check the Contractors State License Board for a license and past complaints. The article mentions that your home cannot be used as collateral in a home improvement contract if you are age sixty-five or older.

Under Choosing Where to Live, there is information on downsizing to a home of the same or lesser value in the same county (and in some cases to a different county) and bringing your base year property tax value to your new home. Alameda County participates in this program. You can contact your county's assessor's office for more information.

One of the articles addresses finding a caregiver. If you are going to hire someone to assist with daily tasks, you need to know that all agencies do not do criminal

background checks on employees who are not providing actual medical care. They also may not require training or prior experience. Be cautious and ask questions to find out if employees are screened, trained, and checked for criminal convictions.

State Association of County Retirement Systems Spring Conference (SACRS)

Jon Orellana, the former acting president of REAC, attended the SACRS conference, and following are the highlights of his report:

The State Association of County Retirement Systems (SACRS) is an affiliation of the twenty 1937 Act retirement systems in California. The mission of the association is to serve the 1937 Act retirement systems by exchanging information, providing education, and analyzing legislation. The conference is well attended by trustees, staff, and parties interested in the issues facing the retirement systems.

FIRST HUNDRED DAYS *by Christopher Probyn, Maria Contreras Sweet, and Matt Miller.* Probyn gave us his view on the impact of the new administration on the economy. He pointed out that the emphasis will be on deregulation and tax reform. There has been a brief period of rapid growth based on anticipated actions by the leadership, but there has been a dramatic slowing of productivity growth. It has remained at 2% in spite of the unemployment rate going from 10% to 4.5%. In his opinion, a sustained growth of 3%–4% as projected by the administration is virtually impossible.

continued on page 2

REAC BOARD MEETINGS

June 12, 2017

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

July 10, 2017

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

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

ACERA TRUSTEES MEETINGS

June 15, 2017

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

July 20, 2017

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

www.acera.org

WELCOME NEW MEMBERS

Gerald De Witt
 James Delrio
 Joan Denzler
 Bernardita Dimacale
 Linda Ericksen
 Margo George
 David Gould
 June Hickman
 Carol L. Hirth
 Wyman Hong

continued on page 4

Contreras Sweet, who led the Small Business Administration under the previous administration, discussed California's importance as one of the largest economic centers in the world.

Finally, Miller covered the recent challenges facing the Trump administration, particularly with regards to the media and the firing of former FBI director James Comey. Miller believes that the Republicans will most likely not be able to repeal and replace the Affordable Care Act, but will try to repeal and re-brand it. It is up to the Senate to decide where it goes next.

A GLOBAL AND MACRO PERSPECTIVE by *Kevin Klowden*. Klowden reported on key issues facing California and the nation. He stated that California is the world center for venture capital. It is the platform for new ideas. Klowden says that although California is now at full employment, it is not the traditional scenario because wages are not growing and neither are classic middle class jobs: most growth is in high tech. He also mentioned that technology is replacing workers and that skilled workers leaving the state have caused a drop in the educational level of the workforce.

Klowden also covered the following:

- California's dependence on the personal income tax, which can be volatile. The top 1% of the wage earners paid one-half of the income taxes in 2012.
- State spending, which has remained relatively flat, and the general obligation bond ratings, which have gone up;
- Pressure on the state for health care obligations and Medicaid. This puts pressure on the state budget. Congress wants to cap contributions to Medicaid, yet medical costs continue to rise.
- The decline in California home ownership, which has put more pressure on the rental market;
- The U.S. infrastructure, which rates a D+ in quality, and the new state gasoline excise tax, which will help with repairs, but not new projects;

- Growth in the markets, which was based on anticipation of corporate income tax reform. The results are still pending.

A NEW WORD ORDER by *Gary DeMoss*.

DeMoss explained how words matter. We often misplace the order of what is important. It is not so much what we say that is important, but rather what others hear. It is important to understand the emotional impact of words. Begin with a positive and hopeful message. Present plausible and possible messages. Finally, use plain English. People are turned off and don't understand jargon.

Words can have a negative connotation. For example, the word *solution* infers that there is a problem that needs a solution. On the other hand, developing a *strategy* suggests that we will work together to make decisions.

