



MINUTES
REAO Board of Directors' Meeting
OCERS Hearing Room
2223 Wellington Avenue, Santa Ana
Wednesday, January 13, 2016
9:30 AM

I. Called to Order at 9:33 AM by REAO Co-President, Doug Storm

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

Absent: Tom Beckett, Jan Grimes

II. Approval of Minutes

A. November 2015 Regular Board meeting

A motion was made by Linda Robinson and seconded by Sara Ruckle Harms to approve the November 17, 2015 Board meeting minutes as written. Motion carried.

B. December 2015 Annual Business meeting

A motion was made by Rebecca Guider and seconded by Sara Ruckle Harms to approve the December 2, 2015 Annual Business meeting minutes as written. Motion carried.

III. Treasurer's Reports

A. Approve Monthly Operating Report for the month of November 2015.

Bill Castro presented the November 2015 Monthly Operating Report.

Motion made by Sara Ruckle Harms and seconded by Linda Robinson to approve the Monthly Operating Report for November 2015. Motion carried.

B. Approve Monthly Operating Report for the month of December 2015.

Motion made by Sara Ruckle Harms and seconded by Rebecca Guider to approve the Monthly Operating Report for December 2015. Motion carried.

C. Approve Quarterly Operating Report ending December 31, 2015.

Motion made by Rebecca Guider and seconded by Linda Robinson to approve the Quarterly Operating Report ending December 31, 2015. Motion carried.

IV. Website Update

No new updates for the website. Ilene Bárcenas will post the holiday photos on the website sometime this month.

V. Meeting Reports

A. OCERS

In advance of the REAOC Board meeting, Sara Ruckle Harms sent a summary of the OCERS December 14, 2015 meeting. David Ball was elected to be the Vice-Chair for the calendar year 2016. Roger Hilton was advanced from the Vice-Chair position to the position of the Chair for 2016. The launching of the V3 portal was discussed. Time was spent on sharing with the Board the complexity of the OCERS plan. The year to date earnings are 1.53%. Sara Ruckle Harms discussed the reappointment of Lindholm to the OCERS Board. A discussion ensued regarding our relationship with the Board of Supervisors and how we can impact, if at all, decisions that are made. Rebecca Guider stated that it may be beneficial to draft a letter to the Board of Supervisors to describe our role as the representatives of the retirees and the importance of having a relationship with them.

Action Item: Rebecca Guider was selected to draft the letter to the Board of Supervisors.

B. CRCEA

CRCEA had a down period over the holidays. Lou Scarpino did not attend the last meeting. He is trying to get a strategy of how we can continue to work with CRCEA to better both organizations. The new CRCEA Board members have been very active.

VI. Committee Reports

A. Membership

In advance of the meeting, the membership report was sent to the REAOC Board. John Iagjian reported that the membership numbers increased significantly in December in part to the Pacific Group Agencies open enrollment. In 2015, we had more deaths than any other year since we have been tracking this data. John Iagjian would still like to have an assistant to make the calls to the people who attend the pre-retirement seminar to remind them of the opportunity to join REAOC. Rebecca Guider said that she would be willing to contact some of the pre-retirees from the sign-up sheet to share the benefits of becoming a member of REAOC. Tom Sacco asked how REAOC reaches out to the members to see what is important to them. We discussed the plans that we have discussed to have surveys sent to members to improve our luncheons, insurance offerings, etc.

B. Board Watch

We still need volunteers on the committee to listen to the Board of Supervisors' meetings. During the past two months, there have been no items pertaining to retirees. Linda Robinson reported that there is a new contractor for the Employee Benefits call center.

Action Item: Ilene Bárcenas will post the need for the Board Watch committee members.

C. Legislation

Lou Scarpino reported that 77 initiatives have been cleared to gather signatures. Only three have made it to the ballot thus far. About a third of the initiatives are related to marijuana; another is related to the minimum wage; and another initiative is to increase the number of legislators.

New bills will be introduced through February 19 and Lou Scarpino will then provide his legislative matrix. As this is the second year of the two-year session, January 31 is the deadline for each house to pass bills introduced in each house in 2015. In advance of the meeting, Lou Scarpino provided a summary of the Governor's proposed budget. He then outlined the main points of the proposed budget. The Governor believes that the budget is in great shape. More money is going towards education than in the past; minimum wages have increased; Medi-Cal monies are also increased.

Expenditures overall are up \$6 billion. The Rainy Day Fund will be increased to have a total accumulated balance of \$8.0 billion. Long term finance plans have been put in place for the total pension portion of the total \$220 outstanding liabilities for both pension and health benefits. One Union so far has bought into the Governor's proposed solution to revert health care benefits funding using pre-pay vs. pay as you go.

Luncheon

A. Draft a "luncheon committee" for 2016

We still need to have a committee to develop plans for future luncheons. We also need to develop a survey to determine what our luncheon attendees would like us to deliver to them at the luncheons.

Action Item: Sara Ruckle Harms will contact Marian Luster to see if she would be available to lead this committee.

