

**Minutes of the Meeting of the Board of Directors
Retired Employees of Alameda County
Monday, March 11, 2019**

Fairview Metropolitan Golf Course, 10051 Doolittle Drive, Oakland

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

Roll Call: Mary Miller, Paul Reeves, Rosalie Masuda, Renaye Johnson, Mike Smart, Connie Land, and Liz Koppenhaver were present. Nancy Reilly, REAC member and ACERA alternate retired board member, Michael Brunelle, member, and Patricia Tobey, member, were also present.

Minutes: Minutes of the February 11, 2019 Board meeting were reviewed. A motion was made by Connie and seconded by Mike that the minutes be approved as submitted. The motion was approved.

Announcements: Paul reported that he received a letter from a member who expressed concern regarding a potential dues increase, as discussed in the REAC Newsletter, from \$1.00 per month to \$2.00 per month. The member was concerned that an increase to \$2.00 could place a financial burden on retirees who did not have a substantial pension. In addition, the retiree felt that an increase in dues would potentially increase the possibility of fiscal mismanagement. The Board agreed to consider the members concerns and would try to address those concerns when drafting the final notice to be sent to all members.

Reports

ACERA: The March 6, 2019 Retirees Committee meeting was cancelled.

Treasurer's Report: Mary distributed final copies of the January 2019 Treasurer's report. Receipts totaled \$4,683.09 and Disbursements totaled \$8,362.98. The only unusual disbursements items were \$2,401.15 for the CRCEA 2019 dues, and \$3,000.00 for the US Postmaster Permit Postage payments. Paul moved that the January 2019 Treasurer's report be approved as submitted. Mike seconded the motion and the motion was approved.

Mary distributed copies of the February 2019 Treasurer's report. Receipts totaled \$5,811.98 and disbursements totaled \$3,058.23. The only unusual receipts were \$1,140.00 from members for the spring luncheon. Connie moved that the February 2019 Treasurer's report be approved as submitted. Mike seconded the motion and the motion was approved.

CRCEA: Rosalie reminded the Board that she will be attending the CRCEA (California Retired County Employees Association) 2019 Spring Conference which will be held April 14-17, 2019 in San Diego.

SACRS: Paul reminded the Board that he will be attending the SACRS (State Association of County Retirement Systems) 2019 Spring Conference which will be held May 7-10, 2019 in Lake Tahoe.

Retirement Board: According to Liz, the California Supreme Court on Monday, March 4, 2019, released a decision that allows California government agencies to alter secondary retirement benefits offered to public workers. The case was a challenge to former Governor Jerry Brown's 2012 pension law from the union that represents Cal Fire firefighters. The law required public employees hired after

January 1, 2013 to contribute more money towards funding their pensions. Governor Brown's law also sought to rein in pension expenses by eliminating some lesser benefits that had been offered to some employees.

One of those benefits was known as "Air Time, a benefit that allowed public employees to purchase up to five years of credit that would boost their pensions as if they had actually worked that time. Cal Fire firefighters sued to reinstate that benefit arguing that the right to purchase Air Time could not be withdrawn without breaking the California Rule. The court disagreed, and ruled that those types of benefits were not considered vested benefits and could therefore be altered. The court's decision did not undo or even address the California Rule. The court wrote "We have no occasion in this decision to address, let alone to alter, the continued application of the California Rule.

Liz also mentioned that since the Supplemental Retiree Benefit Reserve (SRBR) has now grown to almost \$1 billion, they will begin to look at the possibility of reevaluating some of the benefits which were removed or lowered during the 2008 fiscal crisis.

Investment Committee: Marian provided the Board with a link to the Investment Committee's February 13, 2019 Committee meeting. There were two action items and one information item. The first action item was a discussion of, and possible motion to, recommend to the Board of Retirement to approve an up to \$33 million investment in Genstar Capital Partners IX as part of ACERA's Private Equity Portfolio – Buyouts. The committee voted to recommend that the Board approve an up to \$33 million investment in Genstar Capital Partners IX.

The second action item was a discussion and possible motion to recommend to the Board of Retirement to approve an up to \$30 million investment in Taurus Mining Finance Fund No. 2 as part of ACERA's Real Assets Portfolio – Natural Resources. The committee voted to recommend that the Board approve an up to \$30 million investment in Taurus Mining Finance Fund No. 2.

The information item was a report on 2019 Capital Market Assumptions. When applying the 2019 Capital Market Assumptions in the context of ACERA, the projected 10 year return for ACERA's portfolio would be approximately 6.5%, with a Standard Deviation of 12.8% for the forecast 10-year period.

Health Care: Rosalie reminded the Board that she and Mike will be attending the April 3, 2019 3rd Annual Health Care Planning Meeting.

Activities: Rosalie reported that around 145 individuals were expected to attend today's spring luncheon, which would make this spring luncheon one of the largest in recent memory.

Membership and Recruitment: As of February 28, 2019 membership stood at 4104 members

REAC News: The REAC Newsletter will also include information on the proposed dues increase, the ACERA Health Fair, the ACERA Website and ACERA's Wellness Program.

Old Business: Membership and possible dues increase. The Board reviewed the draft notice which is to be sent to all retirees regarding the planned dues increase. Several changes were recommended. Paul agreed to make the changes and send the revised letter back to the Board via email for further review and final approval.

The draft Director Recruitment letter was carried over to the April 8th Board meeting.

New Business: There was no new business to report.

Good of the Order: There was no new information to report.

Meeting adjourned at 10:30 a.m.

Respectfully submitted by Paul Reeves, Board Secretary

Next Meeting

April 8, 2019, 9:30 a.m. (Monday)

Health Care Services Agency Building, Room 135, 1000 San Leandro Blvd., San Leandro, CA