

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

Monday, October 9, 2017

*The Meadows at Redwood Canyon Golf Course, 17007 Redwood Road, Castro Valley, CA*

Mary Miller, board treasurer and acting president of the board, called the meeting to order at 9:30 AM.

**Roll Call:** Mary Miller, Marian Breitbart, Paul Reeves, Jerry Jacobs, Rosalie Masuda, Liz Koppenhaver, and Mike Smart were present. Also, Jon Orellana and Steve Scheinman, directors emeriti; Nancy Reilly, member and ACERA alternate retired board member; Linda Barbaro, member; and Pete Albert, ACRE president were present.

**Minutes:** The minutes of the September 11, 2017, board meeting were reviewed. It was moved by Marian and seconded by Mike that the minutes be approved as submitted. The motion was approved.

**Announcements and Communications:** Liz reported that she spoke with an early retiree who was considering moving and was questioning why she would not be able to have the same Kaiser Health coverage plan in her new location. Liz explained that health coverage is state and area specific and, as such, cannot be transferred to other states or other locations.

## Reports

**ACERA:** No ACERA staff member was available to provide a report on the October 4, 2017, Retirees Committee meeting. However, Mike Smart was able to attend the Retirees Committee meeting and reported on the following. There was one action item and two information items.

The action item was a presentation regarding the Supplemental Retiree Benefit Reserve (SRBR) valuation, including sufficiency of funds as of December 31, 2016. Segal Consulting, ACERA's actuary, reported that the terminal year of OPEB benefits is projected to be 2039. The terminal year of non-OPEB benefits is projected to be 2034.

Staff recommended that the Retirees Committee recommend to the Board of Retirement a motion to accept the December 31, 2016, SRBR actuarial valuation. The Retirees Committee approved the recommendation.

The first information item was a report on Open Enrollment preparation and communication material and health fair arrangements. Mike announced the following dates:

- October 7, 2017: OneExchange Open Enrollment newsletter mail completion
- October 13, 2017: ACERA Open Enrollment packets target mail date
- October 15–December 7, 2017: OneExchange Medicare Open Enrollment period
- October 27, 2017: ACERA's health fair at the Redwood Canyon Golf Course (9:00 AM–2:00 PM)
- November 1–30, 2017: ACERA's group plan Open Enrollment period
- November 1–December 15, 2017: OneExchange non-Medicare Open Enrollment period
- January 1, 2018: OneExchange plans effective date
- February 1, 2018: ACERA health plans effective date

The second information item was a number of miscellaneous updates concerning the following: 1) The annual Medicare Part D Certification of Coverage Notice mailing; 2) OneExchange balance reminder

statement and fall newsletter mailings; 3) Individual and family plan updates in the marketplace; and 4) What's new at OneExchange.

**Treasurer's Report:** Mary distributed copies of REAC's July–September 2017 Quarterly Report, REAC's September 2017 Treasurer's Report, and copies of the September 30, 2017, credit union statement.

Mary reported that Douglas A. Taylor, the CPA whose services REAC retained last month, created a tool that allows us to easily track our ongoing expenses. In addition, Mr. Taylor also completed the necessary financial reconstruction to bring our finances up-to-date. Jerry moved that Mr. Taylor be paid \$2,500 as compensation for the significant amount of work he performed in helping to reconcile our finances, as well as for the development of the tracking tool we will use in the future. Liz seconded the motion, and the motion was approved.

Marian moved that the July–September 2017 quarterly report and the September 2017 treasurer's report be approved as submitted. Mike seconded the motion, and the motion was approved.

**CRCEA:** Jerry provided an update on the planning for the CRCEA 2017 Fall Conference. As of today, twenty counties and sixty-five individuals have registered for the conference. Liz reported that our conference expenditures thus far are in line with our projected costs. Jerry concurred and reported that we have sufficient funds remaining to meet the remaining anticipated expenditures.

**SACRS:** There was no new information to report.

**Retirement Board:** There was no additional information to report.

**Health Care:** There was no new information to report.

**Activities:** Rosalie reported that 123 individuals registered for today's REAC fall luncheon, which is a very good turnout.

**Membership and Recruitment:** Membership at the end of September 2017 stood at 4,116.

**REAC News:** Mary will include information on ACERA's health plan options and status reports on the retirement and SRBR fund balances.

**Investment Committee:** Marian previously sent the board a report on the September 13, 2017, Investment Committee meeting. There were six action items and two information items. The action items included the following:

- 1) Discussion of possible motion to recommend to the Board of Retirement to adopt a new and separate private equity policy;
- 2) Discussion of possible motion to recommend to the Board of Retirement to adopt the 2017–19 investment plan for ACERA's private equity asset class;
- 3) Discussion of possible motion to recommend to the Board of Retirement to adopt a new and separate absolute return policy;
- 4) Discussion of possible motion to recommend to the Board of Retirement to adopt the 2017–19 investment plan for ACERA's absolute return asset class;
- 5) Discussion of possible motion to recommend to the Board of Retirement to adopt an investment in ACERA's real assets class —natural resources; and

- 6) Discussion of possible motion to recommend to the Board of Retirement to adopt an investment in the ACERA's PEARLS Portfolio—buyouts and debt-related/special situations.

The information items included the following: 1) Review of Lighthouse Investment Partners; 2) Quarterly performance review for 2Q17—equities and fixed income; 3) Quarterly performance review for 2Q17—real estate; and 4) Update on ACERA's emerging markets manager search—international equities.

**New Business:** Steve reported that he spoke with a retiree who expressed interest in joining the REAC board and that she was considering attending next month's board meeting.

**Other Reports:** There was no additional information to report.

**Old Business:** Mary agreed to send out some suggested dates for a special meeting to discuss the REAC board's 2017–18 goals and objectives.

**For the Good of the Order:** In recognition of the work that Jerry did for the upcoming CRCEA fall conference that REAC is hosting, Marian moved that Jerry be presented with a plaque for his significant contributions. Liz seconded the motion, and the motion was approved. Pete volunteered to help facilitate.

Mary adjourned the meeting at 11:00 AM.

Respectfully submitted by Paul Reeves, Board Secretary

### **Next Meeting**

Monday, November 13, 2017, 9:30 AM

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