

**Minutes of the Meeting of the Board of Directors
Retired Employees of Alameda County
Monday August 14, 2023, 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, Paul Reeves, Connie Land, Dawn Stevenson, Suman Sharma, Kathy Foster, Cynthia Baron, and Liz Koppenhaver were present. Michael Fara, ACERA Communications Manager, Charo Panesi-Guerra, REAC Member and Administrative Assistant, Marsha Rice, REAC Member, Ronica Prasad, 1st United Credit Union, and Pete Albert, ACRE Board President, were also present.

Minutes: Minutes of the July 10, 2023 REAC Board meeting were reviewed. Connie moved that the July 10, 2023 REAC Board Minutes be approved as submitted. Kathy seconded the motion and the motion was approved.

Guest Speaker: Liz introduced Ronica Prasad, Branch Manager, 1st United Credit Union. Ronica was invited to attend today's meeting in order to answer any questions the Board might have regarding CDs or any other questions concerning the Credit Union. Liz explained that REAC had two 36 month CDs, and one 39 month CD and that we wanted to know how best to utilize those CDs. Should we add funds to the ones we already have, shift funds to CDs with higher interest rates, and are we better off with longer or shorter CDs?

Ronica mentioned that the Credit Union currently has a 13 month CD at 4.04 %, if we were not interested in a longer period. They also have a 25 month CD at 3.75%. Alicia asked how much was currently in our checking account. Liz reported that the end of month balance was \$113,012.55.

Currently, we have a 36 month CD at 0.400% which matures on 12/22/23, a 36 month CD at 0.400% which matures on 02/10/25, and a 39 month CD at 0.700% which matures on 05/09/25. If we wanted to do anything with those CDs, there would be a substantial penalty. With that in mind, the Board decided not to touch the CDs we currently have, but use a portion of the funds in the checking account.

Cynthia asked if there was a way to get a higher rate of interest for the funds in the checking account. It looks like the current rate was .030%. Ronica reported that we did have an interest bearing checking account and that amounts over \$25,000 received .030%. They did not have a higher rate for interest bearing checking accounts.

Ronica will put together a rate sheet, along with the rates for our current CDs, and send us that information for our review and further discussions. Liz will take the lead, along with Suman, in reviewing the information and providing the Board with options and recommendations regarding the investment of some of the funds in the checking account.

Alicia asked if Ronica knew of a way that our members could make payments on line directly to REAC for the luncheons we host, rather than have them write checks to us. Ronda said that was not her department, and therefore she was not aware of what was possible, but she would contact that department on our behalf and then let us know.

Announcements & Communications: Alicia reported that several Board members received messages, allegedly from her, asking them to spend money on behalf of the Board, and then be reimbursed. Unfortunately, one of our members did not realize it was a scam, and lost a great deal of money. Alicia stated that she would never send an email to any member of the Board, asking them to spend funds. She stressed the importance of looking very closely at the return email address and, if in doubt, call her first. She also mentioned that scammers were currently sending out messages to our retirees pretending to be from ACERA. The messages were asking retirees to complete DocuSign documents. ACERA may request some documents be signed using DocuSign, however, unexpected requests are not to be trusted. ACERA has provided information on their website regarding fraud, how to recognize it, what to do, and how to avoid it.

ACERA: Michael Fara, ACERA Communications Manager, provided his report on the August 2, 2023 Retirees Committee meeting. There were four Action Items and two Information Items.

The first Action Item was a discussion and possible motion to recommend that the Board of Retirement approve an enhancement to the PPO dental plan for Plan Year 2024. Currently there are two dental plan options available for retiree enrollment: Delta Dental PPO and Delta Care USA. The dental contracts are managed by ACERA; and therefore, are separate from the County of Alameda. In order to keep premium amounts at a minimal cost, dental plan enrollment is mandatory for retirees with ten or more years of ACERA service credit, retirees receiving a service connected disability, or retirees receiving a non-service connected disability effective January 31, 2014.

