

**Minutes of the Meeting of the Board of Directors
Retired Employees of Alameda County
Monday, October 14, 2024, 9:30 A.M.**

Zoom Video Conferencing Board Meeting

Alicia Baptista, President of the Board, called the meeting to order at 9:30 AM

Roll Call: Alicia Baptista, Dawn Stevenson, Paul Reeves, Connie Land, Kathy Foster, Marsha Rice, and Linda Slater were present. Mike Fara, ACERA Communications Manager, Charo Panesi-Guerra, REAC Member and Administrative Assistant, and Pete Albert, ACRE President, were also present.

Minutes: Minutes of the September 9, 2024 Board meeting were reviewed. Connie Land moved that the September 9, 2024 REAC Board Minutes be approved as submitted. Marsha Rice seconded the motion and the motion was approved.

Announcements & Communications: Alicia reported that she received a communication from a member who was pleased with the information Alicia provided, regarding Quick Response (QR) Codes, in the President's Message portion of the REAC Newsletter. The member stated that, before reading Alicia's explanation, she was never able to use QR Codes. She appreciates the fact she can use them now.

Alicia also reported that Pete Albert, ACRE President, has invited the REAC Board Members to attend ACRE's holiday luncheon on December 5, 2024 at the Hilton Double Tree Hotel at the Berkeley Marina.

ACERA: Mike Fara, ACERA's Communications Manager, provided his report on both the September 19, 2024 and the October 2, 2024, Retirees Committee meetings.

At the September 19, 2024 meeting, there were two Action Items. The Action Items were a discussion and possible motion to recommend that the Board of Retirement approve increasing the current \$1,000 hearing aid benefit allowance for both the Medicare retirees enrolled in the Kaiser Permanente Senior Advantage plan, and the early (non-Medicare eligible) retirees enrolled in the Kaiser HMO Plan, to a \$2,000 hearing aid benefit allowance for Plan Year 2025. The \$2,000 would be per ear every 36 months and would take effect on February 1, 2025. The Retirees Committee voted to approve the recommendation to the Board of Retirement.

There were two Information Items. One was a presentation on the renewal of Alameda County's medical plan contracts for the 2025 Plan Year which provided renewal rates and plan coverage for Plan Year February 1, 2025 through January 31, 2026. For Plan Year 2025 through 2026, Dental and Vision monthly premiums remained the same. For the Medical Monthly premiums, Kaiser HMO increased 5.8%, from \$1,037.76 to \$1,097.88. Kaiser Senior Advantage increased 5.9%, from \$354.31 to \$375.22. For the United Health Care Signature Value plan, (UHC SV HMO), it increased 8.8% from \$1,464.90 to \$1,594.36, and for the United Health Care Signature Advantage plan

(UHC SVA HMO), it increased 8.9% from \$957.68 to \$1,042.48. The Monthly Medical Allowance (MMA) will be increased by 4.25%.

There was also a discussion of optional riders, which would add enhancements to the Kaiser Senior Advantage plan. The options included an Over-the-Counter (OTC) benefit of \$1.84 per member per month with a \$70.00 quarterly benefit limit. The second enhancement was a Meals Rider of \$2.00 per member per month. It included up to 84 meals (3 meals per day for up to 4 weeks) post discharge from an inpatient or skilled nursing facility. The third enhancement was a Transportation Rider of \$2.80 per member per month. It included routine & post-discharge transportation coverage up to 24 one-way trips per year to medically-related appointments within a 50 mile radius per trip. The Board did not take any action on these items. ACERA will send out a survey to all Kaiser members in January to ask if they would support any or all of the riders.

Linda asked if the Board could approve just one of the riders, or did they have to approve all of them. Mike said the Board could approve just one, all, or any combination. Connie asked if the riders were approved, would the cost be included in the premiums in 2025. Mike said no, they would be included in the 25-26 Plan Year premiums.

At the October 2, 2024 meeting, there was one Action Item and four Information Items. The Action Item was a discussion and possible motion to recommend that the Board of Retirement accept Segal's Actuarial Valuation of the Other Post-Employment Benefits (OPEB) and Non-OPEB benefits provided by the Supplemental Retiree Benefit Reserve (SRBR), including Sufficiency of Funds, as of December 31, 2023. OPEB benefits include the Monthly Medical Allowance (MMA), the Medicare Benefit Reimbursement Plan, and the Dental and Vision plans. Non-OPEB benefits include the Annual Supplemental COLA and the Retired Member Death Benefit.

