



**MINUTES**  
**REAO Board of Directors' Meeting**  
**OCERS Hearing Room**  
**2223 Wellington Avenue, Santa Ana**  
**Wednesday, October 8, 2014**  
**9:30 AM**

**I. Called to Order at 9:41 AM by REAO Co-President, Linda Robinson**

Present: Linda Robinson, Doug Storm, Faye Watanabe, Tom Beckett, Bill Castro, John La Roche, Sara Ruckle Harms, Gaylan Harris and John Iagjian. Also in attendance is Lou Scarpino and Ilene Bárcenas, Office Manager. There is a quorum.

Absent: Bob Griffith, Larry Leaman

**II. Approval of Minutes September 10, 2014**

*A motion was made by Doug Storm and seconded by John La Roche to approve the September 2014 Board meeting minutes as written. Motion carried.*

**III. Treasurer's Report**

**A. Review and approve Monthly Operating Report for September 2014**

Bill Castro presented the Monthly Operating Report for September 2014.

*Motion made by John La Roche and seconded by Tom Beckett to approve the September 2014 Operating Report. Motion carried.*

**B. Review and approve Quarterly Budget Report for quarter ending Sept 30, 2014**

Bill Castro presented the Quarterly Operating Report for September 2014.

*Motion made by Doug Storm and seconded by John La Roche to approve the third quarter Quarterly 2014 Operating Report. Motion carried.*

**C. Approve proposal from Daniel Leonard for 2014 REAO Audit and Tax Preparation**

Bill Castro presented the 2014 REAO Audit & Tax Preparation proposal.

*Motion made by John La Roche and seconded by Sara Ruckle Harms to approve the proposal of \$3,500 for the 2014 REAO Audit & Tax Preparation. Motion carried.*

**D. Review and approve proposed budget for 2015**

Bill Castro presented the proposed budget for 2015. Linda Robinson stated that we may wish to consider increasing the scholarship awards. Several persons discussed the need to hire a contractor to assist us with our needs. We will discuss this topic at the next meeting.

#### **IV. OCERS Presentation IRS Changes**

David Lantzer distributed a handout of the legislation chaptered bill AB 2473 signed by the Governor on September 28, 2014. This bill would revise various provisions of CERL. OCERS wrote and sent a determination letter. In this letter, they told IRS that they should be tax deferred, government plan as an agency. They received an approval of their request but along with the approval, they received a recommendation for changes that are needed to make OCERS compliant. He also discussed AB 2074 which was chaptered on September 28, 2014. They will have to take the seven regulations that were agreed to by OCERS to IRS to the Board of Supervisors for approval. There should be no negotiation as these items must be approved to stay in compliance with IRS rules. ***These regulations are not applicable to current retirees.*** David Lantzer will provide a “red-line” version of the document he shared to point out the seven regulation changes.

#### **V. Website Update**

Sara Ruckle Harms stated that we still need photos for the new website. We will plan on taking group and individual photos at the December luncheon. Sara Ruckle Harms will try to obtain a photographer for the event. Ilene Bárcenas reported that the mass e-mails regarding news clipping have been very positively received. They will continue to be sent weekly to all REAOC members with e-mail addresses utilizing Larry Leaman’s weekly news e-mail.

#### **VI. Meeting Reports**

##### **A. OCERS**

Tom Beckett shared and led a discussion of the offsite discussion material regarding OCERS Strategic Planning. The OCERS Board adopted the alternative #3B after discussion of several options presented. Tom Beckett also attended an educational session with the advisors to the CIO and investment staff.

##### **B. CRCEA**

The last meeting was cancelled; the next Executive Meeting will be at the fall conference. The health exchange survey will be handed out at the conference. It appears that only Alameda County is using the exchanges for post-65 retirees. The Retirement Security Committee (RSC) has products that will be distributed.

## **VII. Committee Reports**

### **A. Membership**

John Iagjian reported that there was a slight decrease in membership as of the end of September. Numbers at pre-retirement seminars are going up. Ilene Bárcenas reported that the open enrollment packets for supplemental insurance will be mailed out to all retirees by OCERS approximately October 20; hopefully we will gain new members.

