



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

**I. Called to Order at 9:31 AM by REAO Co-President Linda Robinson**

Present: Doug Storm, Linda Robinson, Bill Castro, Larry Leaman, Tom Beckett, Gaylan Harris, Rebecca Guider, Sara Ruckle Harms and John Iagjian. Also in attendance are Frank Eley, Steve Delany (for a portion of the meeting), Robin Mattocks, Lou Scarpino and Ilene Bárcenas, Office Manager. There is a quorum.

Absent: Jan Grimes

**II. OCERS Presentation**

Steve Delaney shared his write-up of the June 22, 2016 OCERS Board meeting. He discussed the issue of the TCA Excluded Workers. On the agenda for July 18, 2016, they will be discussing the September 14-15 Strategic Planning Workshop that will be held at the Hyatt near the airport. He also summarized the main agenda items for the July meeting.

There is no update on the security issue; they did sign the contract with Mandiant. Mandiant will complete a forensic study to determine if OCERS was actually hacked.

Focus group – there is still a plan to have a focus group with members of the REAO Board and OCERS Board. A suggestion was made to have OCERS bring laptops to assist the luncheon attendees sign up for “MyOCERS” at the September luncheon.

Steve Delaney discussed the return of REAO to the OCERS Board meeting to provide an update regarding what REAO accomplished in the last six months. He suggests that the November OCERS Board meeting would be a good date. At the September REAO luncheon, we may be able to set up a focus group with some of the attendees who can make suggestions regarding MyOCERS. He also discussed OCERS membership in NASRA (National Association of State Retirement Administrators). He committed to sharing research contact and papers with REAO.

**III. Approval of Regular Minutes from June 8, 2016**

*A motion was made by Sara Ruckle Harms and seconded by Rebecca Guider to approve the June 8, 2016 REAO Board meeting minutes as written. Motion carried.*

**IV. Treasurer's Reports**

A. Operating Report for June 2016

Bill Castro presented the Operating Report for the month of June 2016.

*Motion made by Sara Ruckle Harms and seconded by Rebecca Guider to approve the Monthly Operating Report for June 2016. Motion carried.*

B. Quarterly Report quarter ending 6-30-2016

Bill Castro presented the Quarterly Report for the quarter ending June 30, 2016.

Sara Ruckle Harms met with Anita Johnson to present the idea as a consultant regarding the succession planning and assist in energizing the current Board. She will be meeting with her again next week. A scope of work will need to be written so that we are clear what we need as a Board. We will need to ask her to develop specific roles and responsibilities of the Board members, recommendations on being more efficient when conducting the REAOC Board meetings, quantify the time commitment as a Board member and defining our core business.

*Motion made by Sara Ruckle Harms and seconded by Gaylan Harris to approve the Monthly Operating Report for Quarterly Report as of June 2016. Motion carried.*

Robin Mattocks stated that it would be helpful to have an article written for the Informer to explain more about the pension systems and the issues about defined benefits with pressure from initiatives like the Reed Initiative. She offered to put an outline together for the experts on the Board to fill in.

**V. Website Update**

Ilene Bárcenas stated that we need to updated the “Top Trending” area of the website. Robin Mattocks suggested advertising for the Council on Aging fundraiser. Linda Robinson stated that we could advertise about the upcoming Health Fair. Doug Storm asked that we update membership numbers. There was also a discussion regarding our ability to use the internet when we are at our Board meetings.

**VI. Meeting Reports**

A. OCERS

In advance of the meeting, Sara Ruckle Harms sent a summary of the June OCERS Board meeting. She stated that a lot of time was spent on the discussion of fiduciary insurance. Even after hours of discussion, there was no solution and this topic will again be on the July OCERS Board meeting agenda. Tom Beckett stated that they discussed the actuarial valuation (an electronic copy was sent to all REAOC Board members). The final actuarial report will be approved at the July OCERS Board meeting.

## B. CRCEA

There will be a meeting next Wednesday and Lou Scarpino will attend that meeting. He discussed the CRCEA Intercom that was sent to all of the Board. He would like to send to Virginia Adams articles regarding the NCPERS and PRJ events that he attended. Mike Sloan said he went to Hotel.com and found rates of \$149 for the Embassy Suites in Walnut Creek for the fall conference.

Lou Scarpino also discussed the issue regarding NCPERS conferences and being more involved in NCPERS. He is also interested in the research advisory board committee for NCPERS and he was recruited for this committee. He sent an e-mail to the REAOC Board regarding the purpose and benefit of being involved with NCPERS. Linda Robinson asked about the outcome of the involvement that our attendance would have. Lou Scarpino stated that we would get major networking that we do not currently have available. His suggestion is that it would be valuable to the REAOC Board to attend the annual conference and maybe to send at least two of our Board members. Linda Robinson asked Lou Scarpino to get and provide a roster of current advisory board members and who they represent. A suggestion was made to have a meeting of a smaller number of Board members to discuss the issues related to Lou Scarpino's paper and the advantages of working with NCPERS and the advisory committee. Lou Scarpino also talked about the identity protection that is provided by Kathy Vance of Identity Guard and her request to work with REAOC and CRCEA. Doug Storm stated that Pacific Group Agencies has two plans – a gold and a silver. REAOC will discuss this with Stephen Pettee. He will be attending a future meeting of the REAOC Board.

*Action Items: Sara Ruckle Harms, Linda Robinson, Doug Storm, Frank Eley and Lou Scarpino will be on this NCPERS committee and will identify a time to meet.*

*Lou Scarpino will find out more information about the advisory board, who is on it and who it represents to evaluate how it can be of use to REAOC.*

## VII. Committee Reports

### A. Membership

In advance of the meeting, the membership report was sent to the REAOC Board and the report was presented by John Iagjian. The numbers are up a little bit. Summertime is slow for new retirees. Seminar groups for pre-retirees are steady at about 20 attendees.