The valuation is based on projections using substantive plan and medical inflation trends, as well as other assumptions consistent with their pension valuation. It conforms to the disclosure requirements of Government Accounting Standards Board (GASB) Statement 74, which establishes accounting standards for OPEB plans of state and local governments. Last year it was reported that the SRBR fund for OPEB benefits would exhaust in 2050 and Non-OPEB benefits in 2038.

The results of this December 31, 2023 valuation indicate that the terminal year of OPEB benefits is projected to be 2048, with full benefits paid through 2047 for a total of 24 full years and one partial year. The terminal year of Non-OPEB benefits is projected to be 2047, with full benefits paid through 2046 for a total of 23 full years and one partial year. Segal reported during their preliminary presentation in June that the terminal year of OPEB benefits was projected to be 2047, one year earlier than the final valuation. The reason for the change is that Segal's preliminary report was based on estimated medical plan premiums and subsidies for 2025 and future years using its trend assumptions. The final valuation report used the actual 2025 premiums and subsidies. The terminal year for the non-OPEB benefits was projected to be 2047, which is the same as this final valuation. The Retirees Committee voted to recommend to the Board of Retirement a motion to accept the December 31, 2023 Supplemental Retiree Benefit Reserve Actuarial Valuation prepared by Segal.

The first Information Item was the SRBR Statement of Reserves as of June 30, 2024. The semi-annual interest crediting as of June 30, 2024, was completed on August 29, 2024. For the six-month period ended June 30, 2024, approximately \$394.8 million of total interest (\$394.8 million in regular earnings and \$0.0 million in excess earnings) was credited to all the valuation reserve accounts, including the 401(h) account, the advanced UAAL contribution reserve and the SRBR. Regular earnings of \$394.8 million were credited to the valuation reserve accounts, the 401(h) account, and the SRBR at crediting rate of 3.50% and the advance UAAL contribution reserve was credited at rate of 2.3723%; a lower rate compared to all other reserves due to the exclusion of \$126.1 million in available earnings deferred prior to June 30, 2021. There was no crediting of earnings above the assumed rate of return (excess earnings). The total interest crediting rates were 3.5% to the valuation reserve accounts and the 401(h) account, as well as the SRBR and 2.3723% to the advance UAAL contribution reserve.

The second Information Item was a report on Open Enrollment Preparation and Communications Materials, and Retiree Health and Wellness Fair Arrangements. Open Enrollment packets will be mailed out beginning October 14th. The Via Benefits Open Enrollment period is October 15, 2024 thru December 15, 2024. The Medicare Open Enrollment period is October 15, 2024 thru December 7, 2024. The Non-Medicare Open Enrollment period is November 1, 2024 thru December 15, 2024. The Group Plan Open Enrollment period is November 1, 2024 thru November 30, 2024. Via Benefits plans effective date is January 1, 2025. The ACERA group plans effective date is February 1, 2025. ACERA's Hybrid Retiree Health and Wellness Fair will be held on October 24, 2024.

The third Information Item was a report on the Medicare Part D Certificate of Creditable Coverage Notice. The Medicare Modernization Act (MMA) requires entities to annually notify Medicare eligible policyholders whether their prescription drug coverage is "creditable coverage", which means the coverage is expected to pay on average as much as the standard Medicare prescription drug coverage. The Centers for Medicare and Medicaid Services (CMS) require all plan sponsors, such as ACERA, of health plans that provide prescription drug benefits to provide a Certificate of Creditable Coverage Notice to all plan participants prior to the Part D enrollment period. Due to the Patient Protection and Affordable Care Act (PPACA), the open enrollment period for Medicare Part D is from October 15, 2024 thru December 7, 2024. This Notice will be mailed and received prior to the October 15th deadline.

The last Information Item was a Via Benefits Update. The Via Benefits Medicare Fall Newsletters were mailed out starting September 23, 2024 as well as email blasts to the Medicare enrollees. The Balance Reminder Statements for Health Reimbursement Account holders will be mailed out on October 25, 2024. The Pre-65 Fall Newsletters will be mailed in phases starting on October 25, 2024.

