



February 4, 2015

To: Members of the Retirees Committee

From: Liz Koppenhaver, Chair, Retired Trustee

**Subject: Summary of the February 4, 2015 Retirees Committee Meeting**

Committee Chair Liz Koppenhaver called the February 4, 2015 meeting to order at 10:35 a.m. Committee members present were Liz Koppenhaver, Tarrell Gamble, Dale Amaral, Annette Cain-Darnes, and George Wood. Also present were Keith Carson and Elizabeth Rogers, and alternate members David Safer and Darryl Walker. Staff present were Vincent Brown, Chief Executive Officer; Kathy Foster, Assistant Chief Executive Officer; Joseph Fletcher, Chief Counsel; Margo Allen, Fiscal Services Officer; Latrena Walker, Projects and Information Services Manager; and Harsh Jadhav, Internal Audit Manager.

### **ACTION ITEMS**

#### **1. Annual Supplemental Cost of Living Adjustment**

Kathy Foster, Assistant Chief Executive Officer, provided information regarding the Supplemental Cost of Living Adjustment (COLA) benefit. For 2014, there were approximately 447 retirees/payees receiving this benefit at a cost of \$1,857,543.77.

It was moved by Annette Cain-Darnes and seconded by George Wood that the Retirees Committee recommends to the Board of Retirement that it adopts the Supplemental Cost of Living Adjustment increase for Tier 1 members who retired on or before April 1, 1981 and Tier 2 members who retired on or before April 1, 1991, effective with the April 1, 2015 monthly retirement allowance. This annual supplemental benefit is non-vested and is funded by the Supplemental Retiree Benefit Reserve.

The motion carried 5 yes (*Amaral, Cain-Darnes, Gamble, Koppenhaver, Wood*), 0 no, 0 abstentions.

### **INFORMATION ITEMS**

#### **1. Annual Cost of Living Adjustment for 2015**

Kathy Foster, Assistant Chief Executive Officer, reported that based on information provided by The Segal Company, ACERA's actuaries, the Cost of Living Adjustment effective April 1, 2015 results in an increase of 3.0% for Tier 1 and Tier 3 retirees/payees who retired on or before April 1, 1985. Tier 1 and Tier 3 retirees/payees who retired after April 1, 1985 through April 1, 2015 will receive 2.5%, and all Tier 2 and Tier 4 retirees/payees will receive 2.0%.

## **2. Report on Health Reimbursement Arrangement Account Balances for 2014**

Kathy Foster, Assistant Chief Executive Officer, provided information on retirees' Health Reimbursement Arrangement (HRA) account balances as of December 31, 2014 categorized by years of service.

## **3. Annual Health Planning Meeting with Retiree Representative/Date Announcement**

Kathy Foster, Assistant Chief Executive Officer, presented information regarding the purpose and plans for ACERA's annual health planning meeting with Trustees, retiree representatives, Benefits Consultants, and Alameda County scheduled for March 4, 2015.

## **4. Dental and Vision Plans Coverage Request for Proposal/Project Timeline**

Kathy Foster, Assistant Chief Executive Officer, provided a report on a project plan and timeline to release a Request for Proposal for the dental and vision plans coverage.

## **5. Presentation on Self-Funding for Dental and Vision Plans**

Keenan & Associates, ACERA's Benefits Consultant, provided an educational presentation on self-funding for dental and vision plans. Trustees directed Staff to provide cash flow and cost comparisons between ACERA's current funding method and the self-funding mechanism.

## **6. Semi-Annual Report on ACERA's Wellness Program**

Keenan & Associates (Keenan), ACERA's Benefits Consultant, provided a presentation on ACERA's Wellness Program, which included the results of Kaiser's chronic and utilization reports, current wellness program highlights, strategies for additional wellness program development, and services offered through Keenan's health management team.

## **7. Miscellaneous Updates**

Kathy Foster, Assistant Chief Executive Officer, provided additional information requested by Trustees at the January meeting regarding the federal subsidies for health coverage and carrier information offered through OneExchange.

## **8. Discussion of Potential Change in Date and Time of Committee Meetings**

Trustee Koppenhaver stated that this topic was introduced and discussed at the Operations Committee meeting just prior to the Retirees Committee meeting. The intent is to have discussions to see if some of the Committee meetings could be held on the same day to minimize the number of days currently scheduled for the meetings. Trustees directed Staff to do a survey to gather information on considerations and concerns regarding the possible change of the Committee meeting dates.

### **TRUSTEE/PUBLIC INPUT**

Kathy Foster, Assistant Chief Executive Officer, announced that Rissa Bowman is leaving the County of Alameda and acknowledged her service over the last number of years. Trustee Koppenhaver expressed appreciation for all of the assistance Ms. Bowman has provided over the years.

### **RECOMMENDATIONS**

#### **1. Annual Supplemental Cost of Living Adjustment**

The Committee recommends, and I move that the Board of Retirement adopts the Supplemental Cost of Living Adjustment increase for Tier 1 members who retired on or before April 1, 1981 and Tier 2 members who retired on or before April 1, 1991, effective with the April 1, 2015 monthly retirement allowance. This annual supplemental benefit is non-vested and is funded by the Supplemental Retiree Benefit Reserve.

### **FUTURE DISCUSSION ITEMS**

#### **ESTABLISHMENT OF NEXT MEETING DATE**

The next meeting is scheduled for March 4, 2015 at 10:30 a.m.

#### **MEETING ADJOURNED**

The meeting adjourned at 12:15 p.m.