

**Minutes of the Meeting of the Board of Directors
Retired Employees of Alameda County
Monday, July 8, 2024, 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, and Linda Slater were present. Mike Fara, ACERA Communications Manager, Pete Albert, ACRE President, and Margaret Salimi, Member, were present.

Minutes: Minutes of the June 10, 2024 REAC Board meeting were reviewed. Cynthia Baron moved that the June 10, 2024 REAC Board Minutes be approved as submitted. Liz Koppenhaver seconded the motion and the motion was approved.

Announcements & Communications: Alicia reported that Betty Tse, ACERA Chief Investment Officer, will not be able to attend the November 11, 2024 REAC Board Meeting, but she will be able to attend the December 9, 2024 Board Meeting.

Paul reported that he received a message from a member who was concerned about changes in her Delta Dental benefits. She received a letter from her dentist who informed her that the Delta Dental reimbursement rate for Premier providers will be reduced to the rate of PPO dentists. She felt that this change placed an unfair burden on those members who use Premier dentists. Paul forwarded the message to Mike Fara, and asked if ACERA was aware of the change.

Mike reported that he was able to talk with the Delta Dental representative on Wednesday, during the Retirees Committee meeting. According to the Delta Dental representative, Delta Dental was changing the reimbursement rate for both Premier and PPO dentists. They were decreasing the reimbursement rate for Premier dentists and increasing the reimbursement rates for PPO. The representative was going to send Mike more specific information regarding the rebalancing. This is not something that ACERA did; it was done by Delta Dental as part of their business practices. Paul agreed to update the member.

ACERA: Michael Fara began his report on the July 3, 2024 Retirees Committee meeting. There were three Action Items and one Information Item.

The first Action Item was a discussion and possible motion to recommend that the Board of Retirement adopt the Monthly Medical Allowance (MMA) paid to eligible retirees in group plans for Plan Year 2025. The Group Plan MMA is stated as a monthly dollar amount which varies by years of service credit and can only be used to pay for ACERA-sponsored health plan premiums.

ACERA staff recommended that the Retirees Committee recommend to the Board of Retirement (Board) a motion to increase the 2025 Group Plan Monthly Medical Allowance (MMA) by 4.25% for eligible retirees in the group plans, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in an MMA maximum of \$662.37 for the Plan Year 2025. The MMA contribution is a

non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. The Retirees Committee voted to recommend to the Board a motion to increase the 2025 Group Plan MMA by 4.25% to \$662.37.

The second Action Item was a discussion and possible motion to recommend that the Board of Retirement adopt the Monthly Medical Allowance (MMA), which will be provided to qualified early (Non-Medicare eligible) retirees enrolled in Individual Plans through the Health Exchange for the 2025 Plan Year.

ACERA staff recommended that the Retirees Committee recommend to the Board of Retirement a motion to increase the 2025 Individual Plan Monthly Medical Allowance (MMA) by 4.25% for eligible qualified early (non-Medicare) retirees enrolled in individual plans through the Health Exchange, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in an MMA maximum of \$662.37 for Plan Year 2025. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. The Retirees Committee voted to recommend to the Board a motion to increase the 2025 Individual Plan MMA by 4.25% to \$662.37.

The third Action Item was a discussion and possible motion to recommend that the Board of Retirement adopt a Monthly Medical Allowance (MMA), which will be provided to qualified Medicare eligible retirees enrolled in Individual Plans through the Medicare Exchange for the 2025 Plan Year.

ACERA staff recommended that the Retirees Committee recommend to the Board of Retirement a motion to increase the 2025 Individual Plan Monthly Medical Allowance (MMA) by 4.25% for qualified Medicare eligible retirees enrolled in individual plans through the Medicare Exchange, in accordance with the substantive plan definition adopted under GASB 43 equal to 50% of the rate of health care inflation assumptions provided by ACERA's actuary, which results in an MMA maximum of \$507.43 for Plan Year 2025. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. The Retirees Committee voted to recommend to the Board a motion to increase the 2025 Individual Plan Monthly MMA by 4.25% to \$507.43.

The Information Item was a report on Dental and Vision Plans Experience and Utilization. Segal, ACERA's Benefits Consultant, reported on claims experience and plan utilization for ACERA retirees enrolled in ACERA-sponsored Dental and Vision Plans.

Delta Dental PPO Enrollment has steadily increased during the past three periods. For the period February 2022 - January 2023, total enrollment was 8,888 members, for the period February 2023 – January 2024, total enrollment was 9,056 members and for the period February 2024 – April 2024, enrollment was 9,131 members.