Mike also reported that they have finished development of the parallel phase of their new Pension Administration System Replacement Project. They are now fully using Pension Golden V.3 to do all of their retirement calculations, and all of their benefits administration. The program also includes a new member portal called Member Direct. They are doing a soft launch during October, which members can use now if they want to, by requesting a PIN number, or they can wait until the existing Member Services portal is decommissioned on February 28, 2025. Beginning in November, everyone will receive a new PIN letter in the mail, which will contain their unique PIN number, which they can then use to set up their new

account. Active members will receive their letter in November 2024, retirees will receive their letter in January 2025, and deferred and other members will receive their letters in February, 2025.

Treasurer's Report: Connie presented REAC's September 2024 Treasurer's Report. The beginning Interest Privilege Account balance was \$28,280.74. Receipts totaled \$8,922.64 and included \$500.00 from our 1st United Credit Union advertisement, \$7,482.00 from membership dues and \$940.00 from checks for the Fall Luncheon. Disbursements totaled \$6,239.72 and included \$1,768.82 to Red Arrow for the September Newsletter, \$596.67 for postage, \$850.00 for officer monthly stipends, and \$1,565.47 for Select Staffing (5 payments). The net surplus for the month was \$2,682.92. The only unusual item was a 9/26/2024 Zoom July/August payment of \$34.38 which was paid in error. A check was deposited for reimbursement on 10/11/2024. Connie also reported that Liz was able to rollover the 13-month \$52,241.00 CD which matured on 9/24/24, to a 9-month CD which matures on 6/24/25 at a higher Rate. The ending Interest Privilege Account balance was \$30,963.66 and total assets were \$256,155.91.

Alicia asked if Connie knew why there appeared to be two Select Staffing payments for 9/9/2024. Connie did not have that information but would research it and report back to the Board. Alicia thought one of those payments was probably for 9/2/2024. Alicia also mentioned that the payment labeled Creative Circle Employee Training for \$57.53 was paid in error. Creative Circle will reduce their October billing by that amount. Linda moved that the September 2024 Treasurer's Report be approved as submitted, with the two corrections noted, to be researched and reported back at the November 2024 Board meeting. Connie seconded the motion and the motion was approved.

Connie presented REAC's 3rd Quarter, July 2024 – September 2024, Treasurer's Report. Year to date receipts totaled \$75,700.70 which represented 73.19% of the budgeted amount. Year to date disbursements totaled \$75,540.33 which represented 73.03% of the budgeted. There were a few items that exceeded our budgeted amounts. The budgeted amount for Web Hosting Domain Fee was \$250.00 and the year to date disbursement was \$289.11 which exceeded our budgeted amount by 115.64%. That overage was caused by some unanticipated cost increases which took place during the year. The amount budgeted for the See's Candies Savings program was \$500.00 and the year to date disbursement was \$825.00 which exceeded the amount budgeted by 165.00%. That overage was primarily caused by the purchase of gift cards we purchased for the luncheon. The budgeted amount for the Spring Luncheon was \$6,000.00 and the year to date disbursement was \$8,088.14 which exceeded the amount budgeted by 134.80%. In addition to increases in facility costs, more retirees attended the Spring luncheon than were anticipated. Alicia mentioned that any increase in the number of our retirees attending our events is a good thing even if it results in higher costs. Marsha moved that the 3rd Quarter Quarterly Report be approved as submitted. Paul seconded the motion and the motion was approved.

CRCEA (California Retired County Employees Association): Connie presented her CRCEA report. The September Executive Committee meeting was held on September 18, 2024.

Connie reported that the CRCEA 2024 Fall Conference is fast approaching. The Fall Conference is being hosted by the Contra Costa County Retired Employee Association (CCCREA). The dates for the conference are Sunday, November 03, 2024 thru Wednesday November 06, 2024. The conference is being held at the Embassy Suites Hotel Walnut Creek. Room rates are \$169 per night. Registration packets were mailed to Delegates, Alternates and others in late September.

