

**Minutes of the Meeting of the Board of Directors**  
**Retired Employees of Alameda County**  
**Monday December 9, 2019**  
**1000 San Leandro Blvd, San Leandro, CA**

Mary Miller, President of the Board, called the meeting to order at 9:30 A.M.

**Roll Call:** Mary Miller, Marian Breitbart, Paul Reeves, Renaye Johnson, Connie Land, Mike Smart, Rosalie Masuda and Liz Koppenhaver were present. Michael Fara, ACERA staff member, Nancy Reilly, REAC member and ACERA alternate retired board member, Pete Albert, ACRE President, and Suman Sharma, REAC member, were also present.

**Minutes:** Minutes of the November 12, 2019 Board meeting were reviewed. No errors or corrections were noted. Mike motioned that the Minutes from the November 12, 2019 Board meeting, the Minutes from the previously reviewed September 9, 2019 Board meeting and the Minutes from the previously reviewed October 14, 2019 Board meeting, be approved as submitted. Liz seconded the motion and the motion was approved.

**Announcements:** Effective immediately, the REAC Board of Directors meetings will now be held in Room 129, 1st Floor.

Mary reported that she received a question from a member who wanted to know if REAC would sponsor or coordinate trips for members. Rosalie agreed to do some additional research to see what other retiree organizations might be doing regarding this suggestion. Paul reported that REAC had, in the past, supported such activities, but was concerned about liability issues. No action will be taken until Rosalie completes her research and additional discussions take place.

Liz reported that she was contacted by two REAC members who received their REAC Newsletters late, and therefore missed the deadline for the 1<sup>st</sup> United Credit Union's 529 Educational Savings Plan promotional offer. The Board agreed to review the process it uses to create and mail the Newsletters, to see if we can reduce the time lines.

**Reports**

**ACERA:** Michael Fara gave his report on the December 4, 2019 Retirees Committee meeting. There were two action items and six informational items.

The first action item was a motion to recommend to the Board of Retirement that it continue to provide Medicare Part B Reimbursement Plan (MBRP) benefits to current eligible retirees at the lowest standard monthly premium rate. The Centers for Medicare & Medicaid Services (CMS) announced the 2020 Medicare Part B premiums on November 8, 2019. Based on the Supplemental Retiree Benefit Reserve (SRBR) Policy, ACERA reimburses eligible retirees the lowest standard premium amount. Currently, ACERA is paying \$135.50 to eligible retirees as this was the lowest standard premium for all eligible recipients. The standard monthly premium for Medicare Part B enrollees will be \$144.60 for 2020, which is an increase of about 6.7%. The motion was approved.

The second action item was a motion to recommend to the Board of Retirement that it adopt revisions to 401(h) Account Resolution 07-29, Appendix A, amended to reflect Plan Year 2020 benefit amounts. This action would reflect the changes approved by the Board to the Monthly Medical Allowance amounts for Group and Individual Plans as well as the Retiree Health Benefit contribution amounts for Plan Year 2020. The motion was approved.

The first information item was a report on Overpayments of Monthly Medical Allowance amounts paid through Health Reimbursement Arrangements (HRA) by Via Benefits. Via Benefits transitioned HRA platform from PayFlex (sub-contractor) to Acclaris (in house).

Initially ACERA sent 70 letters to active retirees notifying them of their overpayment amounts as a result of their recent audit. Subsequently, it was discovered that ACERA incorrectly included overpayment amounts from both Acclaris and PayFlex. For retirees only appearing on the Acclaris reports, ACERA sent letters to 44 members letting them know that they did not have an overpayment and therefore did not owe money to ACERA. However, 23 retirees appearing on the PayFlex report still have outstanding overpayment amounts. After further analysis, it was determined that one overpayment amount was under the collection threshold, and two were waived based on resolution of coverage effective dates. ACERA is still discussing how best to resolve the remaining overpayments. Michael will provide additional information at our January 13, 2020 meeting.

The second information item was an Annual Report on Retired Member (Lump Sum) Death Benefits paid in 2019. In July 1992, the Board of Retirement adopted Government Code Section 31789.12 to provide a one-time Retired Member (lump sum) Death Benefit payment of \$1,000 to beneficiaries of retirees. For reciprocal members who did not render their last active service with an ACERA employer before retiring, ACERA will take into consideration the death benefit payable by the reciprocal agency. If that agency pays less than \$1,000, ACERA will supplement that amount up to \$1,000. This is a vested benefit, per Government Code Section 31789.12, as long as there are funds available in the SRBR.

Over the twelve-month period December 1, 2018 through November 30, 2019, a total of 283 death benefits have been paid. Out of this total, there were three retirees with reciprocity who did not render their last active service with an ACERA employer before retiring. The total amount of retired member lump sum death benefits paid from the SRBR was \$198,266.50. The reciprocal agencies paid a total of \$2,500.00 for two of the three retirees with reciprocity. No death benefit was paid by the reciprocal agency for one of the retirees with reciprocity.

The third information item was a project plan and timeline report for the dental and vision plans request for proposals (RFP) for the 2021 plan coverage. A list was developed of 13 dental and 11 vision plans vendors who will be invited to submit proposals in response to the RFP. The RFP will also be posted on ACERA's website. The RFP will be released to the vendors by February 3, 2020 and the RFP results, along with recommendations, will be presented to the Retirees Committee on June 3, 2020.

