

(Corrected)
MINUTES OF THE RETIREMENT BOARD
April 16, 2024

A regular meeting of the Retirement Board convened on Tuesday, April 16, 2024 at 9:02 a.m.

The meeting was called to order by Retirement Board President Tim McGowan. This meeting was conducted with Retirement Board Members physically present in the Administration Building **Training Resource Center**, 375 Eleventh Street, Oakland, California. This location served as the physical location for members of the public who wish to attend the meeting in person. Please note, however, that members of the public were also provided the opportunity to participate via video and teleconference.

Roll Call – The following Retirement Board Members were present: Clifford Chan, April Chan, Tim McGowan, Jae Park, and Elizabeth Grasseti. Marguerite Young joined the meeting at 9:07 a.m.

The following staff members were present: Cindy Charan, Sophia Skoda, Lisa Sorani, Lourdes Matthew, Robert Hannay, Steven Goodman-Leibof, and Valerie Weekly.

The following consultants were present: Alliant - Billie Brown and Tom Sher.

PUBLIC COMMENT: The Retirement Board is limited by State Law to providing a brief response, asking questions for clarification, or referring a matter to staff when responding to items that are not listed on the agenda.

Ivette Rivera: Thanked staff for the data, looked forward to hearing the presentation, noted that 15 to 20 percent of those in the survey did not respond, wondered who those were, and asked the Board to request a list from staff of those retirees whose HIB (or actually health insurance premium) is more than 20% of their monthly pension check.

SPECIAL RETIREMENT BOARD MEETING

CONSENT CALENDAR:

No Items

ACTION:

No Items

INFORMATION:

1. Options for Amending the Retirement Ordinance with Respect to Pension Benefits for Board Members – L. Matthew

Lourdes Matthew reviewed the information that was presented to the Board of Directors on May 9, 2024, with respect to Pension benefits for Board Members. She noted that District Board President Katz requested that further exploration on whether an amendment could, instead of affecting final service, affect final compensation based on a provision in CALPERS which defines final compensation for elected and appointed members for city, county, and state membership but not others. Lourdes is currently looking into the legal issues of this option; it is unclear if this runs

afoul of the reciprocal rules also governed by CALPERS, and to which the District has elected to participate. Marguerite Young noted that the District Board was in favor of this option if it is available. April Chan reminded Lourdes that the District Board also wanted to ensure that HIB is not impacted in either case. The second topic discussed with the District Board was the issue of the District retirees. Further discussion reviewed the timeline of finalizing these issues for inclusion in the Retirement Ordinance. Lourdes noted she is striving to get both issues finalized to take to the May 14, 2024, meeting for a first reading. If staff can make that date, the amendments would take effect July 1, 2024.

2. HIB Study: HIB Peer Benchmark Survey Results (2023 data updated) – C. Charan

Cindy Charan introduced this item. Lisa Sorani reminded the Retirement Board that this item answers a question they asked last year, “What are retiree out-of-pocket costs for health insurance at comparative agencies?” Lisa shared that the survey data is from 2023, not updated for 2024, and walked through the assumptions used with the data to answer the Retirement Board’s question. Lisa then introduced Billie Brown of Alliant to present the data. The board reviewed the survey findings and questioned the comparability of health plans among the agencies, “Is their Kaiser plan just like our Kaiser plan?”, Tom Sher confirmed that staff were not able to dive into that level of detail but that over 50% of the agencies are using CalPERS; and CalPERS has very rich plans, similar in design to the District. In addition, the plans chosen were those most used by retirees in each agency; so for out-of-pocket costs, the most used does provide an appropriate comparator. A second question was asked about Zone 7 and ACERA to determine if they were separate data points and requested to remove or collapse Zone 7 with ACERA. The Retirement Board also requested that although less than half of the agencies reimburse for Medicare Part B, that staff bring back the comparison retiree out-of-pocket costs including the cost of Part B in for all agencies. They also requested that Median data be used instead of average, and that the health plan premiums also be included.

PUBLIC COMMENT HERE: Max Fefer thanked staff for the data; felt that it did not address an important group which are those retirees under age 65. Max would like the Board to consider this group.

Marguerite Young asked what % of District under age 65 retirees are working elsewhere. April Chan asked Elizabeth if she hears from these under age 65 retirees, Elizabeth said she recalls that staff counsel these retirees and they leave aware of the costs they will incur for healthcare, and they are planning for that. Tim stated that those agencies with defined benefit are paying the full cost of healthcare for under or over age 65 retirees. Would like to see the actuarially assumed age of retirement for PEPPRA members. Clifford mentioned we are off topic from what was on the agenda, and maybe it would be appropriate close this out with a request of staff.

Eric Larsen: President Local 444, he has had questions from employees who are looking to retire before age 65, and would they be able to come back later to enroll in District healthcare plans. Staff briefly replied that under our current rules this is not allowed.

Ivette Rivera: Wanted to touch on what Elizabeth Grassetti said about retirees who retired a long time ago and what they are earning, and how that impacts their healthcare costs today.

3. HIB Study: Retiree HIB Survey Results – C. Charan

Lisa Sorani presented the results of the Retiree HIB Survey, highlighting retiree perspectives on the HIB. The survey aimed to gather feedback on the adequacy, accessibility, and affordability of healthcare coverage for retirees. Four key items were presented: The satisfaction level, the retiree

annual out-of-pocket costs for health, retiree annual household income, and the retiree comments about the benefit.

4. HIB Study: Prior HIB Increases vs Prior Health Plan Premiums, and Present Value of Prior HIB Values – C. Charan

Lisa Sorani presented a comparison of prior HIB increases and health plan premium trends over time and a report showing the 2024 present value of the prior HIB values. The data showed that our HIB was never a benefit that fully paid for retiree health insurance. In many years, there was at least one plan than may be paid fully for a retiree eligible for the full benefit, but not always.

REPORTS FROM THE RETIREMENT BOARD:

None

ITEMS TO BE CALENDARED:

Staff were requested to bring back items from this meeting.

MEETING ADJOURNMENT: Meeting adjourned at 11:03 a.m.; moved by M. Young; seconded by J. Park. Motion passed 5-0 by the following vote: AYES (McGowan, C. Chan, Park, Young, A. Chan), NOES (none), ABSTAIN (none), ABSENT (none).

The next regular meeting of the Retirement Board will be held on Thursday, May 23, 2024.

Retirement Board Meetings

- May 23, 2024
- June 4, 2024 (Special)
- July 18, 2024
- September 19, 2024
- November 21, 2024