



The Official
Monthly Publication of the
Retired Employees of Alameda County, Inc.
P.O. Box 302, Oakland, CA 94604

REAC NEWS

VOLUME 43 NUMBER 8

AUGUST 2021

PRESIDENT'S MESSAGE — BY MARLAN BREITBART, PRESIDENT

Dave Nelsen, ACERA CEO, was kind enough to join us for our July meeting. Dave had 2 items of interest to report to us. The first was the ACERA decision regarding straddling. There is a summary of this issue on the ACERA website under news (<https://www.acera.org/news/changes-tier-1-and-2-members-who-retain-after-june-17-2021>). It also provides a link to the legal memorandum regarding the issue. Until June 17, 2021, a retiring Tier 1 or 2 member could include in "compensation earnable" the lesser of what was "earned" or "payable" during the member's "final compensation period." Because a 12-month period of "final compensation" can include portions of two fiscal years, members have been allowed to include sell backs in two fiscal years within one 12-month period of the "final compensation period." This has been commonly referred to as "straddling" because a 12-month period "straddles" two fiscal years. The article states that "The issue of whether straddling is permitted has recently been raised in the Deputy Sheriffs' Association lawsuit. The California Attorney General has argued that straddling is no longer permitted based on the California Supreme Court's opinion in that case. Several other county retirement systems have already disallowed straddling based on that opinion. After receiving input from a number of parties at the Operations Committee meeting on June 2, 2021 and the Board meeting on June 17, 2021, the Board decided to disallow straddling for members who retire after June 17, 2021. This brings ACERA in line with most other County retirement systems. The Board also made two other minor adjustments to the rules on how much value in vacation sell back and cash out Tier 1 and 2 members may include in "compensation earnable". As a result of ACERA's decision the Attorney General confirmed that "the State of California will not seek further judicial intervention".

In the good news category Alameda County prefunded \$800M of its Unfunded Actuarial Accrued Liability reducing its unfunded liability by about half from \$1.919 billion to \$1.119

billion. ACERA was able to invest those funds within a week of receipt allocated according to their asset allocation policy. ACERA's assets now exceed \$11.6 billion.

We thank Dave for taking the initiative to join our meeting and it is a testament to the strong working relationship between our organizations.

As previously reported both REAC and ACERA have indicated to ACERA our support of an increase in the Monthly Medical Allowance (MMA). The Retirement Committee has recommended an increase and this should be on ACERA's July meeting agenda. (Subsequent to the REAC meeting, the Board passed the MMA increase). ACERA also has long term premium guarantees for dental care through 2024 and vision care through 2026.

We are working on improving the REAC website and are interested in your thoughts. The website already has links to the ACERA investment performance, the CRCEA (California Retired County Employees Association), current and historical agenda and minutes for REAC meetings, REAC Bylaws and contact list for Directors and Officers and, of course, the current and historical REAC newsletters. Please communicate your thoughts on what would increase the usefulness of the website either through the website at <http://reacsite.org/website-survey/> or by contacting any Board member.

Be well out there.

ACERA Performance Report

ACERA reported in their June 2021 performance report that the fund had gained \$965,603,058 including \$800,000,000 contribution from the County. The total fund returned 1.64%. The value of the fund at the end of June was \$965,603,058.

REAC BOARD MEETINGS

August 9, 2021
(Monday) 9:30 AM
Zoom
ID 214-219-6949
password REAC

September 13, 2021
(Monday) 9:30 AM
Zoom
to be scheduled

<http://reacsite.org>
reacwebsite@gmail.com

ACERA TRUSTEES MEETINGS

August 19, 2021
(Thursday) 2:00 PM
see ACERA.org for
ID and password

September 16, 2021
(Thursday) 2:00 PM
see ACERA.org for
ID and password

www.acera.org

WELCOME NEW MEMBERS

John Doher
Michael Eugster
Yolanda Jones
Michael Ladusau
Gerald Loeper
Dana Morgan
Robert Reiter
Maro Ulloa

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS, RETIRED EMPLOYEES OF ALAMEDA COUNTY, MONDAY, JULY 12, 2021

Zoom Video Conferencing Board Meeting

Marian Breitbart, President of the Board, called the meeting to order at 9:32 A.M.

