



MINUTES
REAO Board of Directors' Meeting
OCERS Hearing Room
2223 Wellington Avenue, Santa Ana
Wednesday, February 11, 2015
11:30 AM

I. Called to Order at 11:00 by REAO Co-President, Linda Robinson

Present: Linda Robinson, Doug Storm, Faye Watanabe, Bill Castro, Tom Beckett, John Iagjian, Gaylan Harris, Sara Ruckle Harms, Rebecca Guider, Bob Griffith and Larry Leaman. Also in attendance are Lou Scarpino, Jan Grimes, Robin Mattocks and Ilene Bárcenas, Office Manager. There is a quorum.

Absent: None

II. Approval of Minutes

A. REAO January 14, 2015 Board meeting

A motion was made by Sara Ruckle Harms seconded by Doug Storm to approve the January 14, 2015 Board Meeting minutes as amended. Motion unanimously approved.

B. Executive Session

A motion was made by Larry Leaman; seconded by Sara Ruckle Harms to approve the minutes from the January 14, 2015 Executive Session as written. Motion carried.

III. Treasurer's Report – Operating Report for January 2015

Bill Castro presented the Monthly Operating Report for January 2015. We may consider obtaining a fourth CD for \$15 K in another month or so.

Motion made by Larry Leaman and seconded by Bob Griffith to approve the Monthly Operating Report for January 2015. Motion passed unanimously.

Action Items: Ilene Bárcenas will give Bill Castro the spreadsheet with the costs for the Correa campaign and Bill Castro will invoice AREOC and send a copy to Sara Ruckle Harms. Jan Stephenson will mail the check to REAO and it will then be deposited.

IV. Website Update

Sara Ruckle Harms and Ilene Bárcenas discussed the recent updates to the website. The pictures have been updated to include our Board as well as members at the December holiday luncheon.

Action Item: Ilene Bárcenas will send a link to the new website so that we can go live after the final comments.

V. Meeting Reports

A. OCERS

In advance of the meeting, Larry Leaman send his summary of the January 20, 2015 OCERS Board of Directors meeting. Highlights included: Mitch Tevlin's retirement was announced at this meeting; and t portfolio performance and the rate of investment for 2014 appear to be 4.92% as reported by Girard Miller, CFO. Tom Beckett reported that at the Investment Committee meeting, they did discuss new investments in the areas of minerals and energy.

CRCEA

Lou Scarpino reported that CRCEA seems to have positively changed as an organization. Skip Murphy went to the public funds conference in Arizona. He shared the train wreck papers. CRCEA seems to be looking at what is happening nationally to see how items may impact CRCEA counties. Mike Sloan as the new Vice-President has added new positive inspiration to the Board. For the San Bernardino Conference, if Amy Brown cannot provide a substantive legislative report, changes may be made. The fall 2015 conference will be hosted by San Joaquin County. There was clarification regarding the role of the Benefits Committee. A new change to the By-Laws will be sent out to the delegates (Board of Directors) of the 20 counties. This relates to utilizing modern technology. The Executive Committee is now considering joining other associations/coalition members that would be of help to CRCEA.

Action Item: Lou Scarpino will obtain share the list of local coalition members that are in San Diego County.

There is an annual public retirement seminar, sponsored by the Public Retirement Journal that is coming up. Lou Scarpino has normally attended this seminar but suggests that we send one other person. The next seminar is on February 24, 2014 and will be held in Lakewood.

A motion was made by Doug Storm that we send Lou Scarpino and Jan Grimes to the PRJ seminar; seconded by Sara Ruckle Harms. Motion carried.

Lou Scarpino discussed the Guiding Principles document he prepared by expanding the draft that AREOC had been working on (there are 27 in all) that he shared with the CRCEA Retirement Security Committee (RSC). Even though they were interested, there still has not been any action related to these principles. So, he then drafted a document with a more limited number of Guiding Principles – only 7. This draft was sent to the

RSC. Lou will report back to REAOC and AREOC what the RSC does with this document.

Anthem hacking issue has been discussed throughout CRCEA Counties. There have been some scam telephone calls trying to solicit information.

Action Item: Ilene Bárcenas will add information regarding the Anthem regarding the breach of information and provide a link to Anthem on the REAOC website.

VI. Committee Reports

A. Membership

John Iagjian discussed the report and the membership numbers are still increasing. There was a discussion about maintaining surviving spouse membership. In the past, we sent cards to the families of those who passed away. We can develop an insert to let the surviving spouses know that they can retain the supplemental benefits and remain a part of the REAOC family as surviving beneficiaries.. Sara Ruckle Harms suggested that we develop a marketing brochure to share with potential new members. We can create a committee (Sara Ruckle Harms, Ilene Bárcenas, John Iagjian, Larry Leaman, and Rebecca Guider) to develop this brochure.

Sara Ruckle Harms made a motion that we print new sympathy cards with a budget of approximately \$1,000; seconded by Linda Robinson. Motion carried.