B. Mile Square menus/vegetarian options

We discussed the new process of choosing a vegetarian meal. Mile Square Park has several options for the vegetarian meal. The Board decided to choose one option for each luncheon rather than to give the attendee several options to choose from.

Action Item: Ilene Bárcenas will contact Mile Square Park to arrange for the vegetarian meal schedule for 2016.

C. January luncheon

Jan Edwards program of “Mindfulness” – an ancient approach to living – will be presented at the January luncheon. The person who will present is Amy Harper. She would like to bring a ten-minute video that she will show before she speaks. We would need to rent a projector. We are worried about our attendees being able to see/hear a video presentation; audio/visuals are difficult for this audience. After a discussion, a decision was made to not have a video presentation.

Action Item: Sara Ruckle Harms will contact Jan Edwards to discuss the speaker’s needs and explain that we do not want a video.

VII. The Informer

Linda Robinson shared an editorial written by Rusty Kennedy that can be used for our next Informer. She will send a copy to all the Board. Robin Mattocks shared the articles that are planned for the March Informer. We still are considering a Facebook page for REAOC. We will also give people the link for the Holiday Luncheon pictures.

Action Item: Ilene Bárcenas will monitor San Diego County’s Facebook page to obtain ideas for a potential future page for Orange County. She will also send Robin Mattocks the link to the holiday pictures.

Sara Ruckle Harms will also obtain another article from the author of the Route 66 piece.

Robin Mattocks will also write an article about the Mindfulness presentation.

VIII. Presidents’ Message

A. Litigation Update

Nothing new regarding the litigation.

B. Health Insurance Issues

Linda Robinson discussed her conversations with Mitch Tevlin regarding the Health Grant. He worked on the methodology to determine how the County determined the 1.5% increase. Based upon his discovery, it appears that we will need to meet with the County and try to determine if they utilized the correct numbers.

Gaylan Harris is continuing the efforts to obtain a consultant to assist with health insurance issues. He has had several discussions with AON/Hewitt to determine if they would be able to assist us with upcoming meetings with County Employee Benefits. Issues we may discuss with the County may include:

The changes in enrollment during the open enrollment period and how retirees have moved between available plans. Updating the retiree claims and revenues for the County managed health plans. Review particularly high cost claims and changes being recommended by the County to address future costs. The method the County used to calculate the grant COLA for 2016. Any changes made to employee health plans in the recent OCEA agreement. Any updates the County can provide on the Affordable Care Act such as the postponement of the Cadillac tax for County health plan participants. Any other changes in the (ACA) that will or could possibly lead to changes in plans available to retirees in 2017 or subsequently.

Action Item: Doug Storm stated that he and Gaylan Harris will try to contact Robert Cinco in Newport Beach to see if we can get names of potential consultants to assist REAOC.

C. Orange County Park Passes

Current active employees can use their ids and enter county parks free. One of our retirees has asked if retired County employees could also have this benefit. As retirees do not have active identification from the County, we would not be able to use this benefit. We also cannot negotiate for this benefit as actives do. Seniors can buy passes for \$50 a year.

D. Other

The upper floors of the OCERS building are being leased so we will need to move out of the office that we are currently utilizing. Suzanne Jenicke will obtain a place within their mail room. We will have our own locked, secured area to store our files. REAOC will purchase files to keep our materials.

Motion made by Sara Ruckle Harms to continue with the discussion with OCERS to have our file room moved to the new area, and authorize Doug Storm to purchase new file furniture as needed; motion seconded by Larry Leaman; motion carried.

Richard Vogl, a former County Commissioner made a suggestion through an e-mail that we publish our financial records on a regular basis. Another attendee at the luncheon asked for the same information. Linda Robinson and Doug Storm have not yet contacted him to discuss this; Michael Brown has stated that he does not believe this is legally required for a 501C(7). We could post on our website the results of our professional audit. Currently any member may review our financial records if they come to our REAOC Board meeting.

Action Item: Bill Castro will write an article regarding the audit and this will be done on an annual basis.

Health Care Conference – no one has yet signed up for this conference that will be held on February 18th and 19th. Rebecca Guider stated that she would be willing to attend.

Motion made by Sara Ruckle Harms to authorize up to two Board members to attend this conference with all reasonable expenses paid; motion seconded by Sara Ruckle Harms. Motion carried.

There is a live webcast “Retirement on the Rocks” that was shared by Sara Ruckle Harms. Many interesting topics are planned on being discussed. This will be held on January 21, 2016 (9:00 am until 12:30). RSVP required.

Action Item: Sara Ruckle Harms will arrange for a luncheon date to meet with Frank Eley to discuss the Retirement Board opening that will be made available by the departure of Tom Beckett.

A motion was made by Doug Storm and seconded by Linda Robinson to authorize sending Larry Leaman and Lou Scarpino to the PRJ conference with all reasonable expenses paid; motion carried.

IX. Executive Session called at 1:22 PM

X. Executive Session adjourned at 1:52

XI. Adjournment

A motion was made by Sara Ruckle Harms and seconded by Larry Leaman to adjourn the meeting at 1:53 PM. Motion carried.