

**Minutes of the Meeting of the Board of Directors
Retired Employees of Alameda County
Monday, June 9, 2025, 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, Liz Koppenhaver, Paul Reeves, Connie Land, Cynthia Baron, Kathy Foster, and Marsha Rice were present. Mike Fara, ACERA Communications Manager, Charo Panesi-Guerra, REAC Member and Administrative Assistant, Beth Hansel, REAC Website Administrator, and Margaret Salimi, REAC Member, were also present

Minutes: The Minutes from the May 12, 2025 REAC Board meeting were reviewed. Connie Land moved that the May 12, 2025 REAC Board Minutes be approved as submitted. Liz Koppenhaver seconded the motion and the motion was approved

Announcements & Communications: Alicia reported that she received comments from several members regarding the Delta Dental question. One member said that her dentist said that Delta Dental has made it too difficult to deal with them. Her dentist and a few others are coming out of contract, so she had to pay for a benefit that is supposed to be free. One of the members raised an interesting question. When Delta Dental is reimbursing you, if you are with an out-of-network dentist, how do you know if they are reimbursing you with the correct amount? How much will they reimburse on a cleaning, how much will they reimburse on an x-ray, etc. Alicia asked, at the Retirees Committee meeting, is there was a way to find out, and she was told there is a way on the website. She was also told that for those members who are looking for a new dentist, that information is also available on the website.

Kathy mentioned that Delta Dental always sends out a billing statement, which does contain that sort of information, In addition, in the open enrollment guide, there is also information regarding coverage. It does contain percentages, but that is only good up to the coverage maximum of \$1,900.00 per year. Kathy will talk with Mike Fara, and possibly Carlos Barrios, to determine what options might be available.

Beth Hansel, REAC Website Administrator was able to join the meeting. Alicia asked Beth to tell the Board a little about herself. Beth said the she has been a web developer for 15 years and it's what she loves to do. She also had an e-commerce business for nine years. About six years ago she decided to specialize in WordPress. REAC's website uses WordPress. She has also been a graphic designer for 20 years, so she can help out with anything we need in that area. Each Board member then introduced themselves.

Finishing up the Delta Dental discussion, Alicia mentioned that she heard from someone who addressed the issues that we have been discussing, who acknowledged that there were issues, however they did not

want to see ACERA change providers which would then limit the options for dentists. Delta Dental does have the greatest number of dentists in their system. Even though the more mature dentists are moving, there are many new dentists moving in.

Alicia also heard from a member who was interested in finding out if there was a way that we could connect people who have lost touch. We did discuss that issue some months ago. All the information we have is confidential information, and not something we can give out. The member also contacted ACERA and ACERA told them the same thing. Alicia suggested the member attend our luncheons. They may not find the person they are looking for, but maybe they may find someone who knows that person.

Liz mentioned that she was contacted by a member who had received a letter from Medicare, and the letter informed her that there was an issue with Medicare Part B, and she was going to be charged a lot of money and that she had to have sent in by a certain date. Liz was able to connect her directly with ACERA, and Liz told her to not call any of the phone numbers in the letter, to only call the phone number ACERA got for her. The letter did appear to be a scam.

ACERA: Mike Fara, ACERA Communications Manager reported on the June 4, 2025 Retirees Committee meeting. There were four Action Items and five Information items.

The first Action Item was a discussion and possible motion regarding Staff's recommendation that the Committee recommend that the Board authorize Staff to transfer \$2,453,953 from the SRBR (Supplemental Retiree Benefit Reserve) to the Alameda County Advance Reserve as the Implicit Subsidy for Plan Year 2024. The Implicit Subsidy is the difference in cost that the County pays for the retirees who are enrolled in the group plans because the retirees are bundled in with the actives and so they pay that increase to the County every year. The motion was approved.

The second Information Item was a discussion and possible motion regarding Staff's recommendation that the Committee recommend that the Board adopt a Statement of Intent to fund the Implicit Subsidy for Plan Year 2026. This declares their intent to fund the implicit subsidy for 2026 and the County is assured that the 2026 implicit subsidy will be paid. The motion was approved.

Both the first Action Item and the second Action Item are standard Action items that they do every year at this time. The Implicit Subsidy for 2024 was a particularly low amount in comparison to previous Implicit Subsidies at \$2.5 million. The Implicit Subsidy for 2025 is estimated to be about \$9 million.

The third Action Item was a discussion and possible motion regarding Staff's recommendation that the Committee recommend to the Board that it contract with the finalist of the dental care provider Request for Proposal for Plan Year 2026, subject to successful contract negotiations. The motion was approved.

