



MINUTES
REAO Board of Directors' Meeting
OCERS Hearing Room
2223 Wellington Avenue, Santa Ana
Wednesday, August 14, 2013
9:30 AM

I. Called to Order at 9:33 AM by REAO Co-President Linda Robinson

Present: Doug Storm, Linda Robinson, Bill Castro, Larry Leaman, John LaRoche, Sara Ruckle Harms, Lou Scarpino, John Iagjian and Gaylan Harris. Also present was Tom Beckett, Rebecca Guider, Jan Stephenson and Ilene Bárcenas, Office Manager. There is a quorum.

Absent: Faye Watanabe, Bob Griffith

II. Approval of Minutes

A motion was made by Sara Ruckle Harms and seconded by Larry Leaman to approve the July regular Board meeting minutes as amended. Motion carried.

III. Treasurer's Reports

A. Approval of Treasurer's Report for July

Bill Castro presented the details of the Treasurer's Report.

Motion made by Sara Ruckle Harms and seconded by Linda Robinson to approve the July 2013 Treasurer's Report. Motion carried.

B. Discussion regarding conversion of CD to MMA.

Bill Castro stated that we may wish to consider cashing out one of the CDs so that we have monies available for transfers that may be needed in the future.

Motion made by Linda Robinson and seconded by Sara Ruckle Harms to give Bill Castro the authority to cash out a CD to have monies available for transfer as needed. Motion carried.

IV. Committee Reports

A. Membership

John Iagjian reported that they had 28 people at last week's pre-retirement seminar. The membership numbers continue to rise.

Ilene Bárcenas also reported that she had a conference call with Stephen Pettee and Greg Margulies. They are preparing for the next open enrollment for the supplemental benefits. Once again they are planning to send the packets out to all retirees. They are

working with their contact at OCERS to achieve this. They will let us review the packet before it goes to print.

Action Item: Doug Storm will call Stephen Pettee to discuss this open enrollment and other topics.

Sara Ruckle Harms stated that OCEA called her regarding obtaining a listing of all our members for their upcoming open enrollment. At this time, we will not provide them with a membership listing but would be happy to review their listing and let them know if their OCEA/Delta insured is a REAOC member.

B. Board Watch

Ilene Bárcenas reported that there have been no items discussed in the last month's Board of Supervisors meetings that pertained to retirees. There have been inquiries about the 2014 rates for health care plans. Ilene Bárcenas posted the information regarding the new health plan rates on the REAOC website but there are still charts missing. Information from the ASR was used to explain the rates established.

C. Scholarship

In Faye Watanabe's absence, Ilene Bárcenas reported that the final scholarship check was found by the recipient and has since been cashed.

D. Legislation

The legislature is on summer recess; September 6 last day to amend bills on the floor; September 13 last day for each house to pass bills; and October 13 is the last day for the Governor to sign or veto the bills passed by the legislature. The next legislation session will reconvene in January 6, 2014. This first year of the current two year session has been primarily focused on PEPRA clean-up language that generally would bring code sections, in the vast amount of existing pension law, into conformance with PEPRA. The underlying premise is that PEPRA takes precedence. AB 1380 sponsored by SACRS has numerous clean-ups for PEPRA that primarily apply to active employees. SB 13 provides overriding conformance clarification of PEPRA. Regarding bills on our watch list, SB 54, that would have allowed Alameda County latitude to institute new less than PEPRA retirement formulas has been gutted and amended to unrelated subject matter. AB 382, that allows retirement boards to have closed session discussion of alternative investments (a necessary thing), is still on the senate floor and hopefully will move forward after the recess. AB 822 that would require change to amendments or pensions in charter cities to go to a statewide election, is still stalled. In an unprecedented move, eight freshman legislators have been made chairs of legislative committees which is seen as a reflection of this new dynamic. This coupled with the new open primaries, appears to begin the process of building back expertise and moderation in the California legislature, and removes the incentive to introduce ill conceived bills due to term limit constraints. PRJ's article interviewing the new chair of the pension committee, Rob Bonta, was a case in point appearing to demonstrate this new dynamic.

V. Meeting Reports

A. OCERS

In advance of the meeting, Sara Ruckle Harms sent a summary of the last OCERS Board meeting as well as the Investment meeting. Sara Ruckle Harms led a discussion regarding what took place at this meeting.

B. CRCEA

The next monthly meeting of the CRCEA Executive Committee will be next week; they are calling for agenda items. The October 21-23 conference will be sponsored by Fresno County. Five REAOC Board members and Ilene Bárcenas will attend this conference.

Linda Robinson made a motion to approve a total of six members to attend the fall CRCEA conference; motion seconded by John LaRoche. Motion carried.

Lou Scarpino stated that he is looking at the travel industry as an affiliate and as a way to obtain funds for CRCEA. It may be necessary to have a committee within CRCEA to look at the affiliate issues.