B. Board Watch

Andrew Do was sworn in as the new 1st District Supervisor. In his speech as incoming Board Chair Todd Spitzer talked about allowing a modified pension plan that would allow newly hired employees age 60 and older to opt out of the OCERS and have a 401K type program. He is also working on a new Strategic Financial Plan for the County in view of the fact that some county general funds that were annually required to retire the county bankruptcy will apparently no longer be needed for that purpose.

C. Legislation

Lou Scarpino shared a legislative matrix that he created. He will maintain this document and make updates to share with the REAOC Board.

VII. Luncheon

Mark Petracca from UCI is not available to speak. Suggestions were made to have either Todd Spitzer or a law enforcement presentation regarding safety. It would also be good to have an OCERS representative if possible regarding the COLA and the investment issues. If Supervisor Spitzer is not available,

Action Items; Linda Robinson and Doug Storm will contact Todd Spitzer to see if he would be available to speak. Ilene Bárcenas will contact Jerry McFarland to see if he is available.
Note: Doug Storm made the McFarland contact.

VIII. The Informer

Sponsors for the Informer – A inquiry from a dog and cat hospital about buying advertising space in The Informer has been received. There is a concern about adding advertisers as it may appear to be an endorsement of the product being advertised. After a discussion, a decision was made to keep the status quo and not accept advertisers. Robin Mattocks reported that Helen Lotos has completed most of the next edition of The Informer and will be sending it to Maureen Ong

Action Item – Ilene Bárcenas will contact the dog and cat hospital and let them know that we don't use advertisers.

IX. Presidents' Message

A. Litigation Update

Linda Robinson talked with Michael Brown and he is very surprised that we still have not heard from the 9th Circuit Court of Appeal regarding the Class Action lawsuit. There are no updates regarding this.

B. Other

- Bob Thomas passed away this week. Once information is received regarding his memorial, this will be shared with the Board and posted on the website.
- At the Hemet luncheon yesterday, there were about 22 attendees. A drive will be done to try to solicit more interest. A letter will be sent to all the people who live in that area (195) to let them know about the luncheon. For new attendees at this luncheon, they will receive a complimentary lunch as is our policy for the Fountain Valley luncheon.
- Ilene Bárcenas will be on vacation for one week in April that coincides with the April REAOC Board meeting. A volunteer will be needed to take the draft minutes.
- Linda Robinson, Doug Storm, Sara Ruckle Harms and Gaylan Harris had a meeting with Employee Benefits. We were understanding that an RFI was issued regarding public exchanges. It was learned that this is not going to be done this year. A regular RFP will be sent out and we will have a seat at the table.
- Council on Aging meeting – Linda Robinson, Doug Storm, Sara Ruckle Harms, Rebecca Guider and Ilene Bárcenas attended a meeting with several members of

the Council on Aging and their HICAP program. The meeting was very productive and both sides are very interested in determining how REAOC and HICAP can work together for the benefit of our members. In this meeting, it was decided that Ilene Bárcenas would attend the “Roadmap to Medicare” meeting as well as schedule a one-on-one meeting with a HICAP representative to get a first-hand experience of what the process of working with HICAP is like. Ilene reported that the first meeting was very interesting and gave a detailed overview of the Medicare program. Ilene Bárcenas will schedule the second meeting very soon.

Action Items: Ilene Bárcenas will copy the plan summaries for comparison of the varying plan. This will be shared with the REAOC Board and our contacts at the Council on Aging.

C. Conflict of Interest Draft

Faye Watanabe drafted a Desk Guide policy regarding Conflict of Interest or Ethics policy. She also handed out a “No Conflict of Interest” Statement that could be signed by the Board. This is an example from another large, non-profit agency. There is no mandate at the present time requiring the completion of such a statement, rather it is a business decision we may want to consider. If a policy is developed, it may require an annual declaration, or we could just sign the annual statement that would be documented. At the CRCEA conference in April, we will check to see if other counties have this type of document. This will be discussed again at the May REAOC Board meeting.

D. Spitzer-Bartlett pension reform proposal

Larry Leaman created a discussion paper regarding this proposal which had been sent electronically to REAOC Board members. In Todd Spitzer’s address when he was installed at the Board Chairman in January 2015, he signaled a strategic financial planning process related to the retirement of the County bankruptcy debt and his perspective on financial priorities as stated in his electronic newsletter of January 30, 2015. The question posed by Larry is whether or not the REAOC Board wishes to suggest any such county financial planning process give strong consideration to more fully funding the county’s OCERs obligation.

Action Plan: Larry Leaman will draft a letter that we could give to Todd Spitzer related to welcoming him as the Chair and then addressing the strategic financial planning process.

X. Executive Session called at 1:54

Executive Session adjourned at 2:10

XI. Adjournment

A motion was made by Tom Beckett, seconded by Faye Watanabe, to adjourn the meeting at 2:33 PM. Motion carried.