REAC Board members were emailed copies of the Registration packet and the Registration packet is also posted on the CRCEA website (crcea.org). The registration deadline is October 15, 2024. There will be time at the upcoming conference, on Monday November 04, 2024, for a discussion of the Ad Hoc Committee efforts and the next steps for conference divisions. Those discussions will include the changes in the way conferences are done, supported, and hosted. Those changes will take place for conferences which are held starting in the Fall of 2026.

REAC 2025 Fall Conference Planning Committee Update: Connie provided an update on the REAC 2025 Fall Conference Planning Committee. The committee met on October 11, 2024. They identified a number of topics for discussion during the conference program, which included program theme, registration, staff support, etc. The committee received, from the DoubleTree Pleasanton Hotel, a link which can be used to book rooms for the conference. Their next steps include receiving updates from each committee and continuing to review the CRCEA Planning Conference Manual. They had a very productive meeting, yet a lot of work is still needed. Their committee meets monthly via Zoom. Alicia asked how many of our Board members will be attending the conference. Alicia, Marsha, Pete Albert, and Connie will attend.

SACRS (State Association of County Retirement Systems): Kathy informed the Board that she will attend the Annual SACRS Fall Conference. The Conference is being held November 12-15, 2024 at the Hyatt Regency Monterey Hotel and Spa, Monterey, California. The conference agenda includes the guest speaker, John Anderson, Global Head of Corporate Finance and Infrastructure, Manulife Investment Management, and there is also a CIO panel. Speakers include Robert “Vince” Smith, Chief Investment Officer, New Mexico and Tom Masthay, Deputy Chief Investment Officer, Texas Municipal Retirement System

Retirement Board: There was no new information to report.

Investment Committee: Alicia reported on the October 2, 2024 Investment Committee meeting. There were two Action Items. The first Action Item was a discussion of, and possible Motion, that the Board of Retirement approve the amended Private Credit Policy. The Investment Committee voted to approve the Motion. The second Action Item was a discussion of, and possible Motion, that the Board of Retirement approve the 2024 Private Credit Investment Plan. The Committee voted to approve both motions.

Health Care (Centers for Disease Control and Prevention): Linda reported that the new COVID-19 vaccines and the new Flu vaccines are now available.

Activities: Alicia reported that at least 151 members signed up for REAC’s Fall luncheon.

Membership and Recruitment: As of September 30, 2024, membership stood at 3,753 members, which is slight decrease from the previous month. Charo and Alicia will attend the Health Fair, and Alicia and Pete will be interviewed during the event.

REAC Website: Connie provided her Website Activity report for September 2024. There were 177 unique visitors to the REAC website which is a slight decrease from the August 2024 numbers. The average time spent on the site was 3 minutes and 23 seconds, which is also a decrease from the previous

month. The most-visited pages during September were the Member Resources, followed by Membership and What We Do.

Connie also reported on the mini See's Candies Survey. So far, 33 people have taken the survey online. 18 people say they use the See's Candies discount while 15 say they don't. 25 respondents say that REAC should continue to offer the discount while 8 say it should be discontinued. Voting continues through November 8th.

Special Board Utilization Section on Website: At the September 2024 Board meeting, there was an inquiry for a way to create a website page, which could only be used or viewed by the members of the REAC Board. The Board could use it to store instructional information or "How to" type documents, etc. There were several options which would be better suited to those ideas. Lori said the Microsoft 365 office is a viable option. Research is underway to determine the best option to pursue. Because of the complexities involved, Connie has reached out to CRCEA Technology Sub-Committee Chair for assistance.

REAC News: The REAC News will contain information regarding the success of the Fall Luncheon, the See's Candies benefit, and information about Open Enrollment.

Other Reports: Alicia reminded the Board that our holiday lunch will be held on December 10, 2024. It will be at Trabocco Restaurant in Alameda.

Old Business: Paul reported that he will finish work on the REAC Governance Manual by the end of the month and will be mailing those out to each Board Member.

New Business: There was no new business to report.

For the Good of the Order: There was no new business to report.

Meeting adjourned at 10:53 am.

Respectfully submitted by Paul Reeves, Board Secretary

Next Board Meeting: Monday, November 11, 2024, 9:30 am
Zoom Video Conferencing Board Meeting