The fourth Action Item was a discussion and possible motion regarding Staff's recommendation that the Board of Retirement approve Staff's recommendation to award a contract for ACERA's retiree vision

care coverage to Vision Service Plan (incumbent), the firm with the highest rating as a result of the Request for Proposal process for Plan Year 2026.

The above two Action Items referenced the Request for Proposals (RFP) for our dental care provider and our vision care provider. For both RFPs, the incumbent was approved by the Retirees Committee, so the Board of Retirement will be voting on those recommendations at the Board meeting. The Dental incumbent is Delta Dental and the Vision incumbent is VSP.

A three-year rate guarantee within a five-year contract was negotiated, so it would be a five-year contract, and the first three years would contain a rate guarantee. Fourteen carriers were invited to submit bids. Two bidders declined to submit proposals due to their concerns about matching Delta Dental's provider network and/or presenting a financially competitive proposal. Two bidders simply declined to submit a proposal. Five carriers did not respond and five carriers submitted bids.

ACERA's Selection Committee scored proposals based on a combination of quantitative and qualitative metrics. • Quantitative Metrics: – Financial benefits to ACERA and its members – Provider network's breadth and consistency with existing patient relationships • Qualitative Metrics: – Demonstrated experience serving public sector organizations with a significant concentration of retirees – Accessibility and responsiveness of Customer Services and designated Account Team to address the needs of ACERA members and staff.

Alicia expressed concern regarding the difficulty members had in getting useful information to help with their choices. There should be a way for members whose dentist leaves the network, to just go online or give someone a call, and say so what does it cost or what will I be reimbursed for a cleaning if I see a dentist who is no longer in the network. The current process is overly complicated, and makes it difficult to make a reasonable comparison.

Alicia also expressed concern regarding the difficulty member's face when trying to find a new dentist. When she looked at the website, the DentaQual ratings were not helpful. Dentists with a rating consistently rated a 4 out of 5 while other dentists had no rating.

Mike reminded the Board that ACERA sends out wellness messages. In fact the one sent out today had to do with the warning signs of Macular Degeneration. They do one each month for Delta Dental and one each month for VSP. He will take out some of those messages, and replace them with messages about how to use the Delta Dental tools which are available on the website, how to access the calculator, and one about Smile Away.

The first Information Item was a presentation and report on Health Care Inflation Trends. Segal, ACERA's Actuary and Benefits Consultant, and ACERA staff, provided information and a report on health care inflation factors for 2025. The report uses information from the benefits consulting side and the actuarial side to project of how much they think premiums are going to increase for the next plan year. The near-term trend assumptions will be set at 7.75% for non-Medicare plans and 7.50% for Medicare Advantage plans. Segal is using the lowest trend of 7.50% for medical inflation as the most

conservative approach. Therefore, based on the substantive plan design, a 3.75% increase would be applied to the projections for the MMA for the December 31, 2024 SRBR Valuation.

The second Information Item was a preliminary report on projected benefit costs funded through the SRBR. Segal, ACERA's Actuary, provided their preliminary report on the projection of benefit costs, which are funded through the SRBR. This report is based on projections using substantive plan and medical inflation trends, as well as other assumptions consistent with their pension valuation.

In the December 31, 2023 valuation, it was projected that the Other Post-Employment Benefits (OPEB) assets would be exhausted in 2048 with full benefits paid through 2047. The results of the December 31, 2024 valuation indicate that the terminal year of OPEB benefits is projected to be 2045, with full benefits paid through 2044 for a total of 20 full years and one partial year. The Board of Retirement set the projected years of the SRBR sustainability at 15 years or greater. Since the preliminary projection for Plan Year 2026, is still five years above the 15 year mark, the SRBR is considered to be sustainable.

In the December 31, 2023 valuation, it was projected that the non-OPEB assets would be exhausted in 2047, with full benefits paid through 2046, for a total of 23 full years and 1 partial year. The results of the December 31, 2024 valuation indicate that the terminal year of benefits is projected to be 2048, with full benefits paid through 2047, again for a total of 23 full years and 1 partial year. Non-OPEB benefits include the supplemental COLA and death benefits. These non-OPEB benefits are also paid for out of the SRBR.

The third Information Item was a discussion of Monthly Medical Allowance for 2026. Each year, the Retirees Committee recommends to the Board of Retirement a suggested dollar amount to be contributed towards retiree health care costs. This dollar contribution is known as the Monthly Medical Allowance (MMA). The MMA is a non-vested retiree health benefit provided in agreement with ACERA's Participating Employers.

Group Plan Costs. If no increase is applied to the MMA, they assume premiums will still increase and the total cost will go up by approximately \$1,302,431. If 3.75% is added to the MMA, they assume the annual cost to provide this benefit will increase by \$1,624,283 (\$1,302,431 due to premium increase and \$321,852 due to 3.75% MMA increase) for 2026.