### **B. Board Watch**

Ilene Bárcenas reported that there were no topics discussed at the Board of Supervisors' meetings this past month related to retirees. Sara Ruckle Harms discussed the ads that are being published in the OC Register regarding political contributions being made to the Board of Supervisor members who then vote on contracts related to the contributors.

### **C. Legislation**

The governor has until October 16<sup>th</sup> to sign bills. The CRCEA sponsored AB1824 is now enrolled and signed; this gives limited benefits to newly married retirees. AB 2040 states that when someone works for the public entities, their salaries must go on a public database. Initiative process changes has been enrolled. AB 1253 (Steinburg) changes the initiative process. They have 30 more days to circulate an initiative, a 30-day public review process, can withdraw an initiative up to 130 days before it gets on the election.

## **VIII. Luncheon**

Our next luncheon is our holiday/annual business meeting luncheon on December 3, 2014. The Harbor Singers will provide the entertainment at the event; there will be no stage this year and accommodations will be made for the singers. We still have no volunteer to take the responsibilities for the luncheons. Bill Castro stated he would be willing to do the emcee part of John La Roche's duties at the luncheon. We need to have someone responsible for obtaining speakers/entertainment as well as someone who will create the agenda. Board members will seek others who may be willing to help with the duties being done by John La Roche. We will be electing officers at this meeting and having the boxes for Operation Santa Claus and Senior Santa.

## **IX. The *Informer***

The next edition is the November/December 2014; articles are due today. There will be a small article about CRCEA; he will let retirees know that Linda Robinson is the delegate and Lou Scarpino is the alternate delegate. He will also include information created by Lou Scarpino, Mike DeBord and the remaining RSC members. Helen Lotos will take over as the editor of the *Informer*. John La Roche will do the January *Informer*. He will also provide the Board the *Informer* deadlines for 2015.

## **X. Presidents' Message**

### **A. Litigation Update**

There has still been no word about the appeal. Gaylan Harris stated that he was able to contact an AON/Hewitt contact. This company is one of the top in the world related to health insurance issues. They are aware that we are looking at the issues of the exchanges and health insurance from the retirees' point of view. Gaylan Harris stated that he told them that we could be interested in engaging with them. We need to have a clearer understanding of what our issues are and how we would need a contractor to assist us.

*Action Item: Gaylan Harris will contact AON to see if they would be willing to give the REAOC Board and maybe a few of our volunteers a presentation regarding the public and private exchanges in late November/December. December 10, 2014 would be an optimal date as this is our regular REAOC meeting date. The meeting could be held at their offices.*

### **B. Other**

On November 6, 2014, there will be a two-part meeting for the presentation of the health insurance open enrollment information. Linda Robinson, Ilene Bárcenas, Sara Ruckle Harms will attend this all day meeting.

*Motion by Sara Ruckle Harms and seconded by Faye Watanabe to authorize the purchase of lunch for those workers at the open enrollment presentation. Motion carried.*

*Action Item: Ilene Bárcenas will send out the open enrollment meeting information by a mass e-mail.*

The next AREOC meeting will be canceled. When it is scheduled, we need to add two items to the agenda including a financial report and approval of the Daniel Leonard audit.

Sara Ruckle Harms talked about Proposition 45 and the truth of the proposition.

Rebecca Guider, who was unable to attend the meeting, sent an e-mail to ask if the REAOC Board wants her to follow up with the HICAP managers to discuss a partnership. The Board was in favor of this partnership. We will need REAOC Board members to assist with this effort.

Ilene Bárcenas reminded the REAOC Board that she will be on vacation from Monday, November 10 until Friday, November 15<sup>th</sup>. Faye Watanabe will take minutes for the next

meeting only recording the actions/motions. Ilene Bárcenas will put a message on the REAOC telephone and website stating that the office is closed for that dates.

**XI. Adjournment**

*A motion was made by Doug Storm and seconded by John Iagjian to adjourn the meeting at 1:05 PM. Motion carried.*