Delta Dental proposed a 12.0% decrease for the PPO contract rates, and an 11.8 % decrease for the billed rated. The current rate for February 1, 2023 through January 31, 2024 is \$51.24. The proposed rate for February 1, 2023 through January 31, 2025 is \$45.07. The Retirees Committee wanted to see what the rates would be if the benefits were enhanced. If the benefits were increased to \$1,500 the rate would be \$47.72; if the benefits were increased to \$1,750 the rate would be \$49.94; and if the benefits were increased to \$1,900 the rate would be \$51.05. The Retirees Committee voted to recommend to the Board of Retirement a motion to approve increasing the annual benefit maximum from \$1,300 to \$1,900, which would match the amount currently allowed for active employees.

The second Action Item was a discussion and possible motion to recommend that the Board of Retirement continue dental plan contributions for Plan Year 2024. ACERA currently provides a contribution to cover the single retiree premium for retirees with ten or more years of ACERA service, service connected disability recipients, or grandfathered as of January 31, 2014 non-service connected disability recipients. The Retirees Committee voted to recommend to the Board of Retirement a motion to continue the dental plan contributions for Plan Year 2024, which provides a monthly subsidy equal to the single-party dental plan coverage premium of no more than \$54.22 for the PPO plan and \$22.18 for the DeltaCare USA plan for retirees who are receiving ACERA allowances with ten or more years of ACERA service, are service connected disability retirees, or are non-service connected disability retirees as of January 31, 2014. This is a non-vested benefit funded by contributions from the ACERA employers to the 401(h) account. After contributions are made in accordance with the County Employees Retirement Law, ACERA treats an equal amount of Supplemental Retiree Benefit Reserve (SRBR) assets of employer contributions for pensions.

The third Action Item was a discussion and possible motion to recommend that the Board of Retirement continue vision plan contributions for Plan Year 2024. ACERA currently provides a contribution to cover the single retiree premium for retirees with ten or more years of ACERA service, service connected disability recipients, or grandfathered as of January 31, 2014 non-service connected disability recipients. The single-party vision plan coverage premium is \$4.63. The single-party vision plan coverage for the Buy-Up plan is \$16.63. Rates are in the second year of a three-year rate guarantee from February 1, 2023 through January 31, 2026.

The fourth Action Item was a discussion and possible motion regarding whether the Board of Retirement should make available contingent applications for disability retirement with selection of optional settlement 2 or optional settlement 4, so that members can maximize death benefits for their designated beneficiaries. In 2013, the Active Death benefit, which was paid for out of the SRBR, was eliminated to reduce the funds being paid for out of the SRBR. The current discussion includes suggestions on how ACERA might be able to fund an Active Death type benefit which is not funded by the SRBR. No decisions were made at the meeting and the item will be brought back for additional discussion at a future meeting.

The first Information Item was a report of the Dental and Vision Plans Renewal Information and Dental Plan Enhancements for 2024, most of which was covered in the above information.

The second Information Item was the Semi-Annual Report of ACERA's Wellness Program. As they reported in February 2023, this year they are continuing to emphasize virtual resources, which allows them to reach retirees regardless of their location, eliminate the Covid-19 risk of live events, and minimize the time-intensiveness of ACERA Staff. They have expanded their virtual wellness offerings by leveraging an assortment of timed wellness messages and content provided by their insurance carriers. They will continue to promote Silver&Fit and the Kaiser Permanente Virtual Health Talks in addition to the expanded calendar of wellness messages.

Since the beginning of the year, they have been sending email messages to about 7,700 retirees, which represents roughly 72% of all retirees. In analyzing the performance of their wellness email campaign, they found that 4 out of 5 metrics beat industry benchmarks: Roughly double the percentage of ACERA retirees are opening their emails (Average Open Rate) in comparison to the Government Sector industry benchmark provided by Mailchimp. That means that over 4,200 ACERA retirees are opening each of our wellness emails on average. The Average Click Rate is lower than the benchmark, but that is okay for wellness emails. They do not necessarily need members to click on any links to be fully educated on the topic because all of the educational content is contained in the body of the email.

