



**MINUTES**  
**REAO Board of Directors' Meeting**  
**OCERS Hearing Room**  
**2223 Wellington Avenue, Santa Ana**  
**Wednesday, February 10, 2016**  
**9:30 AM**

**I. Called to Order at 9:37 AM by REAO Co-President, Linda Robinson**

Present: Linda Robinson, Doug Storm, Jan Grimes, Sara Ruckle Harms, Bill Castro, Tom Beckett, Larry Leaman, Rebecca Guider, Gaylan Harris and John Iagjian. Also in attendance are Robin Mattocks, Lou Scarpino and Ilene Bárcenas, Office Manager. There is a quorum.

Absent: None

**II. Approval of Minutes from January 2016**

*A motion was made by Larry Leaman and seconded by Bill Castro to approve the January 13, 2016 REAO Board meeting minutes as written. Motion carried.*

**III. Treasurer's Report for January 2016**

Bill Castro presented the January 2016 Monthly Operating Report. The only unusual expense was the yearly CRCEA membership at \$.55 per member.

*Motion made by Sara Ruckle Harms and seconded by Tom Beckett to approve the Monthly Operating Report for January 2016. Motion carried.*

**IV. Website Update**

Ilene Bárcenas reported that she has been monitoring the Retired Employees of San Diego County Facebook page. From what she can see, they post news articles pertaining to pension topics and other topics related to seniors. They also post pictures from these articles. They also post information and pictures from meetings that they have with their retirement board. There is no other direct input to the page from members other than the ability to "like" and comment. Sara Ruckle Harms suggested that we plan on a Facebook page in the future as the newer generation utilize this social media. This will be an ongoing quarterly topic.

**V. Meeting Reports**

**A. OCERS**

In advance of the meeting, Sara Ruckle Harms sent a report pertaining to the last OCERS Board meeting. The Vice Chair of OCERS, Mr. Ball, stated that he is interested in

having a relationship with REAOC. Perhaps the OCERS Board may attend either a luncheon or a REAOC Board meeting or both. Steve Delaney presented a “State of the State of OCERS” at the last meeting. Sara Ruckle Harms will send a copy of the presentation to the REAOC Board. On February 11, 2016, from 8:45 until 3:30, OCERS will have an educational forum for their Board and Stakeholders. Tom Beckett reported that the preliminary year-end earning result .09%; net -.11%. Only two asset allocations were positive; everything else was either flat or negative. The world conflict is contributing to the negative outcome. Gerard Miller stated that the next two years may be very volatile but he sees an end date to this volatility.

*Action Item: Linda Robinson and Doug Storm will talk to Steve Delaney about inviting him and any OCERS Board meeting to our REAOC Board meeting.*

## B. CRCEA

Lou Scarpino discussed the issues pertaining to the 501(c)4 at the CRCEA Executive meeting. Carlos Gonzalez will work with Lou Scarpino on these. He was unable to determine if the other Act 37 counties utilize professional accounting staff. Sara Ruckle Harms stated that she called Gary Grommet and found he does not work with 501(c)4's. He referred her to Rita Copeland, a certified CPA who has been working in this field since 1972. Sara Ruckle Harms talked to Ms. Copeland to determine how she could assist REAOC. Ms. Copeland stated that her firm would control the bank accounts (we would be able to see the account balances), her company would file all needed legal forms, income taxes, etc. She would charge AREOC approximately \$50 every two months. She would not be involved in any political actions.

RPEA/CRCEA collaboration was discussed at the meeting. Lou Scarpino let them know that our local RPEA referred REAOC to the State level. The RSC will be responsible for approaching RPEA at the State level.

Lou Scarpino shared his Governor's budget summary with CRCEA. CRCEA asked if this and other presentations could be reduced to bullet points rather than such long narratives.

They also discussed sharing articles with other newsletters and the Intercom.

Speakers and materials at the conferences were discussed. The Executive Board needs to be clear regarding the parameters of what they would like to have presented at the conferences. The next CRCEA conference is April 11 – 13<sup>th</sup> in Bakersfield (hosted by Kern County).

*Action Items: Sara Ruckle Harms will determine if Rita Copeland is bonded and will determine the annual cost for these services. She will also ask who they have audit their accounts.*

*Lou Scarpino will determine if the CRCEA counties have professional accountants for their organizations.*

## **VI. Committee Reports**

### **A. Membership**

In advance of the meeting, the membership report was sent to the REAOC Board. John Iagjian reported that 27 persons attended the last pre-retirement seminar.

Linda Robinson stated that she received a call from Tracy Vonda. The County will be hosting a wellness fair at the Hall of Administration and REAOC would be invited to have a booth at this fair. This would be a resource for current employees to learn about REAOC. This will be held on Wednesday, May 4, 2016 in the morning. Linda Robinson will obtain additional information.