Action Item: Ilene Bárcenas will send Lou Scarpino a copy of a demand letter to take to the next CRCEA meeting for the \$1,000 seed money. Lou Scarpino will give the Board the letter as well as a copy of the hotel contract for Orange County's CRCEA conference to be held in the spring of 2014.

VI. Luncheon

John LaRoche reported that the next luncheon will be on September 25, 2013. Our speakers will be OCERS Board candidate Tom Beckett (for 5-10 minutes) and Stephen Pettee (to discuss the open enrollment). John LaRoche led a discussion of possible entertainment for future luncheons. He is also looking at booking entertainment for our holiday luncheon.

Action Item: John LaRoche will contact Stephen Pettee and ask him to attend the luncheon and make a limited presentation.

VII. The *Informer*

The next edition of the *Informer* has been reformatted to add an article regarding endorsement of Tom Beckett for the OCERS Board. We will also add an endorsement of Tom Beckett for the website along with his picture. The next *Informer* will have the "In the News" article from Helen Lotos, The Presidents Message, the article about Scholarship Recipients, Larry Leaman's article and the CRCEA Spring Conference article. John LaRoche also forwarded articles as requested to Skip Murphy for the CRCEA newsletter. Articles are due on October 9, 2013 for the next edition of the *Informer*.

VIII. Presidents' Message

A. OCERS Open Position

A discussion ensued regarding the candidates who are running for the OCERS Board. Tony Bedolla, who stated to the REAOC Board that he would not run if he was not endorsed by REAOC, has now decided to run without our endorsement. We believe he

will be endorsed by OCEA, the Firefighters Association and the Deputy Sheriff Association (AOCDS).

In our ongoing efforts to endorse Tom Beckett for the open position, we will have an article in the *Informer* and we will determine if mailers are appropriate, a phone bank, e-mails, etc.

B. Litigation Update

On the REAOC case, the county hired a former 9th circuit staff attorney. She wrote three motions that have been submitted to the court. All of the paperwork and briefs are now at the 9th Circuit. Michael Brown is hoping that we will get a hearing in the fall. In regards to the class action lawsuit – Michael is filing a brief for this lawsuit, the county will file their brief and then we will then file our response. Linda Robinson and Doug Storm have continued in the discovery process for the REAOC case and has discovered additional MOUs that had not been provided in the past. The next *Informer* will have information regarding the litigation process.

B. CRCEA 2014 Spring Conference Planning

a. Hotel Selection

Sara Ruckle Harms reported that the Costa Mesa Hilton Hotel was selected by the “Hotel Selection Committee” for the conference. This was the only hotel that would allow us to bring in food and alcohol into the hospitality suite. Our conference will be Sunday, April 6th through the 9th, 2014. The room rate will be \$159 (double occupancy) and will include two breakfasts and parking. The Hilton has agreed to waive the fees for the meeting and function room fees if we meet the food and beverage expenditure limit of \$4,000. We will guarantee 25 rooms for each night; the cut-off date is March 21st for reservations. We do have set-up fees that must be paid. The banquet rate will be \$50. Additionally the committee asked for an agreement for the attendees to be able to receive this rate for two days before and after the conference.

b. Discussion regarding committees and chairs

We will need to establish these during the special meeting.

c. Potential speakers for the conference

There was a discussion regarding the potential speakers and the topics for the conference.

d. Establish separate fund to track conference expenditures and revenues

Motion made by Doug Storm and seconded by Sara Ruckle Harms to open a checking account for CRCEA Conference. In addition, authority shall be granted to expend REAOC monies for the CRCEA Conference to the REAOC Treasurer, Bill Castro. Additionally, the bank account shall be closed when all of the expenses for the conference have been made. Motion carried.

e. Scheduling a CRCEA Conference meeting

There is a significant amount of planning that must take place for this conference. A special meeting to begin much of the planning has been scheduled for August 28, 10:00 at OCERS Hearing Room.

Action Item: Ilene Bárcenas will reserve the meeting room for that date.

C. Other

Doug Storm and Sara Ruckle Harms discussed the draft letter regarding ERRP that the County provided to REAOC for comments. There are some concerns regarding the letter that will be discussed with our attorney. Linda Robinson will share the letter with Michael Brown to obtain his comments. Ultimately the letter will be sent back to Employee Benefits for clarification.

Sara Ruckle Harms stated that the OCEA Health Fair will be October 1, 2013. The theme is “Farm to Market”; about eating healthy. We should not give out candy keeping with that theme. REAOC will again participate and have a booth. Sara Ruckle Harms, Faye Watanabe and John Iagjian will man the booth.

IX. Executive Session called at 2:03 PM

Executive Session adjourned at 2:27 PM

X. Adjournment

A motion was made by John LaRoche and seconded by Linda Robinson to adjourn the meeting at 2:28 PM. Motion carried.