They also looked at the Bounce rate for each email. A Hard Bounce indicates a permanent reason an email cannot be delivered. In most cases, bounced email addresses are automatically cleaned from their audience list. A Soft Bounce typically indicates a temporary delivery issue, and the address will be tried again in future emails. They were also concerned that emailing retirees 3-4 messages per month would result in a lot of members unsubscribing. However, they found the average Unsubscribe Rate of 0.06% is more than twice as low as the average for the Government Sector.

In addition to the wellness message campaign, they will include a 3-page section in their annual enrollment guide (sent to 10,700 retirees) with links to dozens of wellness tools and resources provided by ACERA's insurance carriers.

Lastly, they are currently making their initial plans for the 2023 Virtual Health and Wellness Fair, which will be held on Thursday, October 26, 2023. Like previous years, they will continue to offer a live virtual event with presentations, plus the virtual expo hall website with flyers and links.

Charo asked Mike if they sent paper copies of the wellness emails to those retirees who do not have, or who have not provided, an email address. Mike explained that they did not. In order to be able to provide as much information as they can, to as many retirees as they can, they do not send any paper copies. Cynthia ask if it was possible to insert a slip of paper, or other small type message, when they mail out the annual enrollment guides, to inform those retirees for whom we have no email address, that they are missing valuable information because ACERA does not have their email address. Mike thought that was a great idea, and he would investigate how to do that.

Mike reported that during the June 7, 2023, Operations Committee meeting, ACERA staff provided an update on the 2022 and prior years' Retirement Board election participation and process. Staff had been previously directed to research opportunities for hybrid election participation. Hybrid elections provide a paper and an electronic option for voting.

Research has found that Hybrid elections result in higher voter participation rates. ACERA is considering using MK Elections to conduct a Hybrid election which would give the individual the option of using a paper ballot to vote or to vote electronically. Everyone would be sent a paper ballot, which they could use to vote. They would vote, sign the document, and send it back in the return envelope. However, included in the envelope would be instructions on how to vote electronically. If they selected that option, they would be directed to a secure electronic voting site, operated by MK Elections, and then vote. Having two options would allow the individual to choose which method they wanted to use and would, hopefully, increase voter participation. There would be several safe guards to prevent fraudulent voting. The process would be less expensive than the current process, and would make voting much easier for retirees.

This was not an Action Item, it was simply a presentation by MK Elections as to the services they provide, and how they would approach Hybrid elections for retirees. The item will be brought back for further discussion, probably in October.

Treasurer's Report: Liz presented the July 2023 Treasurer's Report.

The check book beginning balance was \$107,253.54. Total receipts were \$8,138.71 and total disbursements were \$2,379.70. We received membership dues totaling \$7,636.00 and \$500.00 from the 1st United Credit Union for their advertisement in the Newsletter. Disbursements included officer stipends, Newsletter Layout, and Select Staffing payments. Liz reported on the three notes at the bottom of her report. Red Arrow did not submit their bill for payment, and has not submitted any billing for either June 2023 or July 2023. The payment to 1AND1.com is higher than the previous month because they charged us for both their monthly bill and their annual charge. The Select Staffing bill did not include all invoices. They are short approximately \$500.00. Apparently, a new employee with Select Staffing, failed to send us all their

invoices. They sent invoices, but to the wrong individual, and instead of monthly, they decided to send invoices weekly without telling anyone. Alicia contacted Select Staffing, and was able to help them resolve their issues.

The ending check book balance was \$113,012.55. We still have two 36 Month Certificates of Deposit and one 39 Month Certificate of Deposit. When added to our check book balance, our total assets are \$244,291.07. Paul moved that the July 2023 Treasurer's Report be approved as submitted. Cynthia seconded the motion and the motion was approved.

