



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

I. Called to Order at 9:32 AM by REAO Co-President Linda Robinson

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

Absent: Gaylan Harris, Jan Grimes, John Iagjian

II. OCERS Presentation

Steve Delaney is attending the SACRS conference and was unable to attend the REAO Board meeting.

III. Approval of Minutes from October 12, 2016

A motion was made by Doug Storm and seconded by Larry Leaman to approve the October 12, 2016 REAO Board meeting minutes as amended. Motion carried.

Action Item: Ilene Bárcenas will ask Jan Grimes for the Executive Session minutes from the October meeting.

IV. Treasurer's Reports

A. Monthly Operating Report-October

Bill Castro shared the highlights of the October report.

Motion made by Tom Beckett and seconded by Rebecca Guider to accept the Monthly Operation report as reported. Motion carried.

B. 2017 Budget Review

Bill Castro shared the highlights of the revised draft 2017 budget.

Action Item: the budget will be discussed for any additional changes and approval at the January 2017 meeting.

C. OCEA Health Fair Increase Amount

Motion made by Bill Castro and seconded by Tom Beckett to amend the expenditure for the OCEA health fair to \$500. Motion carried.

V. Website Update

Ilene Bárcenas reported that she has updated the information about the open enrollment period for both the health plans as well as the supplemental insurance plans. A mass e-mail was also drafted and sent out to our members to reiterate the change in the medical open enrollment period and to remind them about the November 16, 2016 meeting at Mile Square Park.

Frank Kim is still not sure when the open enrollment material will be received but they will be mailed out today and tomorrow.

VI. UCI Conference

Rebecca Guider attended a breakfast lecture at UCI. Much of the lecture was related to the pharmaceutical side of the Affordable Care Act. The incentive driven structure was discussed; there are incentives at all levels within the Act. These incentives are for consumers and providers of service. Costs are reduced when it is proven that a drug works and that there is value added. Costs are driven higher as so many people take a slice out of medication costs along the way. Mega-data is a big science that is being used extensively and becomes the driver for decisions that are being made.

VII. Meeting Reports

A. OCERS

Tom Beckett reported that OCERS is in a transition period; it has new consultants, new approach, new asset allocations, a shifting out of hedge funds. At the end of September, the earnings were at 7.5%. There are approximately \$13 billion in assets in the OCERS retirement funds. The BOS are going to make some appointments to the OCERS Board and they may decide not to reappoint Tom Flannigan. Frank Eley discussed the dropping of the hedge funds; he does not recall that there was ever a vote by the Board to make this decision.

B. CRCEA

No Executive Committee meetings are planned for November and December. Ilene Bárcenas shared her minutes from the CRCEA fall conference with the REAOC Board prior to this meeting. There was discussion regarding the Marin County case and Judge Richmond. Harvey Leiderman felt the judge is legislating from the bench. The Marin case states that a retiree's vested rights are not a blank slate but rather a "reasonable"

retirement. There is an attempt to try to move the case to the California Supreme Court; CRCEA will be presenting an Amicus brief. If the CA Supreme Court does not take this case, the Marin decision will become law. This could impact current retirees' pensions related to Ventura monies and the COLA.

Another legislative threat was discussed related to when a State feels it cannot pay their pensions; the State then could cut back the pension.

George Linn, the President of RPEA, attended a part of the CRCEA Conference. Lou Scarpino also stated that CRCEA is looking at the Connecticut Teachers' Association and San Diego City's advocacy plans to see if they would be helpful for the counties.

Action Item: Ilene Bárcenas will post the minutes from the CRCEA Conference on the REAOC website. She will also post information shared by Jennifer Muir of OCEA regarding the impact of the Marin County case once this is approved by Linda Robinson and Doug Storm.

VIII. Committee Reports

A. Membership

In advance of the meeting, the membership report was sent to the REAOC Board. We saw an increase in membership but deaths were not reported until October. Our net gain after the deaths were considered is an increase of 5 members from August through October.