### **B. Board Watch**

Linda Robinson stated that there are only 30 meetings scheduled (and the two budget meetings) for 2016. There have been no topics related to retirees in the last month. Tom Sacco is now a member of the Board Watch Committee.

### **C. Legislation**

February 19 is the last day to introduce bills to the legislature. In advanced of the meeting, Lou Scarpino sent out a legislative report. He shared the highlights of this report. There is a new federal bill on the list regarding pensions for those who do not have a defined benefit pension.

*Action Item: Tom Beckett will send the article regarding investments to Steve Delaney for his information.*

## **VII. Luncheon**

- A. Draft a “luncheon committee” for 2016 – Sara Ruckle Harms contacted Marian Luster to see if she would be interested in helping with the luncheons. She has obligations with grandchildren so is unable to assist us. Marian Luster suggested that Kathy Little may be interested but she seems to be a bit shy. Entertainment has not been decided. Sara Ruckle Harms knows a speaker, a professor at UCI (Dr. Ditto) who has studied why people are either democratic or republican. He may be a possibility. After discussion, it was decided to contact the Pulcini Brothers.

*Action Item: Ilene Bárcenas will provide the telephone number for the Pulchini Brothers to Linda Robinson who will contact them to see if they are available.*

- B. Mile Square menus/vegetarian options

Ilene Bárcenas contacted Ana at Mile Square Park to arrange the vegetarian meal schedule for 2016.

- C. Progressive drawing suggestion – Bill Castro stated that we may wish to consider changing from \$50 a luncheon to increase the increment to \$100 at each luncheon.

*A motion was made by Sara Ruckle Harms and seconded by Rebecca Guider to increase the amount of the progressive drawing amount to \$100 increments and to always give away the lump sum accumulation at the December luncheon. Motion carried.*

- D. The next Hemet luncheon will be on April 19, 2016.

## **VIII. The Informer**

Robin Mattocks shared with the Board the articles that will be in the March 2016 Informer. She also wrote an article about Alzheimer's and the impact of music that will be included. Robin Mattocks will also ask for members to submit their stories about how the County was when they were hired. We will share some of those submittals in the Informer and/or on our website. The due date for articles for the May Informer is March 30, 2016.

## **IX. Presidents' Message**

- A. Litigation Update

No update to report.

- B. Health Insurance Issues

The County notified REAOC that a 1095 notice related to the ACA will be sent to all individuals under 65 years of age.

Mitch Tevlin assisted REAOC in determining if the formula the County used to determine the increased amount in the health care grant was correct. He found the County did not factor in the numbers of persons in each plan which is to the County's advantage. They bundle rates rather than look at factors such as the numbers of people in each plan.

Larry Leaman sent an article regarding succession planning. This article is regarding a professional group that includes retired Executives (some from the County of Orange) that could assist us with our future planning.

*Action Item: Linda Robinson and Doug Storm will follow up with this professional group.*

- C. Other

Lou Scarpino will attend the Public Retirement Seminar in March. There will also be a NCPERS conference in San Diego at the Hilton San Diego in May 15 through the 19th. Lou

Scarpino will follow up regarding this conference. Linda Robinson stated that the attendees at the Hemet luncheon were very attentive at the event yesterday, February 9, 2016. They played a game “left, right, center” at the December luncheon and had a great time and the members want to play it again in April. We will play it at our next Board meeting.

The tri-fold has been updated a bit and will be sent to Steve Pettee so that he can make a draft copy for the REAOC Board to review. We will update it once again prior to sending it to Steve Pettee to add the REAOC membership application. It will need to be made larger as the print is too small. We will also edit this to reduce the number of words.

They also discussed with Steve Pettee the plan of having a consultant regarding health care planning. Gaylan Harris talked about our earlier meeting with Aon/Hewitt. Gaylan Harris stated that Aon/Hewitt handles the San Diego County’s insurance plans. They also work with Riverside County’s retiree association. He stated that they are now looking at the area of private exchanges; by pooling large numbers of individuals, they should be able to offer plans that offer better costs (Medicare A & B eligible members). Gaylan Harris let Aon/Hewitt know that we would consider hiring them to have their expertise with our regular meetings with the County in approximately March and May regarding the health plans and rate setting. Doug Storm stated he did some research regarding this type of contract. He said the going rate is about \$300 an hour. It would be important to come up with what we want to spend and what our specific needs are when developing a contract.

*Sara Ruckle Harms made a motion that Gaylan Harris share the draft RFP with the REAOC Board and response by the Board will be sent to Gaylan Harris within two weeks; Doug Storm seconded. Motion carried.*

**X. Adjournment**

*A motion was made by Rebecca Guider and seconded by John Iagjian to adjourn the meeting at 12:47 PM. Motion carried.*