

**Minutes of the Meeting of the Board of Directors
Retired Employees of Alameda County
Monday, December 11, 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, Dawn Stevenson, Liz Koppenhaver, Paul Reeves, Connie Land, Cynthia Baron, Kathy Foster, Linda Slater, and Marsha Rice were present. Mike Fara, ACERA Communications Manager, Charo Panesi-Guerra, REAC Member and Administrative Assistant, and Pete Albert, ACRE President, were present.

Minutes: Minutes of the November 13, 2023 REAC Board meeting were reviewed. Connie moved that the November 13, 2023, REAC Board Minutes be approved as submitted. Linda Slater seconded the motion and the motion was approved.

Announcements & Communications: Alicia reported that we are still having difficulty with EmployBridge. We were invoiced again for Charo's raise back to March 2023. However, the description on the invoice continues to say Sexual Harassment Training. Charo has not been taking that training monthly. The training is an annual California requirement, not a monthly requirement. We need to have the invoice corrected so that it reflects what Charo is actually being paid for. Alicia will keep us posted.

Alicia has also been in contact with See's. REAC's See's discount program is up for renewal in January 2024, so Alicia will be purchasing the required number of gift certificates in order for our members to continue purchasing discounted See's candy.

Last year, during the Spring Luncheon, REAC gave the gift certificates we purchased as prizes. We also purchased Safeway gift cards for the first 20 Members who attended the Annual Membership meeting. The luncheon committee is suggesting that we might want to do something different for the 2024 Annual Membership meeting. After some discussion, the Board decided to not make any changes at this time.

ACERA: Mike Fara, ACERA Communications Manager, provided his report on the December 6, 2023 Retirees Committee meeting. There were three Action Items and five Information Items.

The first Action Item was a discussion and possible motion to recommend that the Board of Retirement continue to provide the Medicare Part B Reimbursement Plan (MBRP) benefits to eligible retirees in 2024, at the lowest standard monthly Medicare Part B premium rate of \$174.70. Currently, ACERA is paying \$164.90 to eligible retirees as this was the lowest standard premium in 2023 for all eligible recipients. The standard monthly premium for Medicare Part B enrollees will be \$174.70 for 2024, which is an increase of about 5.9%. The MBRP benefit is a non-vested benefit funded by contributions from 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 as employer contributions for pensions.

The number of current retirees receiving the MBRP benefit as of November 2023 is 6,040. If ACERA pays the MBRP benefit of \$174.70 for all retirees currently receiving this benefit, the estimated annual cost for 2024 is \$12,662,256. The estimated annual cost based on the same number of retirees and the 2023 benefit amount of \$164.90 is \$11,951,952. The difference in the estimated annual cost is \$710,304.

The second Action Item was a discussion and possible motion to recommend that the Board of Retirement adopt revisions to 401(h) Account Resolution 07-29, Appendix A, amended to reflect Plan Year 2024 benefit amounts. In February 2007, the ACERA Board of Retirement passed Resolution No. 07-29-401(h) (Resolution). That Resolution set forth the legal requirements and procedural operations of the 401(h) accounts managed by ACERA. The Resolution consists of a detailed recitation of the requirements under the Internal Revenue Code that ACERA and its Participating Employers must satisfy to properly operate the 401(h) accounts.

Staff recommended that the Retirees Committee recommend to the Board of Retirement (Board) to adopt the revised and updated Appendix A to Resolution No. 07-29, which reflects the changes approved by the Board to the Monthly Medical Allowance (MMA) amount for Group and Individual Plans as well as the Retiree Health Benefit contribution amounts for Plan Year 2024.

The third Action Item was a discussion and possible motion to recommend that the Board of Retirement adopt a policy to implement a program to 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 October 2022, when the Committee was considering whether to reauthorize the Active Death Equity Benefit “ADEB,” the Committee directed staff to investigate alternative ways to help members maximize the benefits owed to their beneficiaries in a similar fashion as the ADEB. At the August 2, 2023 meeting, staff presented an alternative method that the Contra Costa County Employees’ (CCCERA) has employed for years. The draft policy establishes administrative procedures to allow ACERA members to pre-file a disability retirement application and Optional Settlement election so that their beneficiaries may be eligible to receive the maximum benefits allowable under the County Employees’ Retirement Law of 1937 (“CERL”) if the members become entitled to a disability retirement before dying. The Retirees voted to approve the policy and recommend it to the Retirement Board of Retirement.