When doing presentations with visuals, DeMoss suggests that you don't present a show and tell; instead, tell and then show. Handouts distract from presentations because audiences are drawn to the materials and don't hear what the speaker has to say.

FUTURE OF CALIFORNIA by *Willie Brown*.

Brown reflected back on when he served in the state legislature: there was not so much partisanship, and the members were able to work together for the benefit of the public. He pointed out that he had been elected with the support of both Democrats and Republicans. During his tenure, decisions were made in collaboration with the governor, president pro tempore, speaker, and the two minority leaders. When term limits were approved by the voters, it changed the landscape of the legislators. Legislators had little time to become knowledgeable in their jobs. Brown hopes that the extension of the limits on legislators will allow them to become more sold on the job they have to do, as opposed to moving on to the next position and not seeing the outcomes of the decisions they make.

FIVE GEOPOLITICAL CHALLENGES FOR 2017 by *David Bridges*. Bridges summarized several international issues facing the United States. He touched on Russia, NATO, and North Korea with its capability to secure nuclear weapons before long.

He also covered challenges concerning the Iranian government, its theocracy, and the Revolutionary Guard as well as the difference between ISIS and Al Qaeda: the latter ran on a shoestring budget; the former is well funded and building up around the world. Originally its targets were in North Africa, the Middle East, and Southeast Asia. Now its intent is to strike fear into Europe and the U.S.

The final challenge is the potential of cyber attacks. Anything that will create a loss of confidence in our government as well as our economic order is a danger to us.

LEGISLATIVE UPDATE 2017 by *Richard Stensrud, Mike Robson, and Trent Smith*. SACRS is not putting forth any new legislation this year. Among the major factors in Sacramento is the fact that the Democrats have a super majority in both houses.

Among the major funding issues is the increase in the gas tax to fund street and road infrastructure. Among those to be dealt with in the coming year are climate change and affordable housing. Continuing matters are unfunded liabilities and contributions impacting services. There are several Republican bills that address pensions, but most likely will not go far. There also have been some proposals to limit investments based on several social issues.

ACERA Investment Report

ACERA reported in its April 2017 Performance Report that the fund had gained \$95,513,722. The total fund returned 1.54%. The total market value of the fund at the end of April 2017 was \$7,391,533,959.

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE RETIRED EMPLOYEES OF ALAMEDA COUNTY, MONDAY, MAY 8, 2017

The meeting was called to order at 9:30 AM by Marian Breitbart, vice president of the board, at the Health Care Services Agency Building, Room 242, 1000 San Leandro Boulevard, San Leandro.

Roll Call

Present were Marian Breitbart, Paul Reeves, Jessie Guiton, Jerry Jacobs, Rosalie Masuda, Mike Smart, and Liz Koppenhaver. Linda Barbaro was excused. Also present were Ish Pena, ACERA staff member; Jon Orellana, member; Olga Kempton, member; and Pete Albert, ACRE president.

Previous Meeting Minutes

The minutes of the April 10, 2017, board meeting were reviewed. It was moved by Jessie and seconded by Mike that the minutes be approved as submitted. The motion was approved.

Reports

ACERA: Ish Pena reported on the May 3, 2017, Retirees Committee meeting. There were three action items and three information items. The first action item was a report on a 401(h) Account Resolution request to ACERA participating employers. Staff recommends that the Retirees Committee recommend to the Board of Retirement that they authorize a transfer from the Supplemental Retiree Benefit Reserve (SRBR) account an amount equivalent to the 401(h) contribution specified in the resolutions received from each participating employer for fiscal year 2017–18. This is an annual routine request, which was approved.

The second action item was a SRBR policy update. Staff recommended that it adopt the Supplemental Retiree Benefit Reserve Policy. This was

approved with the amendment that it be brought back to the committee for clarification of the annual COLA and supplemental COLA.

The third action item was the Benefits Consultant Request for Proposal results and recommendations. Staff recommended that the Retirees Committee recommend to the Board of Retirement that they award a contract for benefits consulting services to Keenan & Associates, who also has the current contract.