The fourth information item was a semi-annual report on ACERA's Wellness Program. In 2019 ACERA focused their resources on live wellness events. The events included a Spring Wellness Walk, a Wellness Open House, a Financial Wellness Open House, a Summer Wellness Walk and a Retiree Health and Wellness Fair. ACERA was very pleased with the number of members who attended the events, and they plan to continue developing options for increasing that number.

The fifth information item was a report on the Retiree Health and Wellness Fair Results and Open Enrollment Activity. This year's Health and Wellness Fair was held on October 30, 2019 at the Albert H. DeWitt Officer's Club in Alameda. This year, ACERA's members used their online pre-registration for the Health and Wellness Fair via ACERA's website. Final counts show they received 226 online RSVPs, of which 133 retirees checked in upon arriving at the event. In addition, there were 272 walk-up registrants the day of the Fair.

The last information item was an update for the Committee on the "White House memo regarding the Finalized Health Care Price Transparency Rule."

Mike also asked the Board if we had any additional thoughts on the credit unions 529 plans. The plan would eliminate the initial fees and reduce on going charges. The Board had no specific concerns regarding the plans.

**Treasurer's Report:** Mary presented the November 2019 Treasurer's Report. Receipts totaled \$8,495.45 and Disbursements were \$2,548.48. There were no unusual disbursements to report. Liz motioned that the November 2019 Treasurer's report, the previously reviewed October 2019 Treasurer's report, and the previously reviewed September 2019 Treasurer's report be approved as submitted. Mike seconded the motion and the motion was approved.

Mary presented the proposed REAC Annual Budget for 2020. The budget was based on the 2019 actual expenditures and also reflected anticipated new expenditures. After some discussion, Marian motioned to approve the proposed REAC Annual Budget for 2020 as submitted. Renaye seconded the motion and the motion was approved.

**CRCEA:** The CRCEA 2020 Spring Conference will be held April 6<sup>th</sup> thru 8<sup>th</sup> in Visalia, California.

**SACRS:** Nancy Reilly and Liz attended the SACRS conference which was held November 12<sup>th</sup> through November 15<sup>th</sup>. Nancy and Liz reported that they found it to be a very good conference. It contained updated information on pension reform litigation, a discussion regarding a retirement board's ability to recoup overpayments, discussions regarding independent contractors, and potentially disruptive technology such as AI.

**Retirement Board:** As a reminder, the elections for the 2020 Board of Retirement will end December 18<sup>th</sup> at 5:00 PM. Liz and Nancy are running unopposed.

**Investment Committee:** No new information to report.

**Health Care:** Suman wanted to let retirees know that "Renew Active," formally known as Silver Sneakers, provides free access to participating fitness locations. According to Suman, you have to be a member of both AARP and United Health Care in order to get the free access. He happens to use "24 Hour Fitness" locations, but explained that as long as it is a participating fitness location, it is free of charge. Additional details can be found on the Renew Active by United Health Care website.

**Activities:** Rosalie will present her Fall Luncheon report at the January 13, 2020 Board meeting.

**Membership and Recruitment:** Connie reported that as of November 30, 2019 membership stood at 3,976 members.

**REAC News:** The next REAC News will include information about the ACERA Website, the REAC Board recruitment efforts, the REAC Board's Annual Membership meeting and Spring Luncheon, and See's candies.

**Old Business:**

**REAC 2019 Goals and Objectives-Administrative Support:** Discussions regarding the Administrative Support position was carried over to the January 13, 2020 Board meeting.

**Spring Luncheon – Invited Guests** – Renaye will be finalizing the number of ACERA Invited Guests and invitations will be sent out in January 2020. Information regarding the Annual meeting and the luncheon will be included on the January 2020 REAC Board Agenda.

**REAC Board's Annual Holiday Lunch.** In response to last month's discussion, Paul submitted a draft of a formal written Board policy regarding the Board's Annual Holiday Lunch. Paul explained that the written policy just reflected the process which has been used for at least the last 15 years. The Board approved the draft and it will be included in the REAC Board's Governance Manual. After some discussion, the Board agreed to hold the next luncheon immediately following the Board's January 13<sup>th</sup> meeting.

**New Business:**

Mary appointed Mike as the chair of the Board's Nominating Committee. The other two members of the committee will be Rosalie and Liz. The Board members whose terms expire on March 31, 2020 are Paul Reeves, Renaye Johnson, and Connie Land. The committee will contact each of those members to determine if they would be willing to serve an additional term. The Bylaws require that each of those members, if they agree to serve, must submit a written or e-mail response. The committee will report back at the January 2020 Board meeting.

Mike, after discussion with Mr. Sharma, nominated Mr. Suman Sharma to fill the current vacancy on the REAC Board of Directors. Mr. Sharma has been regularly attending the REAC Board meeting and actively participating in our discussions. Marian seconded the nomination/motion. The Board voted unanimously to appoint Mr. Sharma effective January 1, 2020.

**For the Good of the Order:** There was nothing new to report.

Meeting adjourned at 11:45 a.m.

Respectfully submitted by Paul Reeves, Board Secretary

**Next Meeting**

January 13, 2020, 9:30 a.m. (Monday)  
Health Care Services Agency Building, Room 129  
1000 San Leandro Blvd, San Leandro, CA