The first Information Item was a report on the \$1,000 Retired Member (lump sum) Death Benefits paid in 2023. 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 consider 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 considered a vested benefit, per Government Code Section 31789.12, as long as there are funds available in the Supplemental Retiree Benefit Reserve (SRBR).

For the period December 1, 2022 through November 30, 2023, there were 303 retired member deaths with a total of 216 retired member lump sum death benefits paid. Out of this total, there were ten 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 \$180,100.25. The reciprocal agencies paid a total of \$18,400.00 for the ten retirees with reciprocity.

The second Information Item was a report, for discussion only, regarding the possible reimbursement of the Medicare Part B premiums income-related monthly adjustment amounts by Via Benefits through the Health Reimbursement Arrangement. The Centers for Medicare & Medicaid Services (CMS), the federal agency that oversees and administers Medicare, requires individuals over certain income thresholds to pay an additional premium for Medicare Part B. The additional premium is called the Income-Related Monthly Adjustment Amount (IRMAA). Via Benefits provides individual plans through a Medicare Exchange and allows members to seek reimbursement for medical premiums through a Health Reimbursement Arrangement (HRA), up to the Monthly Medical Allowance (MMA), which is set to \$486.74 per month for 2024. Up to now, all portions of the Medicare Part B premium have been excluded from reimbursement through the HRA.

The third Information Item was a report on hearing aid benefit utilization and possible reimbursement options. The current Group Kaiser Permanente Senior Advantage (KPSA) Hearing Aid benefit is \$1,000 per ear every three years for 2024. The Retirees Committee directed staff to investigate whether to use the Via Benefits (Individual Plan) as an additional reimbursement program in lieu of increasing the benefit to \$2,000 per ear every three years. Two options were discussed. First, should a separate \$1,000 be available through Via Benefits to complement the KPSA \$1,000 benefit? Second, should the entire \$2,000 benefit be made available through Via Benefits alone?

As of May 2023, there were 4,259 members in the Group KPSA plan. The current Hearing Aid benefit of \$1,000 costs \$9.31 per member per month (PMPM) for 2024. The annual cost is \$475,815. The increase to the Kaiser Aid benefit from \$1,000 to \$2,000 would cost an additional \$18.65 PMPM and would add a cost of \$953,164, annually. According to Kaiser, history has shown that increasing this benefit from \$1000 to \$2000 increases utilization far more than 100% and that is reflected in the premium. The total cost to increase to a \$2,000 benefit is \$1,428,979. The administrative cost for Via Benefits to set up a Hearing Aid benefit would include a one-time set-up cost of \$3,000 and there would be a PMPM fee of \$4.00, which results in an administrative cost of \$207,432 for the first year and \$204,432 for each year thereafter.

The cost to add a \$1,000 per year Hearing Aid benefit through Via Benefits is \$435,432 compared to \$953,164 through Kaiser, a difference of \$517,732 per year. The cost to have the entire \$2,000 per year Hearing Aid benefit through Via Benefits is \$660,432, compared to \$1,428,979 to have it through Kaiser.

The fourth Information Item was a report on the Virtual Retiree Health and Wellness Fair and Open Enrollment activity for Plan Year 2024. The Annual Retiree Health and Wellness Fair was held on October 26, 2023 as a Virtual Event allowing members to go on line to attend. Attendees enjoyed the opportunity to view live streaming presentations from Kaiser, VSP, Delta Dental, Via Benefits, and UnitedHealthcare. Final counts showed 500+ registered for the Virtual Event and they averaged 290+

viewers for the live stream presentations. The ACERA Virtual Health and Wellness Fair 2023 Survey showed 36.7% of the respondents preferred the Virtual Fair, 20.3% preferred the in-person Health Fair, and 42.2% would like them both.