The first information item was a preliminary report on projected benefits costs funded through SRBR. The results of the December 31, 2016, valuation indicate that the terminal year of the other post-employment benefits (OPEB) is projected to be 2039, with full benefits paid through 2038. The trends will be reported on next month.

The second information item was the OneExchange 2016 year-end review and report on health reimbursement arrangement account balances and reimbursements. OneExchange presented a status report, which showed an improvement in services, particularly the call-in services.

The third information item was the 2018 medical plans update/renewal requests of ACERA/County of Alameda. Staff provided the County of Alameda with an annual medical plans renewal request letter on April 20, 2017.

TREASURER'S REPORT: Jessie distributed copies of the April 2017 Treasurer's Report. Receipts were \$6,679.94, and disbursements were \$5,211.89 resulting in an ending balance of \$15,770.52. The only unusual items were a transfer and deposit of \$2,000 to be used for the CRCEA conference, which REAC is hosting in the fall, and a corresponding \$2,000 check, which was a payment to secure the site for the fall conference. The board requested that Jessie begin

tracking the fall CRCEA conference expenditures and revenue separately. It was moved by Jerry and seconded by Mike that the April 2017 Treasurer's Report be approved as submitted. The motion was approved.

The January–March 2017 Quarterly Treasurer's report item was carried over to the June 12, 2017, board meeting.

CRCEA: Jerry provided a brief report on the CRCEA spring conference, which was held in Ventura County. He reported that seventy-four individuals attended the conference; seventeen of them were from Ventura County. Items discussed included information regarding the Zika virus, preventing falls, common investment mistakes, and potential fraud against seniors.

Jon asked Jerry about any CRCEA Executive Committee discussions at the conference regarding the possibility of reducing the number of conferences to be held each year and the number of days per conference. Jerry reported that no such discussions took place. The board agreed to discuss this item further at a future board meeting and then adopt a position that Jerry can present to CRCEA.

Liz suggested that options for reducing conference expenses might also include the possibility of eliminating the banquet or perhaps having affiliate members cover the cost for the banquet. Liz also mentioned that Susan Muranishi had a scheduling conflict and, therefore, would not be available to be one of the fall conference speakers.

Jerry reported that they are still finalizing the number of volunteers that will be needed to help REAC host the fall conference. He does have several volunteers now, but will still need additional volunteers.

SACRS: Jon will be attending the SACRS spring conference, which will be held May 16–19, 2017, at the Napa Valley Marriott. He will report back at the June 12, 2017, board meeting. He reminded the board that this will be the last SACRS conference that he will attend, and he suggested that the board designate another board member to attend in the future.

RETIREMENT BOARD: Liz reported that as of March 31, 2017, the market value of the retirement fund was almost \$7.3 billion dollars.

INVESTMENT COMMITTEE: Marian briefly reported on her previously submitted Investment Committee report for the April 12, 2017, meeting. The first item was a discussion, and possible motion, to recommend to the Board of Retirement that they approve the finalists for ACERA's passive index manager search—U.S. and international equities.

The next item was a discussion, and possible motion, to recommend to the Board of Retirement that they authorize ACERA staff to negotiate an extension of the custody contract with State Street Bank and Trust Company.

The last items were discussions regarding a review of nominal, risk-adjusted and relative long-term performances of the total fund and asset classes.

HEALTH CARE: Rosalie reported that the flu season has ended, which is always good news. However, the CDC reported that California has reported its first case of West Nile virus this year. Rosalie also reported that forty-four states have reported cases of the Zika virus and that California has had 440 cases, 8% of the nation's total.

MEMBERSHIP AND RECRUITMENT: Membership at the end of April 2017 stood at 4,139.

REAC NEWS: Linda Barbaro, REAC president, will be writing next month's directors' comments.

OLD BUSINESS: The REAC board's 2017 Goals and Objectives item was carried over to the June 12, 2017, board meeting.

NEW BUSINESS: Marian requested that a new item be added to the June agenda: find a board member to fill the current board vacancy. Paul will add that to the agenda.

Marian adjourned the meeting at 11:20 AM.