Individual Plan Costs – Medicare Eligible Retirees - The actual cost is determined based on the amount reimbursed to each retiree. Based on the actual reimbursements for the 2024 Plan Year (as of April 29, 2025), the total reimbursements were \$5,787,924.68.

The Retirees Committee will be considering two options. 1. Do not increase MMA amount for 2026. Current annual cost plus potential increase due to premium increase is \$37,929,999. 2. Increase MMA by 50% of health care trend, 3.75% for potential increased cost of \$38,652,330. This is an annual cost difference of \$722,331.

The fourth Information Item was a report on Health Reimbursement Arrangement Account Balances and Reimbursements. The report covered the final 2024 Health Reimbursement Arrangement Account

balances, and total reimbursement amounts for Medicare eligible retirees and early retirees living outside the HMO service area enrolled in medical plans through Via Benefits. Retirees enrolled in individual medical plans through Via Benefits were able to submit claims for 2024 reimbursements through March 31, 2025. Total reimbursements paid to Medicare eligible retirees was \$5,787,924.68. Total reimbursements paid to Early (Pre-65) retirees was \$905,874.75. For Medicare eligible retirees, 489 retirees used all of their funds which was 28.6% of all Medicare eligible retirees. For Early retirees, 97 used all of their funds which was 48% of all early retirees.

The fifth Information Item was a report on the plans for Open Enrollment and Retiree Health and Wellness Fair. Following the success of last year's hybrid event—which drew 393 attendees, split almost evenly between virtual and in-person participation—ACERA will once again host the fair in a hybrid format in 2025. The 2025 fair is scheduled for October 23, 2025, at the DoubleTree by Hilton Hotel Pleasanton at the Club.

Open Enrollment Planning: The annual Retiree Enrollment Guide, which includes all plan information and premiums for ACERA-sponsored plans, will be mailed out in early October with ACERA's Open Enrollment period occurring in November. Medical premiums and any plan changes will be provided to ACERA by the County of Alameda and carriers in August.

Treasurer's Report: Alicia reported that we received messages from Creative Circle that we had missed some invoices and that we had not paid some invoices. We have paid, timely, all invoices we receive from Creative Circle. It has taken us a couple weeks to figure out what their claims are. There was one invoice in particular that had the wrong date on it, so they were looking for a payment in April, which we actually paid in March. In order to make future reconciliation easier, we will begin putting the last four digits of the invoice numbers on the Treasurer's Reports for both Creative Circle and Select Staffing. We will also put a G on payments going to Gina, and a B on payments going to Beth.

Liz then presented REAC's May 2025 Treasurer's report. The beginning Interest Privilege Account balance was \$25,279.38. Total receipts were \$8,024.17. We received \$7,473.55 in membership dues, \$500 from our 1st United Credit Union advertisement, and one payment from the Spring Luncheon. Disbursements totaled \$5,723.46. Liz reported that there were no unusual disbursements. Red Arrow is now current, and we paid them \$1,747.87. The Interest Privilege account ending balance was \$27,580.09. The Free checking account balance, which is being used for the CRCEA Conference we are hosting, was \$30,760.57. Total assets were \$260,739.73.

Liz reported that we still have \$1000 in the money market account. In order to keep the account open, we are required to keep at least \$1000 in that account. Liz also reported that we have \$53,623.23 in a 24 month CD which matures on June 24, 2025, and we have \$40,130.89 in our savings account. Liz and Alicia will go back to the credit union to try and get the highest interest for the CD which matures on June 24, 2025. Connie moved that the May 31, 2025 Treasurer's Report be approved as submitted. Kathy seconded the motion, and the motion was approved.

CRCEA: California Retired County Employee Association. The May Executive Meeting was held on May 27, 2025 (a rescheduled date). There were a few updates provided but the most important one was an update on the progress of the new conference structure. This update included the continuing efforts of the two conference divisions. Both divisions support moving forward with one in-person event and one business meeting held via Zoom, with scheduling flexibility. Divisions continue to meet and updates will be provided at upcoming meetings. More to come!!! The remaining conference schedules are: Fall 2025: Alameda County-September 28-October 1, 2025 DoubleTree Hotel-Pleasanton - Spring 2026: Santa Barbara-April 19-22, 2026 Marriott Hotel-Buellton.

REAC 2025 Fall Conference Planning Committee: The next regular monthly committee meeting is June 13, 2025. Since this meeting is after REAC's Board meeting, a progress report will be provided at the next meeting. Progress is being made with securing funding to offset Conference expenses and there's been a momentous head way made with securing speakers for the Conference program. The next regular monthly meeting is Friday June 13, 2025. This committee meets generally the second Friday of each month via Zoom. In the coming months, more frequent meetings will be scheduled to ensure a successful conference.