The Board then discussed various options regarding how much money we should keep in our checking account, how much we could invest, how much we should set aside for emergencies, etc. Cynthia suggested the following: If we took \$50,000 out of the checking account, and put it in the 13 Month CD we could get 4.04 % interest on that. We could take another \$50,000 and put it in a Money Market account. The \$50,000 in the Money Market account is still fluid, in that we can move it back and forth if we needed to. That would leave us with about \$13,000 in the checking account. However, each month we receive around \$7,600, so that would function to build back the checking account balance relatively quickly. In December, one of the 36 Month CD matures, giving us an additional \$25,000. So while the checking account balance would look somewhat low initially, if we had higher than our usual disbursements, we would still have the \$50,000 in the Money Market account we could draw on for the short term.

Alicia asked Paul for his thoughts on the need to keep a large sum available for potential litigation. Paul explained that many years ago, when retirement Defined Benefit Plans were under attack, REAC decided they needed to keep sufficient funds available in order to defend our Defined Benefit Plans, should the need arise. In addition, REAC also decided that it needed to set aside some funds to assist other County Associations in defending their Defined Benefit Plans should they request our assistance. However, if REAC did receive a request from another County Association to help offset some of their litigation costs, it would be up to the REAC Board to decide if REAC should provide that help, and if so, how much REAC would provide. We currently have no litigation costs, and it has been several years since any County Association has requested financial help for Defined Benefit Plan litigation. With that in mind, keeping a large sum of money instantly available for litigation, does not seem warranted at this point in time.

Pete reminded the Board that CRCEA expects the host county to bear most of the cost of their Spring and Fall conferences. REAC is hosting the CRCEA Fall conference in October 2025, so Pete recommended that we set aside sufficient funds to offset those anticipated costs.

Cynthia motioned that we take \$50,000 out of the checking account, and put it in a 13 Month CD at a rate of 4.04% interest. We then take another \$50,000 out of the checking account, and put it in a Money Market Savings account with 1st United Credit Union, earning .2% interest. Dawn seconded the motion, and the motion was approved.

CRCEA (California Retired County Employees Association): Connie provided her CRCEA report. The July Executive Committee meeting scheduled for July 19, 2023 was cancelled. There was no new information to report. The next Executive Committee meeting is August 16, 2023.

No meeting has been scheduled for the Conference Brainstorming Subcommittee.

The CRCEA 2023 Fall Conference will be held October 1, 2023 thru October 4, 2023 at the Hilton Hotel in Stockton. The host county is Retired Public Employees of San Joaquin County (RPESJC). Hotel room rates are \$159 per night plus taxes (includes self-parking). The Draft Agenda and Registration Form were sent to Delegates. The deadline for the Conference Registration and Hotel Reservations is September 8, 2023. The registration form is now available on CRCEA website (crcea.org). Some of the topics for discussion are: Senior Fraud and Prevention, Senior Health Care & Insurance Information, National parks-Senior Passes, and Senior Homelessness, and Legislative Updates.

As a reminder, it's REAC's turn to host a CRCEA Conference in the Fall of 2025. It's not too early to start planning. A lot of ideas were picked up at the most recent CRCEA Spring Conference. Connie will convene a conference planning meeting with Liz and Kathy sometime in September.

CalPERS Lawsuit Update:

On July 28, 2023, the Court in *Wedding vs CalPERS* granted final approval of the CalPERS Long Term Care Class Action Settlement. However, this does not mean the Settlement is Final. At the earliest, the Settlement will not become Final until September 28, 2023. However, the Final Settlement Date could be later if one of the Class Members who objected to the Settlement appeals the Court's ruling. If there is an appeal, the Settlement will not become Final until the appeal is concluded. Once the Settlement becomes Final, policyholders will receive a notice advising them that they can discontinue their premium payments.

Policy holders are encouraged to check the website (<https://calpersltcclassaction.com>) frequently to stay updated or they can contact the Settlement Administrator at: 1 (866) 217-8056 (Toll Free).

SACRS (State Association of County Retirement Systems): Paul reported that SACRS has announced their Fall Conference. It will be held November 7-10, 2023 at the Omni Rancho Las Palmas Resort & Spa in Rancho Mirage, California. They have yet to send out an agenda, hotel costs, etc. They are still asking for suggestions regarding agenda items, topics, and guest speakers.

New Business: There was no new business to report.

