



MINUTES
REAO Board of Directors' Meeting
OCERS Hearing Room
2223 Wellington Avenue, Santa Ana
Wednesday, November 1, 2017
9:30 AM

I. Called to Order at 9:40 AM by REAO Co-President Linda Robinson

Present: Linda Robinson, Rebecca Guider, Gaylan Harris, Bill Castro, Larry Leaman, Frank Eley, Catherine Farley and Suzanne Jenicke (for a portion of the meeting), Robin Mattocks, Lou Scarpino and Ilene Bárcenas, Executive Director. There is a quorum.

Absent: John Iagjian, Doug Storm

II. OCERS Presentation

Suzanne Jenicke reported that there are 120 retirees who still receive a hard copy check rather than the utilization of direct deposit. With the fires up North, they saw problems with those people who did not have direct deposit and were unable to timely get checks to the retirees. OCERS will notify these 120 retirees that, if there is a disruption, it is possible that they cannot get checks on time. If the mail service is out, there is nothing OCERS can do to get checks to the retirees timely.

OCERS representatives will attend the December luncheon with their computers and help retirees with questions, help with log on, etc. They will have hot spot available.

Linda Robinson and Doug Storm will attend the December 18, 2017 meeting of OCERS to present a REAO update.

Secova, the County (Renee Catanzariti, Tracey Angers, Janine Boiarsky, Barbara Gondo) and OCERS had a conference call yesterday to ensure that they would not have the same debacle as they had last year. This is the first time that Secova has processed the open enrollment as last year's Open Enrollment was handled by Xerox. Catherine Farley believes that they should not have any significant problem; they will get the test files from Secova and do a mock run against the OCERS tape. The County preferred that REAO not be on the conference call; they knew we wanted to participate. The County felt that they could have a call with REAO separately.

Linda Robinson said she is concerned as some retirees have not yet received their open enrollment packets with a closing date of November 17, 2017 coming soon, the period is very short as is. Catherine Farley said that the County stated that if a retiree does not receive their packet for open enrollment, they should call the Benefits Center.

Ilene Barcenas and Sara Ruckle Harms expressed concern about the complicated Open Enrollment packet that was sent out. There are several parts of the packet and this may cause confusion for our retirees.

The Probation Group (approximately 800+ persons) are now covered by AOCDS but their medical benefit will continue to come from the County. Retired members of Probation will not have any changes at this time. For the active employees, their medical grant monies will be sent to AOCDS.

Consent Calendar

All matters on the Consent Agenda are to be approved by one action unless a Board member requests separate action on a specific item.

Material Distributed –

Agenda for the November 2017 Board meeting
Minutes from the October 2017 Board meeting
Treasurer's Reports for August & September 2017
Membership Report as of October 31, 2017
Board Watch Summary of October 2017 meetings
Legislative Report for October 2017

A. Board Watch –

SUMMARY OF OCTOBER MEETINGS

Board meetings were held October 17 and October 31, 2017.

October 17th Board of Supervisor Meeting as reported by Jeannette Tozaki to Board Watch Committee Chair Norma Roberts

The Board Hearing lasted 3 hours and 51 minutes. During the Presentations/Introductions section, there was discussion by Supervisor Spitzer about the Canyon Fire 2. He said Orange County has better resources to fight fires than it did 10 years ago during the Santiago Fire. But, there will be other fires in the county in the future and families need to be prepared. The Supervisor encouraged families to have emergency preparedness kits and plans for contacting family members during emergencies. Residents need to register at AlertOC.com in order to be notified by home or cell phone of impending emergencies.

There were 39 speakers during the Public Comments section. Twenty-two (22) speakers addressed Discussion Item 38 "Select Dana Point Harbor Partners LLC as primary and Dana Point Partners LLC as alternate for lease, development and

management of certain portions of Dana Point Harbor.” Eleven (11) speakers talked about the homeless problem. Six others spoke on various topics.

There were no items specifically related to retirees.

NOTE: The Board also met on October 12 to ratify a proclamation of local emergency regarding the Canyon 2 fire. The meeting lasted 10 minutes.

October 31st Board of Supervisor Meeting will be monitored by Stephen Schrieber-Smith and a report will be provided to Board Watch Committee Chair Norma Roberts.

Due to the timing of the REAOC Board of Director meeting on November 1st a separate follow-up report will be emailed to all Board members when the Board Watch Report becomes available.

Recommendation: Receive and file

- B. Membership – in advance of the meeting, the REAOC membership report was distributed to all Board members.

Recommendation: Receive and file

- C. Website – Ilene Bárcenas posted regular updates to our page. Open enrollment information was added. She also posted information for Veterans who would like to tell of their experiences through the program VOICES. The Intercom from CRCEA was also posted.

Recommendation: Receive and file

- D. Luncheon – our next luncheon will be the holiday luncheon on December 6, 2017.