The Year Over Year network provider utilization trend (i.e., PPO and Premier combined) declined from 91.6% during the prior period to 89.9% in the current period, due to an increase in Non-Contracted provider utilization. PPO utilization for the period February 2023 – January 2024, increased by 2% and Premier utilization during that same period, decreased by 5%. Non-contracted utilization increased by

22%. (Non-Contracted refers to members who utilize a dental provider who is not participating in Delta Dental.) Looking at the annual maximum utilization for the period February 2023 – January 2024, there were 4,697 PPO utilizers and only 16.5% of them used their maximum of \$1,300. Looking at the annual maximum utilization for the same period for Premier utilizers, there were 3,766 utilizers and only 7.9% of them used their maximum of \$1,300. Looking at Non-Contracted for the same period, there were 1,089 utilizers and only 3.7% of those members used their \$1,300 maximum.

Looking next at PPO utilization by procedure for the period February 2023 – January 2024, 3,597 members had no utilization, 219 members had one utilization, 532 members had two utilizations, 594 members had three utilizations, and 8,115 members had four or more utilizations. Since 27.5% of retirees are not using any of their dental benefits, the Board briefly discussed options for trying to encourage more retirees to utilize their benefits.

The next presentation covered the VSP Plan experience. Average enrollment continues to increase gradually each experience period. Enrollment in the Standard Plan has remained steady and ACERA's Buy-Up plan is gaining in popularity and gradually increased to 21% of total enrollment. For the period February 2024 – May 2024 (YTD), 7,476 members were enrolled in the Standard plan, and 1,973 members were enrolled in the Buy-Up Plan. Claims for the plan year effective February 2023 through January 2024 increased by 16.2% compared to the prior period due to the increase in the frame allowances for the Standard and Buy-Up plans.

Mike reported that ACERA sent out the survey created by the Alameda County Deferred Compensation Plan. The survey was being sent to ACERA retirees and is asking retirees, if they had to do it again, what would they do differently to plan for their retirement.

Treasurer's Report: Liz presented REAC's June 2024 Treasurer's Report. The beginning Interest Privilege Account balance was \$25,165.32. Receipts totaled \$8,031.78 and included \$500.00 from our 1st United Credit Union advertisement, and \$7,514.00 from membership dues. Disbursement totaled \$6,450.17 and included \$3,197.71 to Red Arrow for the Newsletter, \$589.05 for postage, \$850.00 for officer monthly stipends, \$1,074.34 for Select Staffing (4 payments), and \$362.50 for Creative Circle. The ending Interest Privilege Account balance was \$26,746.93 and total assets were \$250,975.26. Connie moved that the June 2024 Treasurer's Report be approved as submitted. Linda seconded the motion and the motion was approved.

Cynthia asked if the Board has given thought to the 13 Month Certificate of Deposit which matures on September 24, 2024. Cynthia mentioned that the rates were now about 4.5%. Liz suggested that we could meet with our Credit Union representative to provide us with the best options. Liz will contact the Credit Union.

Liz presented REAC's 2nd Quarter Treasurer's Report. Quarterly Report (2nd Quarter): Total receipts for the second quarter were \$24,078.79 which included \$22,540.00 for membership dues, and \$1,500 from 1st United Credit Union for Newsletter advertisement. Total disbursements for the quarter were \$23,085.24 which included \$11,519.63 for Red Arrow printing for the Newsletter, \$1,772.97 for Postmaster (mailing), \$725.00 for Newsletter layout to Creative Circle, \$625.00 for Web Hosting, \$230.23 for Web Domain Fee, \$85.95 for Pay Pal (Zoom meetings), \$764 for Conference Expenses, \$2,550.00 for D&O Stipends, and \$3,847.42 to Select Staffing (Admin Support).

The total receipts for both the 1st and 2nd Quarters were \$50,830.83 which was 49.1% of the amount budgeted. The total disbursements for both the 1st and 2nd Quarters were \$54,887.19 which was 53.06% of the amount budgeted. Alicia reminded the Board that we did spend a little more on the REAC Spring Luncheon than we budgeted, but that was a function of more retirees attending than normal, and that we subsidize the lunches to help reduce the cost for our retirees.

Connie moved that the 2nd Quarter Treasurer's Report be approved as submitted. Linda seconded the motion and the motion was approved.

CRCEA (California Retired County Employees Association): Alicia announced that Connie has accepted the Vice President's position at CRCEA. That is great news for the Board and for all the retirees we represent.

The June Executive Committee meeting was held on June 19, 2024. Marcia attended the meeting and her contact info is already on the CRCEA website (crcea.org/associations/alamedacounty). Connie proceeded to report on the highlights from the meeting:

Legislation: AB 2200 California Guaranteed Health Care Bill (Universal Health Care) never made it out of committee. CRCEA consultant will track if reintroduced.

2024 Fall Conference: Contra Costa County is the host county for the CRCEA 2024 Fall Conference. Conference dates are: November 03, 2024 thru November 06, 2024. Location: Embassy Suites Hotel Walnut Creek, \$169 room rate. The link to register for hotel rooms including the phone number and group code are posted on CRCEA website (crcea.org). The program agenda and other conference registration info are forthcoming.

