



MINUTES
REAO Board of Directors' Meeting
OCERS Hearing Room
2223 Wellington Avenue, Santa Ana
Wednesday, June 8, 2016
9:30 AM

I. Called to Order at 9:30 AM by REAO Co-President Linda Robinson

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

Absent: Doug Storm, Tom Beckett, Jan Grimes

II. OCERS Report

No report as Steve Delaney did not attend the Board meeting. Linda Robinson distributed preliminary election results that Larry Leaman made available.

III. Approval of Regular Minutes from May 11, 2016

A motion was made by Larry Leaman and seconded by Rebecca Guider to approve the May 11, 2016 REAO Board meeting minutes as written. Motion carried.

IV. Treasurer's Report for May 2016

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

Motion made by Gaylan Harris and seconded by Rebecca Guider to approve the Monthly Operating Report for May 2016. Motion carried.

V. Website Update

Ilene Bárcenas asked for suggestions to post on the hot topics part of the web site. She would also like to post information regarding Elder Abuse that was published by the OC Office on Aging and the County Welfare Directors' Association. Rebecca Guider stated that there is an Elder Abuse Awareness Day that we may wish to highlight and consider having a speaker for a future luncheon related to this topic.

Action Item: Ilene Bárcenas will post this information on the REAO website as well as create and distribute an e-mail related to the topics. Rebecca Guider will also write an article related to the Elder Abuse Awareness for the next Informer.

VI. Meeting Reports

A. OCERS

Rebecca Guider attended the regular meeting on May 16, 2016 of the OCERS Board. There were two training sessions during the meeting that covered the Brown Act and Conflict of Interest. Rebecca Guider has copies of the handouts to share with the REAOC Board. OCERS has a \$12.6 billion portfolio at the current time per Frank Eley. The OCERS Board is discussing with Mr. Miller the possibility of closing out some (but by no means all) hedge fund accounts; the private equity and real estate investments are very strong. OCERS is in the process of hiring a new management team; Wilshire and PCA was suggested by some members of the OCERS Board but now realize that they must do an RFP process.

Larry Leaman attended the Plan Sponsors meeting on May 18, 2016. He sent an e-mail summary on May 19, 2016 of the meeting to the REAOC Board.

At the last REAOC Board meeting, Steve Delaney and the REAOC Board talked about creating a Focus Group to determine how to best serve retirees. The purpose of this focus group would be to reach those retirees who fall into the gap as they do not use e-mail and/or Internet to be able to use the REAOC website. There are many resources in the community and there is an infrastructure that currently exists. We can still reach out through the Informer and at our luncheons. This topic will be discussed at the July meeting.

B. CRCEA

Both Lou Scarpino and Skip Murphy attended the NCPERS Conference. Skip broke away to chair CRCEA meeting on the last day of the Conference. The fall conference, sponsored by Contra Costa County, will be October 17 – 19 in Walnut Creek (at the Embassy Suites). They will have John Chiang and Paul Angelo as speakers; they will also have an age-well, drive smart segment. Ventura County will host the Spring 2017 conference.

A motion was made by Sara Ruckle Harms and seconded by Rebecca Guider to approve the attendance at the next CRCEA Conference for up to six AREOC/REAOC Board members and Ilene Bárcenas. Motion carried.

Lou Scarpino discussed his attendance at the NCPERS Conference. He provided our Board a detailed (22 pages) accounting of the conference. Lou Scarpino suggests that we, either through AREOC or REAOC, have him participate on one of the research advisory boards within NCPERS. He believes that there are many opportunities to get involved in NCPERS in order to provide greater protection and service to our constituency. REAOC/AREOC must be able to measure the value of this involvement.

Action Items: The REAOC Board is asking Lou Scarpino to determine the costs of participating in the NCPERS activities so that we can consider this in our budget. He will also determine the direct benefits for our retirees by increasing our participation in NCPERS.

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 continuing to rise. The pre-retirement seminars are still having approximately 25 attendees.

B. Board Watch

We have had two BOS meetings since our last REAOC Board meeting; no retiree impact items were discussed. In June, the BOS will hold the budget meetings.