Recommendation: Receive and file

A motion was made by Larry Leaman and seconded by Bill Castro to move the Consent Calendar as presented. Motion carried.

Discussion Calendar

A. Approve minutes from the October 11, 2017 meeting

A motion was made by Sara Ruckle Harms and seconded by Gaylan Harris to approve the October 11, 2017 as written. Motion carried.

B. Treasurer's Reports

a. August 2017

Bill Castro presented the August 2017 REAOC Treasurer's Report.

A motion was made by Sara Ruckle Harms and seconded by Rebecca Guider to accept the August 2017 Treasurer's report as presented. Motion carried.

b. September 2017

Bill Castro presented the September 2017 REAOC Treasurer's Report.

A motion was made by Sara Ruckle Harms and seconded by Rebecca Guider to accept the September 2017 Treasurer's report as presented. Motion carried.

c. Quarterly Budget Report

Bill Castro presented the Quarterly Budget Report for the period of July – September 2017.

A motion was made by Sara Ruckle Harms and seconded by Larry Leaman to accept the July - September 2017 Quarterly Budget Report as presented. Motion carried.

d. Proposed Budget for 2018

Bill Castro shared the proposed budget for 2018.

The line item for our cell phone costs will be increased to \$1,588 for our regular monthly costs as well as a purchase for a new phone.

Sara Ruckle Harms talked about considering the lay-out and a need for a facelift for the Informer. It might be helpful to add more white space, pictures, glossy paper, etc. We will need to have a subcommittee to work on this project. Robin Mattocks stated that we would need to have Maureen Ong on this committee at some point. Sara Ruckle Harms,

Robin Mattocks, Rebecca Guider and Ilene Barcenas volunteered for this committee. It may be helpful to look at other newsletters for examples; Maureen Ong may have suggestions and examples to view. We would also need to consider costs for printing with Eddie Kist. We also discussed Cal-Kist printing and our history with them. We will also consider an electronic option of the newsletter.

The conference line item now includes the cost of travel to the conferences.

Luncheons were budgeted at \$19.50 per luncheon for 2018. Gift cards are being paid out of the line item for member promotion. The word "gifts" should be deleted from line item "decorations, Gifts, Miscellaneous".

We also discussed how to project the growth in membership. Most of the Board members would rather have a conservative projection in the growth of membership.

e. Approval of Expenditure for Hoffs Tours and Reimbursement to Sara Ruckle Harms

Sara Ruckle Harms paid the Hoffs Tour expenditures and REAOC needs to reimburse the payment she made. The tour was very popular and those who attended the tour very much enjoyed the opportunity. Lunch was at the Gamble House.

A motion was made by Rebecca Guider and seconded by Frank Eley to reimburse Sara Ruckle Harms for the entire cost of the Hoffs Tour which she paid on REAOC's behalf. Motion carried.

For future tours, we may wish to do more advertising. We could also consider having one of the Pasadena tour attendees speak at a future luncheon to share their experience. We may also wish to consider having REAOC subsidize a portion of any future tours. Hoffman has arranged for a JPL tour in the future. Sara Ruckle Harms will obtain additional information.

f. Other

Bill Castro stated that he just transferred \$25,000 to the Money Market Account. This will be shown in the next Treasurer's Report. Gaylan Harris questioned as to why we don't switch to a Money Market account for our checks rather than a regular checking account. Bill Castro will follow-up with this to see if it is feasible.

The budget will be again discussed at the January budget meeting.

C. Meeting Reports

1. OCERS

Frank Eley stated that OCERS lowered their assumption rate to 7% and lowered the amount of what OCERS believes people will be paid in the future. Only Lindholm voted against the change as he want the rate to be lowered to 6.34%. The portfolio is now at \$14.9 billion.

Frank also discussed the differences between organic growth and quantitative easing.

The market continues to go up even with all the volatility in the country. One factor is the thought is that the ACA will go away, and small business will not have to pay medical insurance, people will be able to spend more. Inflation is not going up as much as was anticipated. Real wages are going down, but big business is making much more money. People are living longer so now they are building in a generational table to assume that people will live longer. The change in the assumption rate will be effective July 2018.

2. CRCEA

Ilene Barcenas shared conference notes with the Board. Linda Robinson asked Ilene Barcenas to share the notes with Virginia Adams at CRCEA. Lou Scarpino stated that at the meeting, they discussed using an APP for future conferences so that all the handouts would be available on the APP. Quick Mobile APP was used at the NCPERS conference per Sara Ruckle Harms. The agenda and handouts were available each day. Another app is called Guide Book that was used for the UCI conference.

The presentation by Rosa Gumataotao Rios, 43rd Treasurer of the United States, was a very popular agenda topic. We discussed the significance of her words and her term as the Treasurer and what she has accomplished since leaving office.