The fifth Information Item was a report on the results of the Silver&Fit survey conducted in September 2023. ACERA sent their email survey to all retirees email addresses on file in 2022 and to only those Kaiser Senior Advantage and HMO participants in 2023. In 2022 ACERA received 911 responses out of 7,784 recipients for an 11.7% rate. In 2023 ACERA received 648 responses out of 3,294 recipients, for a 19.7% rate. In 2022, 82.4% of the respondents had heard about the Silver&Fit program. In 2023, 84.3% of the respondents had heard of the program. In 2022, 43.2% of the respondents enrolled in the program and in 2023 52.6% had enrolled.

The respondents were also asked what features of the program they actually used. In 2022, 70.1% of the respondents used the free gym membership and in 2023 74.9% used the free gym membership. In 2022, 33.1% used the home fitness kit and in 2023, 37.6% used the home fitness kit. Finally, respondents were asked if they support continuing the Silver & Fit program. Of the HMO members, 54.9% supported continuing the program even though they are not eligible for the program until they qualify for Medicare. Of the Kaiser Senior Advantage members, 77.5% supported continuing the program.

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

The total receipts were \$8,116.57 and the total disbursements were \$7,257.47. We received membership dues totaling \$7,596.00, a Fall Luncheon payment of \$20.00 and \$500.00 from the 1st United Credit Union for their advertisement in the Newsletter. Disbursements included officer stipends, 2 payments to Red Arrow printing, one for \$2,349.19 and one for \$2,344.96. Red Arrow is still 2 months behind in their billing. Disbursements also included \$1,244.00 for Directors and Officers (D&O) Insurance and \$597.50 for USPS bulk mailing of our newsletter.

We have one CD for \$25,284.57 which will mature on December 22, 2023. Connie had suggested that we use those funds to cover the expenses associated with hosting the 2025 CRCEA Fall Conference. Liz contacted the 1st United Credit Union and they offer a 6 month certificate at an interest rate of 1.75%. Cynthia mentioned that there were several financial institutions which offer 11 month certificates in the 4% range so perhaps we should consider a longer period of time. Alicia wanted to know if we could "borrow" the necessary funds from our checking account, if we needed the funds sooner than we anticipate, and then return the funds after an 11-month certificate matures. After much discussion, the Board decided to reinvest the \$25,284.57 in an 11-month CD at 4.15% interest. Linda moved that Liz be authorized to reinvest the \$25,284.57, when it matures, in an 11-month CD at 4.15% interest. Cynthia seconded the motion and the motion was approved with one abstention.

Liz presented the proposed 2024 Annual Budget. The proposed Budget, submitted for the Boards review, included appropriate increases based on prior experience. It included budget Line Items where no increases in cost are anticipated, budget Line Items where cost increases are anticipated, and reasonable assumptions where both income and disbursements were new or unknown. Total annual income is projected to be \$103,436.00 and total annual disbursements are projected to be \$103,436.00. Liz requested that the Board review the proposed budget in more detail, and send her any questions, concerns, or corrections they might have before the January 13, 2024 Board meeting.

Connie moved that the November 2023 Treasurer's report be approved as submitted. Kathy seconded the motion and the motion was approved. Connie moved that the 2024 Proposed Annual Budget be approved as submitted. Paul seconded the motion and the motion was approved.

CRCEA (California Retired County Employees Association): Connie provided her CRCEA report. The November Executive Committee meeting was held on November 15, 2023. Discussion items included the following:

Change bank accounts from their Credit Union to US Bank. This affords access to higher certificate of deposit rate and money market rates.

The Legislature is currently in recess until January 2024.

Contra Costa County will host the 2024 CRCEA Fall Conference. They negotiated a contract with Embassy Suites-Walnut Creek (The Same hotel they used in 2016). Planning is continuing. Marin County's Retirement Association Board recently voted to subsidize each retiree's lunch at \$15 per member at their luncheons.

The Conference Brainstorming Subcommittee has not scheduled a meeting to discuss if the CRCEA Spring 2024 Conference will be a hybrid, in person only or virtual only. A meeting will be scheduled after the Chair of the Conference Committee returns and reports on his contact with a regional hotel.

