

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

Monday, August 13, 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, Rosalie Masuda, Mike Smart, and Renaye Johnson were present. Connie Land, REAC member, Steve Hatton, REAC member, Nancy Reilly, REAC member and ACERA alternate retired board member, Ish Pina, ACERA staff member, Tom Taylor, ACERA staff member, and Farzana Zamon, 1st United Credit Union, were also present.

Minutes: Minutes of the July 9, 2018 Board meeting were reviewed. A motion was made by Marian and seconded by Mike that the minutes be approved as submitted. The motion was approved.

Announcements: There were no new announcements to report

Reports

ACERA: Ish Pina gave his report on the August 1, 2018 Retirees Committee meeting. There were two action items and three information items. The first action item was a discussion regarding the Dental Plan contribution for Plan Year 2019. ACERA staff recommended that the Retirees Committee recommend to the Board of Retirement a motion to continue the dental plan contributions for Plan Year 2019, which provides a monthly subsidy equal to the single-party dental plan coverage premium of \$44.15 for the PPO plan and \$22.18 for the DeltaCare USA plan for eligible retirees who are receiving ACERA allowances. The recommendation was adopted.

The second action item was a discussion regarding the Vision Plan contribution for Plan Year 2019. ACERA staff recommended that the Retirees Committee recommend to the Board of Retirement a motion to continue the vision plan contributions for Plan Year 2019, which provides a monthly subsidy equal to the single-party vision plan coverage premium of \$4.24 for eligible retirees who are receiving ACERA allowances. The recommendation was adopted.

The first information item was a report by ACERA's Benefits Consultant, Keenan & Associates. ACERA staff and Keenan & Associates reviewed the dental and vision plan premiums for Plan Year 2019 and provided a detailed report on dental and vision plan utilization. The report noted that 45.7% of dental procedures performed were for diagnostic related services followed by 23.5 % for preventive services; both are lower than Delta Dental's benchmark of 46.4% diagnostic and 27.3 % preventative. Basic services were approximately equal to the Delta Dental benchmark (21.7% vs. 21.2%). Major services surpassed the benchmark (9.1% vs. 5.1%). Major services consist of crowns and inlay/onlays, removable prosthodontics, implant services and fixed prosthodontics.

The second information item was a status report on Health Reimbursement Account (HRA) balances as of June 2018 for Medicare eligible retirees and early (non-Medicare) retirees enrolled in individual health

plans. There were 1,332 HRA's reported as active accounts at the end of June 2018. Out of the total enrolled in these plans, seven retirees have used all of their funds.

The third information item was a status report on the upcoming ACERA's Wellness Walk around Lake Merritt. The event is scheduled for August 3, 2018, starting at 10:00 am. The starting point will be located adjacent to the Children's Fairyland entrance. As of Friday, July 20, 2018, there were 37+ members who had registered via Eventbrite on ACERA's website.

Treasurer's Report: Mary presented REAC's July 31, 2018 Treasurer's report. Receipts were \$4,693.59 and Disbursements were \$8,160.01. The only unusual disbursements were a payment for \$3,000.00 for Newsletter postage and a deposit payment of \$1,000.00 for the REAC Fall Luncheon. Mary also reported that she has not received the final reconciliation report from Jerry Jacobs. Until she receives that report, she cannot close the books on the CRCEA Conference which REAC hosted.

CRCEA: Rosalie reminded the Board that she will be attending the CRCEA 2018 Fall Conference which is being held from October 15, 2018 thru October 17, 2018 at the Four Points Sheraton in San Rafael. Connie expressed interest in also attending the conference. Renaye motioned that Connie be approved to attend the conference, and that she be reimbursed for her conference expenses. Mike seconded the motion, and the motion was approved.

SACRS: Paul reminded the Board that he will be attending the SACR 2018 Fall Conference which will be held from November 13, 2018 thru November 16, 2018 at the Renaissance Indian Wells Resort in Indian Wells.

Retirement Board: There was no additional information to report.

Investment Committee: Tom Taylor provided an update on the retirement fund. As of June 30, 2018, the net market value of the fund was \$8,120,135,820.00. The fund experienced a 15.2 % increase in U.S. Equity. Tom also mentioned that ACERA is very close to having the same number of retirees as it has active members. ACERA is now conducting a review of its general investment policies. The last review was done in 2013. They will be evaluating the use of their "Watch" list as a measure of performance. Finally, ACERA is conducting a Small Cap Growth search. They are using a "Focused" approach rather than the broader RFP type approach. They believe that approach will produce better results.

Health Care: Rosalie reported that the ACERA Wellness Walk around Lake Merritt was well attended. Approximately 140 members participated in the walk. She also mentioned that ACERA Staff were very pleased with the turn out, and that they would be scheduling more of those types of events in the future. She reminded the board that ACERA's Health Fair will be held on Thursday, October 25th, at the Albert Dewitt Officers Club in Alameda,

Activities: Rosalie and Renaye reported that they are continuing their work on preparations for REAC's fall luncheon and that a \$1,000.00 deposit for the luncheon has been made to the facility.

Membership and Recruitment: As of July 31, 2018 membership stood at 4111 members

REAC News: The REAC Newsletter will also include information on Retirees Committee meeting, and other updates as appropriate.

Old Business: There was no new information to report.

New Business: Ms. Farzana Zamon, from the 1st United Credit Union, gave a brief presentation on their new CD options. They have 3 new CD options, which would also work very well for individual investors. Individuals could begin by investing as little as \$1000.00. The three options included an option to add value to the CD during the CDs time period, a new bump feature, and new withdrawal options. She encouraged our members to visit their website, or give them a call.

For the Good of the Order: There was no new information.

Meeting adjourned at 11:10 a.m.

Respectfully submitted by Paul Reeves, Board Secretary

Next Meeting

September 10, 2018, 9:30 a.m.

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