Lou Scarpino stated that the Retirement Security Committee met a couple of times at the conference. While they reported that there is nothing specific on the horizon as far as attacks on pensions, the changing of the issues reported regarding the CalPERS pension are something to watch. The committee stated that coalition building is the way to move. We discussed the RPEA issue and how they attempted to obtain the retiree data in San Diego County. Ilene Barcenas mentioned that she received three telephone calls from retirees who were also contacted by RPEA for possible membership in that organization. CRCEA would be the appropriate level to work with RPEA rather than at a local level.

Santa Barbara will host the next conference that will take place from April 16 through the 18th, 2018 at the Fess Parker DoubleTree hotel. Hotel reservations can be made now for those who plan on attending to represent REAOC.

Action Item: Ilene Barcenas will share the conference notes with Virginia Adams and Robin Mattocks.

D. Legislative Report

In advance of the meeting, Lou Scarpino shared an updated Legislative Report. He highlighted some of the changes shown on the report. There is an initiative in circulation to reverse the primary rule changes. There are no initiatives at the current time regarding pensions. On the federal level, tax reform and health insurance remain the top issues. There are also proposals regarding 401Ks.

E. The Informer

Robin Mattocks stated we will have articles in the January Informer related to the Hoffy Tour, information about the luncheon entertainment (chorale group from Aliso Viejo High School), a CRCEA Conference summary, information on the Scholarship Project and how to apply for the scholarship, etc. The deadline for articles is November 22, 2017. Robin Mattocks and Ilene Barcenas will coordinate an article regarding the CRCEA conference and Rosa Rios' presentation. Lou Scarpino suggested having a quote in the newsletter. Robin Mattocks stated that she will come up with a quote of some kind.

F. Presidents' Message

1. Litigation Update

REAOC submitted an Amicus Brief regarding the Vallejo Police Association. We have been asked to submit a supporting letter on behalf of the Vallejo case.

Sara Ruckle Harms moved to authorize Linda to contact the law firm, Rosen Bien Galvan & Grunfeld LLP, and authorize an amicus letter of support to be written and sent to the Supreme Court; the motion was seconded by Frank Eley. Motion carried.

When the ruling comes out on the Class Action Lawsuit, we will ask our attorney, Michael Brown, to draft a message regarding the outcome to use for communication with the retirees.

2. Health Insurance Issues

On November 8, 2017 will be co-hosting the Health Planning meeting. Many of the REAOC Board will be in attendance to assist the County with the presentation to retirees.

Action Item: Ilene Barcenas will contact Mile Square Park regarding the venue to make sure all is in place. She will also contact Duane Bankey in the County Employee Benefits section to make sure they have the audio-visual equipment (laptops, overhead projectors, cords, microphones) and handouts ready and available.

At the last REAOC Directors' meeting, Gaylan Harris asked about paying insurance premiums with pre-tax dollars. At the CRCEA conference Linda Robinson talked to Skip Murphy and he stated safety has this, but he believes it would be difficult to move this to all retirees.

3. Other

Arlene Sontag passed away last week. Helen Lotos sent information to the Board regarding her services.

Sara Ruckle Harms discussed the Services for Seniors survey to determine if we wanted to share this information with our membership. The Orange County Aging Services Collaborative (OCASC) is conducting this OC Senior Living Needs Survey, as an important appraisal of the topics seniors are most concerned about as they age in Orange County. This survey will help leaders of the community understand the needs and wants of OC seniors. This survey is completely anonymous and voluntary. She verified that the surveys cannot be traced back, and any information collected would be confidential. We could still send the current survey to our members with a cover letter to explain that this is not our survey but rather a survey for all Orange County senior population.

We could talk to them and work with them for the survey that will be done in 2018. They were very open with meeting with us.

The Board stated that it would be a good idea to send this to our members with e-mail addresses. We could use their cover memo with our introduction to the survey and then add a link to the actual survey.

Ilene Barcenas discussed "My Senior Health Plan", one of our CRCEA affiliates, who made a presentation at the conference. Their mission is to give retirees the information they need regarding their healthcare choices. They would be able to meet with a retiree, compare all health care options and determine on a case-by-case basis which plan would be the most beneficial for the retiree. There is no charge to the retiree for this service.

Action Item: Ilene Barcenas will contact My Senior Health Plan and ask them to send literature to share with the Board. We will also add them to our agenda for the January REAOC Board meeting.

Sara Ruckle Harms has an acquaintance who works for a firm, Health Management Associates, that provides assistance as health care consultants. After discussion, it was decided that Sara Ruckle Harms should contact this company for additional information.

Action Item: Sara Ruckle Harms will contact Health Management Associates to obtain additional information on how they may be of assistance to REAOC.

G. Adjournment.

A motion was made Sara Ruckle Harms and seconded by Rebecca Guider to adjourn the meeting at 12:52 PM. Motion carried.