ROLL CALL: Marian Breitbart, Paul Reeves, Suman Sharma, Connie Land, Mike Smart and Alicia Baptista were present. Dave Nelsen, ACERA Chief Executive Officer, Mike Fara, ACERA Representative, Nancy Reilly, REAC Member and ACERA Retiree Alternate, Charo Panesi-Guerra, REAC Member and Administrative Assistant, Pete Albert ACRE Board President, Alice Westbrook, REAC Member, and Rosalie Masuda, REAC Member, were present.

MINUTES: Minutes of the June 14, 2021, meeting were reviewed. Suman moved that the Minutes from the June 14, 2021 Board meeting be approved as submitted. Marian seconded the motion and the motion was approved.

ANNOUNCEMENTS & COMMUNICATIONS:

Marian reported that the Retirement Board wanted us to include an announcement regarding the upcoming election to the Retirement Board Seat 2 in the REAC Website. After some discussion it was decided that we would include that information in our Website.

ACERA: Dave Nelsen, ACERA Chief Executive Officer, provided an update and some history on the 2012 “Vested Rights” Lawsuit. In 2020, the California Supreme Court published their decision on litigation that started in 2012 over changes to the state pension law affecting “legacy members” of ACERA and two other county retirement systems. Legacy members generally are those who have entry dates into ACERA membership prior to January 1, 2013, which was the effective date of the California Public Employees’ Pension

Reform Act (PEPRA). This lawsuit related only to legacy members who retired on or after January 1, 2013.

ACERA has complied with the PEPRA ruling as of 2014. However, there is still the concern regarding a benefit provision generally referred to as “straddling” that may be eliminated. Straddling allows some members to cash out vacation twice, and have those additional benefits included in their benefit calculation. Alameda County is the only county currently using this provision. The State Attorney General was not supportive of that provision, and wanted the court to make a ruling which would eliminate that as an option. The Attorney General (AG) also wanted the court to make the order retroactive back to 2013 and require ACERA to recoup those funds. After some discussion, there was an agreement, that if ACERA would prospectively eliminate that benefit provision for new retirees, the AG would likely no longer push to have retroactivity included in the final decision, thus protecting all retirees from having their pensions potentially lowered and overpayments collected.

Mike Fara reported on the July 7, 2021, Retirees Committee meeting. There were three Action Items and two Information Items.

The first Action Item was the adoption of the 2022 Monthly Medical Allowance (MMA) for Group Plans. ACERA staff recommended that the Retirees Committee recommend to the Board of Retirement a motion to increase the 2022 Group Plan MMA by 3.125% 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 a MMA maximum of \$596.73 for the Plan Year 2022. The MMA contribution is a non-vested

benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is 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 Retirees Committee voted to approve the ACERA staff recommendation.

The second Action Item was the adoption of the 2022 Monthly Medical Allowance (MMA) for Early Retiree Individual Plans. ACERA staff recommended that the Retirees Committee recommend to the Board of Retirement a motion to increase the 2022 Individual Plan Monthly Medical Allowance (MMA) by 3.125% 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 a MMA maximum of \$596.73 for Plan Year 2022. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is 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 Retirees Committee voted to approve the ACERA staff recommendation.

The third Action Item was the adoption of the 2022 Monthly Medical Allowance (MMA) for Medicare

Eligible Retiree Individual Plans. ACERA staff recommended that the Retirees Committee recommend to the Board of Retirement a motion to increase the 2022 Individual Plan Monthly Medical Allowance (MMA) by 3.125% 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 a MMA maximum of \$457.13 for Plan Year 2022. The MMA contribution is a non-vested benefit subject to possible reduction or elimination if Board policies change or funds are unavailable. This benefit is 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 Retirees Committee voted to approve the ACERA staff recommendation.