### B. Board Watch

Linda Robinson reported that the budget hearing meetings were held in June; the 2<sup>nd</sup> meeting was a closed session meeting; the last meeting the Board did not discuss any specific topics related to retirees.

### C. Scholarships

Ilene Bárcenas reported that she noticed that one of our scholarship winners, Mara Hughes, was also granted a scholarship by the Retired Employees of San Diego County.

#### D. Legislation

In advance of the meeting, Lou Scarpino distributed the legislative report update. AB700 is moving along; this bill will modify the political reform act (commonly known as the California Discloser Act). AB1853 is also moving but does not affect OCERS. Nothing in the way of pensions in the initiatives. NCPERS believes the HR711, the bill that would repeal the Windfall Elimination Provision, will probably not pass.

### VIII. Luncheon

The September luncheon will be held on September 28, 2016

Sara Ruckle Harms once again contacted Bill Hoffman, owner of Bill Huffy Tours, and he is available for a presentation. He can do a 15 minute to a 45-minute presentation; his tours are local in Southern California. He will bring his own audio vision equipment.

*Action Item: Sara Ruckle Harms will contact Bill Hoffman and let him know that we would like to have a 30-minute presentation.*

Bryan Green with Edward Jones also contacted REAOC and would like to make a presentation regarding deferred compensation, insurance benefits, etc. As he is just one of many investment counselors and REAOC could be held responsible, this is not something we would be interested in.

*Action Item: Ilene Bárcenas will contact Bryan Green and let him know that we are not interested in pursuing this idea of a presentation to our retirees.*

### IX. The Informer

The deadline for the articles for the September Informer is August 3, 2016. Jan Grimes submitted her article regarding the scholarships, Lou Scarpino has also submitted two articles, Bill Castro sent an article regarding the audit, Ilene Bárcenas will provide a CRCEA conference article.

Robin Mattocks said she has an acquaintance that is the CEO of a non-profit organization, Hope Center for the Arts, that provides entertainment. The entertainers are disabled adults. She is going to see the entertainment soon and will let us know if they would be an appropriate entertainment for our December luncheon.

### X. Presidents' Message

A. Litigation Update

A class action lawsuit regarding medical benefits was held in federal court per Jerry Tellas from Contra Costa County. We will get a copy of the settlement benefit once it is available.

B. Health Insurance Issues

Linda Robinson, Doug Storm, Sara Ruckle Harms, and Gaylan Harris met with Employee Benefits on June 10<sup>th</sup>. Mercer also attended this meeting. Linda Robinson believes that we will see an increase in the costs of health insurance. The next meeting will be on August 3<sup>rd</sup> which is the day after the BOS receives the ASR.

The Blue Shield coordination issue was discussed at the meeting. We still don't know if this is a technical glitch or what may be the issue. United Health Care is exiting Arizona and California and they are not interested in participating in the Affordable Care Act.

C. OCEA Health Fair

OCEA Health Fair will be held on September 13<sup>th</sup> from 10-1:30. Volunteers will need to be in attendance by 9:00 AM. Linda Robinson, Doug Storm, John Iagjian and Sara Ruckle Harms volunteered to attend the health fair.

*A motion was made by Sara Ruckle Harms and seconded by Linda Robinson to authorize the purchase of up to \$300 for giveaways that will include the purchase of two gift cards in the amount of \$50. Motion carried.*

The September REAOC meeting will be changed to September 21, 2016 due to many activities during the normal week of the meeting.

*Action Item: Ilene Bárcenas will contact OCERS to obtain the hearing room.*

D. Frank Eley has been on Deferred Compensation Advisory Committee for many years. The meetings are held quarterly.

*Sara Ruckle Harms moved that Frank Eley be REAOC's member on the Deferred Compensation Advisory Committee, seconded by Linda Robinson. Motion carried.*

E. Hemet Luncheon

Sara Ruckle Harms and Frank Eley represented the REAOC Board at the Hemet Luncheon in June. The attendees all enjoyed the luncheon and the decorations.

F. REAOC Brochure

Ilene Bárcenas sent the brochure to Steve Pettee to follow-up with his offer to print brochures for REAOC. Michael Brown reviewed the wording and changed one line. Stephen Pettee was evacuated during the fires in his area so was not able to work on the project. Greg Margulies has been assigned to work on the brochure. The cost will be approximately \$.60 per copy. This is a bit more expensive as it has a colored background, legal size and a tri-fold.

*Sara Ruckle Harms made a motion to authorize the printing of the tri-fold with the colored background and to print the detailed stand-alone information (once it is updated) regarding Pacific Group Agencies insurance information (the costs will be paid by Pacific Group Agencies); seconded by Linda Robinson. Motion carried.*

G. Other

Frank Eley explained the 2% world going forward as is being stated by economists.

**XI. Executive Session called at 1:24 PM**

**XII. Executive Session adjourned at 1:55**

The REAOC Board discussed the open position on the OCERS Retirement Board. Frank Eley will need to pull papers to run for the OCERS on 8-1-16 and will then need to obtain 25 signatures on a petition. To our knowledge, no other retiree is going to run for this open position. REAOC will support the nomination of Frank Eley to the OCERS Retirement Board representing retirees.

**XIII. Adjournment**

*A motion was made Doug Storm and seconded by Larry Leaman to adjourn the meeting at 1:55 PM. Motion carried.*