Retirement Board: There was no additional information to report.

Investment Committee: There was no new information to report.

Health Care (Centers for Disease Control and Prevention): Linda was not able to attend today's meeting. Alicia reported on her behalf. As of July 29th, the CDC reported that the incidents of COVID-19 hospitalizations for Alameda County are low, however, COVID-19 is still prevalent so people may choose to continue to mask at any time. Individuals who have COVID-19 symptoms, or individuals who have been exposed to individuals with COVID-19, should wear a high quality mask or respirator when indoors or in public. If you have COVID-19 symptoms, you should be tested immediately, if the test is negative, you should retest after 48 hours. If you are exposed to someone with COVID-19, you should test at least five days following exposure. If the test is negative, test again after 48 hours, test again after 48 hours, and if still negative again, test again after 48 hours for a total of three tests.

As a reminder, after May 12th of this year, Kaiser Senior Advantage members are no longer eligible for the 8 free Antigen tests. You may still purchase it at any Kaiser Pharmacy if you feel you need one.

Activities: The planning for REAC's Fall Luncheon, which will be held on October 16th, is proceeding nicely. Alicia reported that someone from ACERA will attend the luncheon and will speak about Open Enrollment. Alicia asked the Board if we should also invite someone from the 1st United Credit Union to speak about Fraud and Prevention. The Board agreed and she will contact the Credit Union.

Alicia reminded the Board that we do not currently invite guests, nor do we pay for any non-member lunches at the Fall Luncheons. We still provide lunch for any guest speakers we invite. Paul mentioned that when REAC created the original list of who we would invite to our Spring Luncheon, we did not have sufficient resources to even consider doing the same thing for the Fall Luncheon. We only invited those individuals who worked on our behalf, who provided us with valuable assistance, and who made the lives of all retirees much easier.

Since we are now in better financial shape, he would like to discuss inviting the same individuals we invite to the Spring luncheon, to attend our Fall luncheon, and for REAC to pay for their meals. After a brief discussion, Paul motioned that we invite the same individuals we invited to our Spring luncheon, to attend our Fall luncheon, and that REAC will pay for their meals. Dawn seconded the motion and the motion passed. Paul will modify the Governance Manual to reflect the change.

Dawn asked if we wanted to ask the members if they have an email address when they check in for the luncheon. Since we check them off at the registration table, it would be a good way to ask if they have an email address and can we have it. It would slow down the registration process, but it would be worth it. Charo suggested adding the emails we have on the check in list, and leave blank the ones we don't have. That way we could ask the ones for whom we have an email address, if the address we have is current, and then ask the other members for whom we have no email address, if they have an email address and can we have it. Everyone liked those suggestions, and the luncheon committee will figure out how best to do it.

The Board also discussed the idea of having a raffle at the Fall luncheon. After some discussion, it was agreed that the Board will purchase at least twenty gift cards from stores like Target, Walmart, Subway, and Amazon to be given out via a raffle during the Fall luncheon. Dawn motioned that we purchase 20 \$25 dollar gift cards to be given out via a raffle during the Fall luncheon. Connie seconded the motion and the motion was approved.

Membership and Recruitment: Charo reported that as of July 31, 2023, membership stood at 3,828 members. She also reported that RED Arrow had some processing issues, so the Newsletter will be received late.

REAC Website: Alicia reported that she spoke with Lori about having the website count the number of individuals who visit our website each month. Lori said that would be relatively easy to do. Alicia told her that she needed to first check with the Board before moving ahead. The Board agreed that we wanted Lori to make the changes. Paul agreed to discuss with Lori and ask her to make the changes.

REAC News: The REAC Newsletter will include information on the Delta Dental and Vision Plan changes for 2024, Fraud and Prevention, and the Fall Luncheon.

Other Reports: No information to report.

Old Business: No information to report. .

For the Good of the Order: No information to report.

Meeting adjourned at 11:40 AM

Respectfully submitted by Paul Reeves, Board Secretary

Next Board Meeting: Monday, September 11, 2023, 9:30 am
Zoom Video Conferencing Board Meeting