B. Board Watch

There were two meetings in October. The BOS approved, in concept, the issuance of short-term Taxable Pension Obligation Bonds for early Payment of County's fiscal year 2017-2018 pension obligation. In yesterday's meeting, there were no additional items.

C. Legislation

No additional report

IX. Luncheon

A. Entertainment for this December

Hi-Hopes will entertain. Floor space has been made available as they requested for their entertainers.

We will work on a cover letter to include with the survey at the luncheon and Linda Robinson and Doug Storm will explain the purpose of the survey.

Action Items: Ilene Bárcenas will update the survey as discussed at this meeting and provide sufficient copies for the December luncheon attendees. She will also bring pens for those who need them at the meeting. Linda Robinson will draft a cover letter to use with the luncheon survey.

B. Survey

The draft survey was discussed. Three additional questions will be asked. The surveys will be handed out when the luncheon attendees arrive and must be turned in before the raffles. There will be a cover letter with the survey to explain the purpose of the survey.

C. Entertainment for 2017

Linda Robinson contacted Patriots and Paws for a potential presentation at the January luncheon but has received no response. She will contact them once again.

Ilene Bárcenas received a letter from one of our members who recommended Tony Odell Rogers as an entertainer for a future luncheon.

Action Item: Ilene Bárcenas will go to his website and determine if he may be appropriate for the March luncheon.

Jan Edwards has again contacted Linda Robinson and Sara Ruckle Harms regarding a potential health fair with our regular providers and holistic health care for our members.

D. Contract with Mile Square for 2017

Action Item: Ilene Bárcenas will contact Mile Square Park to obtain a contract for 2017.

X. The Informer

Robin Mattocks stated that in working with Maureen Ong it was decided to adjust the dates for the January Informer. The due date for articles is November 23, 2016. Robin Mattocks stated she is writing an article about Walt de Vries, Rebecca Guider will write an article about the UCI conference, Lou Scarpino will write an article about the CRCEA conference, Robin Mattocks will use last year's article regarding scholarships and will update it for the next Informer. She will also write an article regarding our need for volunteers for 2017 to support us with our luncheons, identifying entertainers/speakers and having their participation which is vital to our organization. Robin Mattocks will reach out to John Iagjian to write an article for recruiting new associate members and regular members.

XI. Health Plan Open Enrollment Meeting

For the health plan meeting on November 16, 2016, Doug Storm will remind the vendors that they need to bring their own audio visual equipment. He will remind Mile Square Park that we need tables in the side room for the vendors and that we need to have water available.

REAOC will provide lunches for the vendors and REAOC Board members in attendance. Our arrival time will be approximately 9:00 AM.

XII. Presidents' Message

A. Litigation Update

Linda Robinson and Doug Storm met with Ernie Galvan and they also talked to Michael Brown during this meeting. They were in agreement to send another letter to the Court asking for a status of the appeal. There has not yet been a response to the letter to date.

B. Health Insurance Issues

The booklets are coming very soon. We should make sure that the rates listed in the booklets match the rates that were approved by the Board of Supervisors in July.

C. Other

Ilene Bárcenas sent an e-mail to Linda Robinson and Doug Storm regarding Estate Planning. This will be discussed at a later date to determine if we want to have this type of presentation.

Action Item: Ilene Bárcenas will respond to the sender of the e-mail to let her know that we are working on the calendar this year and it is full and that we will get back to her at a later date.

Sara Ruckle Harms discussed the potential of having Anita Johnson lead a workshop for succession planning. Each session would be \$500 per meeting. There was a discussion regarding what our needs are and how we could move forward to seek new volunteers for the organization. It may be helpful to consider developing vision and values and then to form a product with our mission, vision, values, bylaws, etc. It would also be helpful to have "job description" for the assignments on the Board.

Action Item: Sara Ruckle Harms will contact Anita Johnson and let her know that we would be interested in having her help us and to ask her what she needs from us.

XIII. Adjournment

A motion was made Sara Ruckle Harms and seconded by Bill Castro to adjourn the meeting at 12:07 PM. Motion carried.