The first Information Item was a report, by ACERA's Benefits Consultant, The Segal Group, on Dental and Vision Plans Experience and Utilization. In addition, information regarding the dental and vision plans monthly premiums was also provided in preparation for next month's recommendation to adopt the dental and vision plans contributions for Plan Year 2022.

Dental Plans have a three year premium rate guarantee which covers February 1, 2021 through January 31, 2024. The Delta Dental PPO is \$44.15 and the DeltaCare USA is \$22.18. Those rates will not change for Plan Year 2022.

The Vision Plan has a five year premium rate guarantee which covers February 1, 2021 through January 31, 2026. The Base Plan is \$3.97. That rate will not change for Plan Year 2022.

The dental and vision plan utilizations, and the total paid claims, experienced a reduction due primarily to the suspension of non-essential health care services during the COVID-19 pandemic. The utilization rates are now experiencing a steady increase as things return to normal.

Mike also reported that ACERA has begun to allow, when necessary, in-person appointments. They will still encourage members to use phone or video appointments, but will allow in-person appointments on Tuesday and Thursdays.

Nancy mentioned that the Retirement Board would be having a hybrid meeting and that people could attend virtually or in person. Dave reported that there will be limited seating, because of the social distance requirement, but two of the Board Trustees are planning to attend in person, and he assumes other trustees will attend virtually. The first hybrid meeting will take place this week, July 15th, 2021

Nancy asked Betty Tse, ACERA's Chief Investment Officer, if she could have an investment representative attend our REAC Board Meetings on a quarterly basis, beginning with the September 13th Board meeting. Betty agreed to have one of her staff attend quarterly.

Paul asked Mike if there was still a concern, on the part of ACERA, with retirees enrolling in REAC electronically, which would not contain their signature. Mike mentioned that ACERA was updating their forms, and that their update would contain DocuSign which would meet any concern regarding a signature. Charo asked Mike if their new forms would include an "Opt-Out" box. When the employee retired, and decided to join REAC, they would automatically begin receiving our Newsletter online, unless they chose to Opt-Out. Mike thought that would not be a problem, but he would check on that and let us know.

TREASURER'S REPORT: Suman presented the April-June 2021 Quarterly report. Receipts totaled \$24,893.20 and total Disbursements totaled \$13,255.61. There were no unusual receipts during the second quarter. The only unusual disbursement was the \$225.00 Web Hosting payment and the \$8.71 "1&1" charge for not using the most recent PHP software.

Suman then presented June 2021 Treasurer's report. Receipts totaled \$8,297.16 and total Disbursements totaled \$4,429.71. Suman asked Paul if REAC was going to be reimbursed for the \$8.71 charge from "1&1" for not using the most recent PHP software. Paul reported that the issue has been resolved and that "1&1" would reimburse us for the \$8.71 charge for June 2021 and the \$8.71 charge for July 2021. Paul contacted "1&1" and sent them a document which showed that we downloaded the most recent PHP software at the beginning of June, and therefore charging us for June & July was incorrect.

Paul motioned that the June 2021 Treasurer's report and the April-June 2021 Quarterly report be approved as submitted. Connie seconded the motion and the motion was approved.

CRCEA: Connie reported that there was no change from last month, so there was nothing new to report. Paul will notify CRCEA that Connie will now be REAC's CRCEA representative.

SACRS: Paul reported that there will be an in-person SACRS Fall Conference. It will be held on November 9-12, 2021 at the Lowes Hollywood Hotel. He will be attending as the REAC representative.

RETIREMENT BOARD: There was no additional information to report.

INVESTMENT COMMITTEE: Marian reported that the Investment Committee

meeting will be held this coming Wednesday, July 14, 2021. Marian reported that she might be able to attend. She also mentioned that she was curious as to how ACERA actually values for non-traded investments such as private equity or determines how well they were actually doing.

HEALTH CARE: Rosalie mentioned that she obtained most of her information regarding health care issues directly from the CDC website. Mike agreed to begin following health care information and then reporting back on any information which would impact retirees.

ACTIVITIES: There was no new information to report.