REAC Website: This month we transitioned to our new Website Administrator, Beth Hansel, and she provided the following statistics for May 2025. During the month of May 2025, there were 110 unique visitors to the REAC website. This represents a decrease from last month for which it was 149. The average time spent on the site was 1 minute and 32 seconds; a decrease from last month. The most visited pages during May were the Member Resources and the Contact Us.

Alicia reported that the change in website administrator will require more costs than previously thought. As it turns out, we will need to purchase five different licenses which have to be renewed annually. The cost of those licenses was previously included in the cost of our previous website administrator. The licenses are as follows: 1. Divi Builder (used for the theme and overall building of pages) Approximate cost \$89 per year. 2. Gravity Forms (used for all outline forms) Approximate cost \$59 per year. 3. The Events Calendar Pro (used for recurring calendar events) Approximate cost \$149 per year. 4. Divi Advanced Tabs (used for members only tabbed tables) Approximate cost \$25 per year. 5. Divi Supreme Pro (used for event image galleries) Approximate cost \$79 per year.

Connie moved that we approve the purchase of the five required website licenses in order to maintain our website. Liz seconded the motion and the motion was approved.

SACRS (State Association of County Retirement Systems): Kathy Foster attended the SACRS Conference in Palm Springs from May 13th to May 15th. She provided a brief report. The first keynote speaker was Molly Bloom, who spoke about defying the odds and themes of resilience, overcoming adversity, and reinvention. Her life was the basis of the movie "Molly's Game". The next keynote was a virtual farm tour with Carl Evers, Jr. who is the Senior Director of Farmland Acquisitions, Pacific West from Manulife Investment Management. They take potential investors on tours of farm land in the Pacific West in order to show them what they are doing to be more efficient with the use of resources like air and water and helping to boost the local economies.

Adam Back, the CEO of Blockstream, gave a presentation on the topic of Bitcoin for institutional adoption. He explained the differences between Bit Coin and Crypto Currency, the balance between decentralization and regulatory integration, with the aim of showing the value of long term investment in Bit Coin. Another speaker, Michael O’Hanlon, who is an American policy analyst currently serving as director of research and senior fellow of the foreign policy program at the Brookings Institution. He gave his perspective on U.S. defense, the use of military force, and American foreign policy.

Kathy felt the conference was very good, and well worth attending.

Retirement Board: The Retirement Board meets next week, so there was nothing new to report.

Investment Committee: There was no additional information to report.

Health Care (Centers for Disease Control and Prevention): Alicia provided the Health Care report. The CDC reported there are new COVID-19 variances. She also read that mosquito season is here with the peak activity occurring during the warmer months of summer. So protect yourself. Alicia also spoke briefly on the Delta Dental DentaQual tool, which members can use to find a new dentist. You can find DentaQual on the Delta Dental website. Unfortunately, she found it was not helpful. The system will give you a list of available dentists near a given zip code, but the dentists tended to all have the same 4 star rating, or they had no rating at all. DentaQual is not actually part of Delta Dental, it is a third party and therefore the ratings should be independent of Delta Dental. Given that information, it is at least a good place to start. It does tell you if the dentist is accepting new patients, it does tell you where the dentists are located, and it does tell what dental coverage they accept.

Activities: The REAC Board continues its preparation for hosting the CRCEA Fall Conference which will be held at the DoubleTree Hotel in Pleasanton. The event takes place from 09/28/2025 thru 10/01/2025. The REAC Fall Luncheon takes place on October 20, 2025, also at the DoubleTree Hotel in Pleasanton.

Membership and Recruitment: Charo reported that as of May 31, 2025, our membership stood at 3,724 members, which was a slight decrease from the previous month.

Administrative Staff: There was no new information to report.

REAC News: The REAC News will include information about Delta Dental, information about DentaQual, information about My Penny Earned, and a reminder for members to let us know when they change their mailing address or their email address.

Other Reports: There was no additional information to report.

Old Business: There was no additional information to report.

New Business: Paul took a moment to explain the Director Emeritus category. Board members, who have served on the Board with distinction and excellence, and have made significant contributions towards the mission and goals of REAC, can be designated as a Director Emeritus. When the category was created, no thought was given to removing an individual when he or she passed away. Paul requested that each Board member give some thought to what length of time, if any, should a Director Emeritus remain listed in the Newsletter after they pass away. Should it be a month, six months, a year, etc. Paul requested that each Board member send him their recommendations.

For the Good of the Order: There was no additional information to report.

Meeting adjourned at 11:41 AM.

Respectfully submitted by Paul Reeves, Board Secretary

Next Board Meeting: Monday, July 14, 2025, 9:30 am
Zoom Video Conferencing Board Meeting