



MINUTES
REAO Board of Directors' Meeting
OCERS Hearing Room
2223 Wellington Avenue, Santa Ana
Wednesday, May 14, 2014
9:30 AM

I. Called to Order at 9:33 AM by REAO Co-President, Doug Storm

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

Absent: Linda Robinson

II. Approval of Minutes

A. Regular minutes of April 2, 2014

A motion was made by Larry Leaman and seconded by John LaRoche to approve the April 2014 Board meeting minutes as amended. Motion carried.

B. Executive Session minutes of April 2, 2014

A motion was made by Larry Leaman and seconded by John LaRoche to approve the minutes from the April 2, 2014 Executive Session as written. Motion carried.

III. Presentation re: Medicare & the Impact of the ACA

Our guest speaker, Julie Schoen (the staff attorney from the Council on Aging), provided handouts with information regarding Medicare and the Affordable Care Act. She also presented information to the Board regarding these topics and answered several questions. The Council is part of a nationwide network of the SHIP or HICAP program. The Council provides unbiased, individualized counseling and group seminars to help Medicare recipients maximize benefits, understand health plan choices and resolve denial of services. HICAP started to avoid abuse of the elderly who are eligible for Medicare. They have over 80 volunteers and a staff of 14 who work within the community to protect those seniors who are in and out of care facilities.

IV. Treasurer's Reports

A. Review and approval of REAO March Monthly Operating Report.

Motion by John LaRoche and seconded by Tom Beckett to approve the March Operating Report as presented. Motion carried.

B. Review and approval of REAOC April Monthly Operating Report.

Motion by John LaRoche and seconded by Faye Watanabe to approve the REAOC April Monthly Operating Report as presented. Motion carried.

C. Review and approval of REAOC Quarterly Budget Statement (Jan-Mar).

Motion by Faye Watanabe and seconded by John LaRoche to approve the REAOC Quarterly Budget Report as presented. Motion carried.

D. Review and approval of Conference March Operating Report.

Motion by Faye Watanabe and seconded by Tom Beckett to approve the CRCEA Conference March Operating Report as presented. Motion carried.

E. Review and approval of Conference April Operating Report. There is a balance of \$2,400 in the conference checking account. These monies are to be transferred to the REAOC checking account if there are no outstanding expenses related to the conference.

Motion by Tom Beckett and seconded by Faye Watanabe to approve the CRCEA Conference April Operating Report as presented. Motion carried.

F. Approval of 2013 State and Federal tax forms. The forms were sent in as they were due on May 15, 2014.

Motion by John LaRoche and seconded by Sara Ruckle Harms to approve the State and Federal tax forms as sent in advance of this meeting. Motion carried.

V. Committee Reports

A. Membership

Ilene Bárcenas presented the membership report as of April 30, 2014. The membership numbers continue to increase.

B. Board Watch

Ilene Bárcenas reported that there were no topics discussed at the Board of Supervisors' meetings this past month related to retirees.

C. Scholarship

Faye Watanabe reported on the process; we only had 15 complete and eligible applications for the scholarships out of a total of 25 applications received. The

committee met twice to review and rate the applications and the OCDE also reviewed and rated the applications. Of the four scholarship winners, three have received the scholarship in the past. After discussion with Linda Robinson, Doug Storm and Ilene Bárcenas, we may need to look at changing the scholarship process. We should encourage the high school graduates who apply for the scholarship and perhaps have a minimum of two high school students recognized. Any ideas for changed are welcomed. We will add this topic to the agenda for June 2014.

Sara Ruckle Harms moved the four nominees for the scholarship awards; seconded by Tom Beckett. Motion approved.

D. Legislation

The State and County's revenues are up; the reserve rainy day funds have been doubled at the local level. The governor is proposing to pay some of the CalSTRS pension debt. The county's budget shows an increase of about 2% across the board. Lou Scarpino is monitoring the initiatives that are being proposed. One of these is related to pension reforms. AB 2128 failed to get out of committee (alternate Board member); AB 1824 (beneficiary designation sponsored by CRCEA) is still alive.

VI. Meeting Reports

A. OCERS

In advance of the meeting, Sara Ruckle Harms sent out a summary of the last OCERS Board meeting. The pension fund is at \$11.6 billion with a five-year return of 12.01% as of March 31, 2014. Tom Beckett reported on the Cash Out Assumption that was discussed at the Board meeting. There were four options discussed at the meeting and the OCERS Board approved option 2. This option would charge the employee portion of the Cash Out Assumption normal cost to the employees, based on pooled rates, where both line staff and managers would be charged the same amount. The PIMCO fund is on watch. Steve Delaney asked Linda Robinson and Doug Storm if members of the REAOC Board would be willing to meet on June 3, 2014 at noon to discuss issues at OCERS.

B. CRCEA

The CRCEA Executive Board will not be having a May meeting; the meeting will be held on the 3rd Wednesday of June in Fontana. It would be helpful for REAOC to see a copy of the CRCEA budget. Lou Scarpino led a discussion regarding the Retirement Security Committee and their proposed mission and goals that he shared in advance of the meeting. Although the list shows the vastness of goals and tasks, he understands that it is important to develop an achievable action plan from this list.

VII. Luncheon

John LaRoche shared a copy of the draft agenda for the May 28th luncheon. We will be introducing the scholarship recipients and/or their family members. We will need to make sure that we have pictures of all the scholarship recipients for publication in the September *Informer*. We will be saluting the veterans at this luncheon; this will be led by Walt de Vries. John LaRoche will contact him with a reminder of this item. Doug Storm will purchase roses for the veterans. Tim Keppler will also sing at the luncheon.

VIII. The Informer

John LaRoche distributed a listing of the deadlines for the Informer; articles are due July 30, 2014. John LaRoche will extract the highlights of the minutes from the CRCEA Conference and will share a draft for comments prior to including this in the Informer. Information about the scholarship recipients with their pictures will also be included in the September edition.

IX. Presidents' Message

A. Litigation Update

No updates.

B. CRCEA 2014 Spring Conference Wrap-up

The conference turned out extremely well. The volunteers helped making the conference a success. At the luncheon, we will provide backpacks to each of the conference volunteers.

Action Item: Ilene Bárcenas will ask June Marcott to provide a list of the volunteers. Doug Storm will bring the backpacks to the luncheon to distribute to those volunteers.

X. Executive Session called at 12:13 PM

XI. Executive Session adjourned at 1:05 PM

A motion was made in the Executive Session that “predicated on obtaining the required consent from the three individuals named in the Class Action Lawsuit, REAOC be authorized to contribute to the legal fees for the class action lawsuit”. The motion carried unanimously.

XII. Adjournment

A motion was made by Bob Griffith and seconded by Larry Leaman to adjourn the meeting at 1:09 PM. Motion carried.