MEMBERSHIP AND RECRUITMENT: Charo reported that as of June 30, 2021, membership stood at 3,911 members which was a slight increase over last month's numbers. Charo reported that we still needed to finish the new member recruitment letter and then have ACERA include it in a special mailing. Paul agreed to complete a draft and send to the Board prior to the next meeting. Paul will also make it a separate agenda item.

Administrative Staff Updates Charo reported that Ish Pena, ACERA Staff, suggested that we automatically send our Newsletter to all new members. The Board agreed, and she will send a

welcoming letter to each new member and attach the most recent Newsletter. She also reported that the number of members who want to receive the Newsletter online has increased.

REAC News: The next REAC Newsletter will include information about the "Straddling" issue Dave reported on, an Investment Report, the MMA information, and requesting feedback on the REAC website.

OTHER REPORTS: There was no other information to report.

NEW BUSINESS: There was no new business to report.

OLD BUSINESS: Revisions to the REAC Bylaws – Paul reported on the draft changes he made to the bylaws. Paul agreed to resend the draft documents to the Board, and carry over the item to the August 2021 Board Meeting.

Marian reported that Linda Barbaro recommended Linda Slater as someone who would be a good asset to the Board of Directors. Both Renaye and Paul also worked with her in the past and felt she would be a good addition to the Board. Once she has attended the required number of Board meetings, the Board can then vote to appoint her to the Board.

Election of REAC Officers – The Vice President positions remains open.

FOR THE GOOD OF THE ORDER: Alicia mentioned that Alice Westbrooks left a comment before she signed off. She was receiving both a paper copy of the Newsletter and the electronic version. Alicia mentioned that she also received both copies for well over a year. Charo will review both lists and make sure that our retirees are only receiving one copy.

Pete mentioned that ACRE was currently not planning to go back to live events and they are therefore not planning to hold a holiday luncheon. It is still being discussed, but thus far they are not considering holding live events. He wanted to know if we were considering holding live events. Marian told him we were not currently considering holding any live events and would also not hold a live holiday celebration.

Meeting adjourned at 11:06 A.M.

*Respectfully submitted by Renaye Johnson
for Paul Reeves, Board Secretary*

Next Meeting:

August 9, 2021, 9:30 a.m. (Monday)

Zoom Video Conferencing

Keeping Members Informed

View all important COVID-19 updates at
1stunitedcu.org/status



Federally insured by NCUA

CONGRATULATIONS ON YOUR RETIREMENT

BADGER, Sharla
Dept. of Child Support Services

BENNETT, Carmelyne
Social Services Agency

CARLSON, Kelly
Alameda Health System

COLLINS, Ashantaki
Social Services Agency

DOHRMANN, Gerald
Superior Court

HUI, Patricia
Social Services Agency

HYATT, Dianne
Superior Court

JONES, Yolanda
Social Services Agency

JUAN, Dowel
Alameda Health System

LABOGIN, Gloryann
Superior Court

LANGDON, Theresa
Sheriff's Office

LOEPER, GERALD
General Services Agency

MANAOIS, Julia
Treasurer-Tax Collector

MORGAN, Dana
Social Services Agency

MOTTASHED, Mark
Sheriff's Office

NASH, Mary
Public Defender

NAVA, Patricia
Superior Court

PAGILARI, Anthony
Sheriff's Office

PIERCE-JONES, Rhian
Assessor

PROANO, Carol
Superior Court

RATCLIFFE-GRAHAM, Brenda
Social Services Agency

REEVES, Leslie
Superior Court

REITER, ROBERT
County Counsel

ROBERTS, Rosemarie
Alameda Health System

RODRIGUES, Joseph
Social Services Agency

ROLLERSON, Velma
Social Services Agency

RUSSELL-CHEMA, Natalie
Social Services Agency

SANGSTER, Nicole
Probation Department

SCHLAGETER, Katherine
Health Care Services Agency

SIMPSON, Laura
Community Development Agency

SMITH, Valarie
Superior Court

TRAN, Tin
Superior Court

ULLOA, Mario
Alameda Health System

WILLIAMS, Eric
Probation Department

IN MEMORIAM

In deepest sympathy to the family and friends of the following retirees:

ADAMS, Cora
Social Services Agency
6/16/2021

BIVINGS, Gerald
General Services Agency
5/20/2021

BROOKS, Ronald
Non-Mbr Survivor of Louise Brooks
5/8/2021

DOPPELT-DIXON, Lolita
Superior Court
5/27/2021

DOWNING JR., Woodrow
Alameda County Fire Department
6/4/2021

EKBLAD, Robert
Alameda Health System
6/27/2021

HARRISON, Arrealia
Alameda Health System
6/18/2021

HUNT, Hilton
General Services Agency
6/20/2021

JAVIER, Corazon
Alameda Health System
6/7/2021

MACCOUN, Betty
Non-Mbr Survivor of
John MacCoun
5/13/2021

MILES, Patrick
Sheriff's Office
4/30/2021

REES, Helen
Auditor-Controller
5/10/2021

RION, Mary
Alameda Health System
5/19/2021

ROGERS, James
Probation Department
2/5/2021

ROSE, Elaine
Social Services Agency
5/25/2021

RUCKER, Marie
Social Services Agency
5/24/2021

SAFRENO, Maria
Non-Mbr Survivor of Mal Safreno
2/13/2021

SMITH, Phillip
General Services Agency
3/15/2021

SPALDING, Robert
Probation Department
1/31/2021

STANLEY-KENNEDY, Joyce
Social Services Agency
5/21/2021

STEINER, Yvonne
Probation Department
2/3/2021

SUTTER, John
District Attorney
5/10/2021

SWANSON, Geraldine
Alameda Health System
1/26/2021

TACHET, Michael
Alameda Health System
5/21/2021

TANAKA, Eddy
Probation Department
5/29/2021

TUNGOHAN, Leonito
Superior Court
11/20/2020

VIHONSKY, John
Public Defender
5/31/2021

VONKRAKAU, Elaine
Social Services Agency
6/10/2021

WILLIAMS, Mary
Alameda Health System
5/18/2021

YOUNG, Barbara
Non-Mbr Survivor of
Roosevelt Young
6/10/2021

The surviving spouse of a member is eligible for REAC membership. To enroll, send an email to reacwebsite@gmail.com.

REAC Officers and Directors

- President:
Marian Breitbart.....(510) 769-1604
- Vice President:
- Secretary:
Paul Reeves bongosaw@gmail.com
- Treasurer:
Suman Sharma.....suman775@gmail.com
- Directors:
Alicia Baptista..... alicia.baptista@comcast.net
Renaye Johnson..... (925) 286-0716
Liz Koppenhaver..... (510) 579-3319
Connie Land.....landcon@comcast.net
Mike Smart..... mgsmart@comcast.net
- Directors Emeriti:
Barbara Jean Hallisey Steve Scheinman
Emily Shea Janet Waring
Jon Orellana

Editor: Gina Palmer
Printing and Mailing: Red Arrow Printing
Membership questions: reacwebsite@gmail.com

REAC'S Mission

The purpose of the Retired Employees of Alameda County (REAC) is to promote the common good and general welfare of Alameda County retired employees, subject to the County Employees Retirement Act of 1937, by promoting the interests of its members throughout the community by means of social, political, and educational activities that advance the social welfare of such retirees.

Moving? Please fill out and mail this notice to the following address:

REAC, P.O. Box 302, Oakland, CA 94604
or e-mail reacwebsite@gmail.com

Name:

New Address:

City/State: Zip Code:

Date of Move: Telephone:

Old Address:

1/2018

Also send change of address to ACERA:

Alameda County Employees' Retirement Association (ACERA)
475 14th St., Ste. 1000, Oakland, CA 94612

Phone: 800-838-1932 or 510-628-3000

Select Option 1 for the Retiree Benefits Unit (health, vision, dental, etc.)

ADDRESS SERVICE REQUESTED

August 2021

Retired Employees of Alameda County
P.O. Box 302-Oakland, CA 94604

REAC
NEWS



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