Reminder: It's REAC's turn to host a CRCEA Conference in the Fall of 2025. The Planning Committee held their regular monthly meeting on December 4, 2023. The Planning and Luncheon Committees visited the Doubletree Hotel in Pleasanton. Everyone was pleased with the location and their offerings. Additional hotels will be looked at in the coming months for the Conference. Other tasks include developing a timeline, reviewing the CRCEA Conference Manual, obtaining actual expense information from prior conferences, etc. Once again, we are seeking someone who is comfortable with soliciting funds. Another meeting is scheduled for January 5, 2024.

There is no new information on the CalPERS Lawsuit.

SACRS (State Association of County Retirement Systems): Paul provided his SACRS report. SACRS wanted to remind attendees of their 2023 Fall Conference to return their evaluations. In addition, SACRS has announced their 2024 Spring Conference. It will take place from May 7-10, 2024 in Santa Barbara, at the Hilton Santa Barbara Beachfront Resort. Conference reregistration and the hotel room block will open in January 2024.

Retirement Board: No additional information was reported.

Investment Committee: There was no new information to report.

Health Care (Centers for Disease Control and Prevention): Linda reported that Flu season has arrived and there has been an uptick in the number of cases in most parts of the country. The CDC is reminding everyone to get their Flu shots. The CDC has also noticed an increase in the number of COVID-19 cases. The CDC continues to recommend getting all your booster shots to protect against COVID-19. On the good news side, Alameda County continues to have very low COVID-19 levels. In fact,

Alameda County is second to last in COVID-19 levels in the State. CDC continues to recommend wearing masks in all confined spaces or large gatherings.

Activities: Alicia reminded the Board that our Holiday lunch will be held at Trabocco in Alameda, tomorrow, December 12, 2023 at 11:30am. She hoped that everyone would be able to attend.

Alicia also mentioned that the REAC Annual Membership meeting and the REAC Spring Luncheon would be held at the DoubleTree Hotel in Pleasanton, on Monday, March 11, 2024. The Conference Committee went to the facility and they were very pleased with the options the hotel was making available. The hotel was providing audio visual equipment which makes conducting meetings and luncheons much easier. As with most venues, the hotel does require a minimum, which in this case will be \$4,500. The Fairview Metropolitan Golf Course in Oakland does not provide luncheon center pieces. At our 2023 Spring luncheon, REAC had to purchase center pieces. We gave them, via a raffle, to our members in attendance. The DoubleTree does provide center pieces for no additional cost. The Luncheon Committee is looking into the cost of providing each attendee, at our Luncheons, with something with our REAC logo, something they could use. No decisions have been made.

Membership and Recruitment: Charo reported that as of November 30, 2023, membership stood at 3,812 members, which is slightly lower than the previous month.

REAC Website: Dawn reminded the Board to remove the ACERA Virtual Retiree Health & Wellness Fair item from the Calendar on the website. Dawn suggested that we add the Annual Membership Meeting and Spring Luncheon to the Upcoming Events part of the website. She will draft the wording. The Board also decided to add the See's Candy discount information to the Membership Benefits portion of the website.

The Board will also research what it takes, and what it might cost, to create an electronic membership card which could be displayed on a member's electronic device. The Board had several suggestions for changes to the website. Dawn, Connie, Linda, Cynthia, and Paul will be evaluating all of the suggestions and report back at the January 2024 Board meeting.

REAC News: The REAC News will contain information on the REAC Annual Membership Meeting and Spring Luncheon.

Other Reports: No additional information to report.

Old Business: Alicia has received the final drafts of the "Thank You" and "Sympathy" cards REAC will be sending to REAC members as appropriate. Alicia asked Charo if she knew how many of our members passed away each month. Charo has that information and will send it to her.

New Business: Appointment of a Nominating Committee. Three of our current Board members, will have their terms expire on March 31, 2024. The Nominating Committee is responsible for contacting each of those members to determine if they would be willing to serve an additional term. The three members whose terms expire are Alicia, Dawn, and Linda. Kathy and Marsha volunteered to be on the Nominating Committee and Paul volunteered to be the Chair.

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

Meeting adjourned at: 12:02 p.m.

Respectfully submitted by Paul Reeves, Board Secretary

Next Board Meeting: Monday, January 8, 2024, 9:30 am
Zoom Video Conferencing Board Meeting