—Respectfully submitted by Paul Reeves,
Board Secretary

Kevin Hulme
Paul Keppel
Dorothy Lee Krause
Valerie La Vonne
Allen Lang
Patricia D. Liwanag
Barbara Lubben
Marcia Mayberry
Curtis McMichael
Julie Mills
Donna Mitchell
Toni Mitchell
Carolyn Moskovitz
Jacquetta Nicks-Hunter
Debra Y. Nious
Maria Ornelas
Annie Pangasnan
Lula Parker
Nancy Patterson
Patsy Pettit
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Angel Rocero
Beverly Russell
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Robert Thiehl
Robin Wilkie
Edward Wong
Tammy Yuen

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In Memoriam

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

DREUX, Lucille V. 1/20/2017 Public Health	LUCKENBACH, Thelma L. 4/11/2017 Alameda Health System	ROSE, Robert J. 4/26/2017 General Services Agency	VOGEL, Esther J. 4/11/2017 Survivor of Bruce D. Vogel
KIRKWOOD, Geraldine M. 3/3/2017 Survivor of George A. Kirkwood	MILES, Frances G. 3/21/2017 Public Health-DEF	SAFRENO, Lynda A. 12/10/2016 DRO	WALKER, Barbara M. 3/9/2017 Health Care Services Agency Survivor of Larry W. Walker
KRAUSE, Ann F. 3/28/2017 Survivor of Richard J. Krause	PARKER, Inez 2/4/2017 Alameda Health System	SMITH, Priscilla 2/26/2017 Survivor of Erle H. Smith, Jr.	
LINDSEY, Manervia 3/10/2017 Survivor of Charles S. Lindsey	READER, Mary J. 3/17/2017 Social Services Agency	THOMPSON, Schurniece M. 4/1/2017 Behavioral Health Care Services	
LOWE, George 3/24/2017 Probation	REIMER, Van E. 4/12/2017 Probation	TODA, Kathleen G. 3/22/2017 Alameda Health System	

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

Congratulations On Your Retirement

ANDERSON, Kerri L. LARPD-DEF	EMERSON, Angela T. Alameda Health System	LA VONNE, Valerie Social Services Agency	PERKINS, Linda M. Superior Court
BRUCKBACK, Josef Social Service Agency-DEF	GRIFFIN, Dorothy E. Behavioral Health Care Services	LEWIS, Linda General Services Agency	PERKINS, Michael J. Sheriff's Office
CAREY, Stephen M. Sheriff's Office	HOSSEINI, Taiyaba Social Services Agency	LORIG, Milton L. Alameda Health System	SONDECKER, James B. Alameda Health System
CLAYTON, Macle L. Sheriff's Office	JAMES, Audrey L. Social Services Agency	MC GEE, Danita A. Probation-DEF	WALDEN, Maria D. Social Services Agency
COX, Shelley L. Sheriff's Office	JOHNSON, Deborah J. Social Services Agency	MICHEL-GONZALEZ, Mary Social Services Agency	
DAHU, Nader M. Public Works Agency-DEF	KAMAL, Rokeya Superior Court	MOLER, Silvia E. Public Health-DEF	

REAC Officers and Directors

- **President:** Linda Barbaro (510) 582-5696
lbarbaro123@gmail.com
- **Vice President:**
Marian Breitbart (510) 769-1604
- **Secretary:** Paul Reeves (510) 755-3740
bongsaw@gmail.com
- **Treasurer:**
Jessie Guiton *jessieguiton7588@comcast.net*
- **Directors:**
Jerry Jacobs (510) 835-5493
jjmjacobs@comcast.net
Liz Koppenhaver (510) 582-8550
lkoppenb@comcast.net
Rosalie Masuda (510) 339-1307
rosaliemasuda@hotmail.com
Mike Smart *mgsmart@comcast.net*
- **Directors Emeriti:**
Barbara Jean Hallisey (510) 881-1493
James J. Hartnett, Jr. (925) 935-3763
Ken Moresi (510) 531-7050
Steve Scheinman (925) 570-5273
Emily Shea (510) 522-0856
Janet Waring (510) 522-3406

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: -----
New Address: -----
City/State: ----- Zip Code: -----
Date of Move: ----- Telephone: -----
Old Address: -----
6/2017

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

June 2017

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