C. Scholarships

All of the scholarship checks were distributed to the four awardees. We received a thank-you letter from Andrew Schneider (our retiree), grandfather of Mara Hughes.

D. Legislation

Lou Scarpino reported briefly on the Governor's May budget revision and also augmented his minimal report at the meeting with additional information in this paragraph. He noted that the May Revise uses a \$1.9 billion shortfall in projected FY 15-16 revenue. That, combined with the longer than average recovery, the tapering off and expiration of Prop 30 revenues at the end of FY 18-19 -- three years hence, and progressively higher negative budget projections up to \$4 billion in 2019-20, all dictate the need for recession planning for the inevitable economic downturn. Because of this, and though an extension of Prop 30 will be put to the voters, Governor Brown continues to pitch austerity and no new ongoing obligations. Nevertheless, the current growing economy allows a General fund budget increase proposed from \$115.6 billion to \$122.2 billion for the FY 2016-2017 Budget that must be passed by June 15, 2016. The May Revise also continues to increase the Budget Stabilization and Prop 2 Rainy Day Fund Reserves from \$3.4 to \$6.7 Billion - 54% of its constitutional target for this year.

In advance of the meeting, Lou Scarpino distributed the legislative report update. On June 6, 2016 committee meetings resume. AB 2376, backed by CRCEA, has moved to the Senate. This bill would authorize the alternate retired member to vote as a member of the Board of Retirement under certain circumstances.

HR 711 – is the WEP legislation that is carried every year to eliminate the Windfall Elimination Provision, a perpetual goal. NCPERS is conducting a webinar on June 21.

VIII. Luncheon

September luncheon

- A. Entertainment ideas – Don Droz provides estate planning seminars; Sara Ruckle Harms has a contact with local tours (Hoffy Tours) that are not very expensive. We discussed the possibility of developing our own tours if the Hoffy Tour company would be willing to assist REAOC in this endeavor.

Action Item: Sara Ruckle Harms will contact Hoffy Tours to see if they would be willing to speak at our September luncheon.

We still plan on providing the survey to the attendees at the December luncheon.

IX. The Informer

The deadline for the articles for the September Informer is August 3, 2016. Jan Grimes submitted her article regarding the scholarships. Robin Mattocks will provide an article regarding the upcoming CRCEA conference. Ilene Bárcenas will provide a summary of the last CRCEA conference. Lou Scarpino will provide a short summary of the PRJ Pension Seminar and a separate article on the NCPERS conference. We are still soliciting new volunteers for the Board Watch Committee. Sara Ruckle Harms will work on a zip-code article.

X. Presidents' Message

- A. Litigation Update

Still no word from the Ninth Circuit. The Vallejo Police Officers' Association amicus brief was filed.

- B. Health Insurance Issues

This coming Friday, Linda Robinson, Rebecca Guider, Gaylan Harris and Sara Ruckle Harms will meet with the County regarding the health insurance issues. Sara Ruckle Harms discovered that Health Net is providing a silver-sneakers like program for \$12.00 a month. A fitness component of the health plans will be discussed at this meeting.

Medical plan consultant – Linda Robinson was able to talk with Barbara Voelkel (who retired from the County of Orange Employee Benefits and is a REAOC member) and she may be willing to be involved with REAOC after September. Sara Ruckle Harms will also be meeting with Anita Johnston and will discuss the health insurance issues.

Lou Scarpino discussed meeting with a vendor at the NCPERS conference regarding an identity insurance.

Action Item: Ilene Bárcenas will contact Steve Pettee to determine if he would be able to provide identity insurance.

Ilene Bárcenas will also follow up with name tags for the Board (magnetic) as well as organizational pins.

C. REAOC Brochure

Action Item: Ilene Bárcenas will send the brochure to Steve Pettee after some minor changes are made.

D. Interviews for OCERS Board

The resumes for the open OCERS Board position are due to REAOC by June 15, 2016. We will hold the interviews for the open OCERS Board position at the July 13, 2016 REAOC Board meeting. We will ask the candidates why they want to be on the Board, what are their expectations as a OCERS Board member and what they will bring to the Board.

XI. Adjournment

A motion was made Rebecca Guider and seconded by John Iagjian to adjourn the meeting at 11:58 AM. Motion carried.