Ad Hoc Conference Committee Recommendations: The President reminded Associations to obtain feedback from their Boards on the recommendations presented at the April 2024 Business Session and report back at the July 17, 2024 Executive Committee Meeting. To standardize input and to make it easier for tracking, CRCEA will send out a form to Associations to record their input and to return the form in advance of the July 2024 Executive Committee Meeting.

Appointment of Vice President: The Vice President office was vacant because of a resignation. The President reached out to Connie to see if she was willing to complete the remainder of the Vice President term which ends October 2025 and Connie accepted. The appointment was approved by the Executive Committee. Connie said that she will do her best to fulfill the position requirements and also represent REAC's best interest.

Other: CRCEA sent a request, on behalf of Association of Mendocino County Retired Employees (AMCRE), for information regarding each association's records retention policy. Many thanks to Alicia and Paul for their assistance. A response was sent. CRCEA sent a request for information on the Ad Hoc Conference Committee Recommendations. A response was sent.

Alicia asked Connie if it would be possible to obtain copies of the records retention policies currently used by the other 37 Act Counties. Connie will look into it and let us know.

REAC 2025 Fall Conference Planning Committee Update: The Planning Committee met on June 14th to discuss the proposal from DoubleTree Pleasanton. A meeting is scheduled on July 12, 2024 to meet with a DoubleTree Pleasanton representative to discuss follow up questions and confirm our understanding. Next steps are to firm up proposal costs, make a decision on a hotel and review the CRCEA Conference Manual. This committee meets monthly via Zoom.

SACRS (State Association of County Retirement Systems): There was no new information to report.

Retirement Board: There was no additional information to report.

Investment Committee: Alicia reported that there was one Action Item at the July 3, 2024 Investment Committee meeting. The Action Item was a discussion and possible motion to recommend that the Board Adopt a new Asset Allocation Mix. ACERA staff presented three possible Asset Allocation Mixes, Mix C, Mix D, and Mix G for the Investment Committees' consideration.

Mix C has the highest Expected Return and Sharpe Ratio amongst all three mixes with slight to moderate reduction each in Total Real Assets and in Total Multi Asset, respectively, to moderately increase the allocation to Total Fixed Income. Mix D has the same Expected Return as Mix C and Mix G. It also has the second highest Sharpe Ratio amongst all three mixes, with no change in Total Real Assets and a substantive reduction in Total Multi Asset, to moderately increase the allocation to Total Fixed Income. Mix G has the same Expected Return as Mix C and Mix D and the third highest Sharpe Ratio amongst all three mixes, with no change in Total Real Assets and a modest reduction in Total Multi Asset, to modestly increase the allocation to Total Fixed Income. The Investment Committee voted to recommend Mix C.

Health Care (Centers for Disease Control and Prevention): Linda reported that there was nothing new on the CDC website. She did receive information from the United Seniors of Oakland and Alameda County (USOAC) regarding their 21st Annual Healthy Living Festival which will be held on Thursday, September 26th, from 9:00 AM to 2:00 PM at the Oakland Zoo. The event will be hosted by USOAC and Alameda County Board of Supervisor Nate Miley. The event is for seniors who are 55 or older. Registration is limited to the first 2500 Alameda County older adults, their family, their friends or their providers.

Activities: The planning for the Fall Luncheon to be held on October 21, 2024, is going well. It will be held at the DoubleTree in Pleasanton. Yolanda Smith, from Kaiser, will present on Silver&Fit.

Membership and Recruitment: As of June 30, 2024, membership stood at 3,768 members, which is slight increase over the previous month.

REAC Website: Connie provided her Website Activity report. There were 267 unique visitors (different) to the REAC website. This is a slight decrease from last month which was 273. The average time spent on the site was 3 minutes and 35 seconds. This is also a decrease from last month which was 4 minutes and 37 seconds. The most visited pages this month were the Member Resources, followed by the Membership page.

Connie reported that she will be adding the additional assignments, which many Board members have, to the website. For example, she will add that she is our CRCEA Delegate and that Kathy is our SACRS Delegate. Connie will also have Holidays and other notable dates added to the website calendar.

REAC News: The REAC News will contain information regarding the Fall Luncheon, the 21st Annual Healthy Living Festival, and the Retirees Committees' vote to recommend increasing the MMA.

Other Reports: There was no additional information to report.

Old Business: The Board discussed the best way to proceed with the 2024 REAC Goals and Objectives. Suggestions included having members volunteer to work on each item, etc. Alicia will send everyone a message asking them which of the Goals and Objectives they would like to work on. Linda volunteered to work on the Health Fair.

New Business: There was no new business to report.

For the Good of the Order: Alicia took a moment to thank Margaret Salimi, Member, for attending today's meeting.

Meeting adjourned at 11:21 am.

Respectfully submitted by Paul Reeves, Board Secretary

Next Board Meeting: Monday, August 12, 2024, 9:30 am
Zoom Video Conferencing Board Meeting