



**MINUTES**  
**REAO Board of Directors' Meeting**  
**OCERS Hearing Room**  
**2223 Wellington Avenue, Santa Ana**  
**Wednesday, August 8, 2012**  
**9:30 AM**

**I. Call to Order at 9:32 AM by REAO Co-Presidents Linda Robinson and Doug Storm**

Present: Linda Robinson, Doug Storm, Bill Castro, John LaRoche, Sara Ruckle Harms, Gaylan Harris, Chuck Hulse, Faye Watanabe and John Iagjian. Also present is Lou Scarpino, Larry Leaman and Ilene Bárcenas, Office Manager. There is a quorum.

Absent: Bob Griffith

**II. Approval of Minutes from July 2012 meeting**

*A motion was made by Gaylan Harris and seconded by John LaRoche to accept the July 2012 minutes as amended. Motion carried.*

**III. Presentation from Pacific Group Agencies**

Steve Pettee, President and owner of Pacific Group Agencies, introduced himself to the Board members. He shared a copy of the supplemental benefits enrollment kit with the Board. He explained that the supplemental benefits are available to REAO members at discounted rates.

Steve Pettee also shared the proposed supplemental benefits and insurance plans update for 2013. There may be a possibility of a HMO plan with implants but he is still waiting for information from the company. A new PPO company called "Ameritas" has bid to provide PPO coverage for our members. The benefits offered by Ameritas were discussed. As the benefits are expanded, the rate premium remains the same and there are more in-network dentists, Steve Pettee advised that Pacific Group Agencies would recommend that REAO switch from the MetLife PPO plan to the Ameritas plan. When the open enrollment packets are sent to members in October, it will be clear in the enrollment information sent to members that the PPO would change from MetLife to Ameritas and the new benefit coverage. The other supplemental insurance coverage plans were also discussed.

Action Item: Doug Storm will discuss with Robert Kinsler the possibility of having OCERS send out enrollment kits to all retirees. Pacific Group Agencies would pay the costs for the mailers.

**IV. Presentation on No on Prop 32 OCEA Staff**

Corina Frank-Pentone and Tim Steed from OCEA presented information regarding the No Prop 32 campaign and the repercussions for retirees. The major area of concern is that Prop 32 makes it illegal to collect political monies through a payroll deduction. The OCEA

representatives would like to have an opportunity to speak to our members at the September luncheon.

After the speakers made their presentation, the Board had a discussion regarding whether information regarding Prop 32 should be presented to our members. The Board will read more information regarding Prop 32 – both in favor and opposed - and then an e-mail vote will be taken to determine if this information will be shared with REAOC membership.

Action Item: On August 16, 2012 Ilene Bárcenas will e-mail both Boards to determine if they would like the issue of Prop 32 to be discussed at the September luncheon. The results of this vote will be shared with the Board members. At the September REAOC Board meeting, a decision will be made as to who will share the information at the September luncheon if the majority of the Board votes to have that discussion.

## **V. Treasurer's Report**

Bill Castro presented the July 2012 Treasurer's Report.

*Motion made by Sara Ruckle Harms and seconded by Chuck Hulse to move the July 2012 Treasurer's Report. Motion carried.*

## **VI. Committee Reports**

### **A. Membership**

John Iagjian presented the Membership Report for July 2012. Membership numbers are continuing to grow for both regular and associate members.

### **B. Board Watch**

The meetings are still being monitored. Norma Roberts continues to do a great job of monitoring the important issues for the REAOC Board and our members.

### **D. Legislation**

Lou Scarpino reported that the last date for California Legislation to pass bills is August 31st. The Governor's last date to sign bills is September 30, 2012. AB 1382 has been enrolled (CRCEA bill). This bill would assist retiree organizations in their communications by mail to retirees it represents. It also allows retirees to authorize and have deducted from their warrants payments for retiree benefit programs. AB 1234 is still a few votes shy of passing but is being heard today; pension reform issues in the conference committee are still being discussed and there should be pertinent information forthcoming from the committee. HR 4646, Debt Free America Act, is still being monitored. Sara Ruckle Harms pointed out that we should be studying the proposed tax plans from both candidates in relationship to Medicare.

## **VII. Meeting Reports**

### **A. OCERS/Financial Update/Plan Sponsored Meetings**

In advance of the meeting, Sara Ruckle Harms sent out an overview of the OCERS Board meeting and the OCERS Extra newsletter. She also stated that the audited financial statement is being worked on and should be presented later this summer.

## **B. CRCEA**

Lou Scarpino reported that there is a PRJ training seminar planned for the fall to take place in Sacramento but it will be similar training that he attended earlier this year in Southern California. The second white paper is being editing and should be out later in August. The paper will be posted on the CRCEA website and will be included as an article in their next newsletter. CRCEA is looking for a secretary and a vice-president for the Board.

## **VIII. Luncheon**

The next REAOC luncheon is on September 26, 2012. The Board will need to present the nominations for the 2013 Board that will be voted on in December. There was a discussion regarding replacing Chuck Hulse as a Director of REAOC. John LaRoche also announced that he will continue on the REAOC Board for only one more year.

*Linda Robinson made a motion to nominate Larry Leaman as a Director of REAOC for 2013 to fill the position that is being vacated by Chuck Hulse; John Iagjian seconded the motion. Motion unanimously carried.*

## **IX. The Informer**

The next edition of the *Informer* is due to be mailed on September 5, 2012. There will be an article about June Marcott and her service to the Board, an article about the scholarship award winners, a solicitation for writers and speakers to assist the REAOC Communication Committee and also CRCEA conference information. The subsequent edition will be the November/December and articles will be due October 10, 2012.

There was a discussion regarding the need for chairs for the committees that were chaired by June Marcott including the Board Watch Committee and the Scholarship Committee. Norma Roberts previously agreed to chair the Board Watch Committee. Faye Watanabe volunteered to be the Chair of the Scholarship Committee.

## **X. In the News**

John LaRoche contacted Helen Lotos regarding the “In the News” articles to see if she was going to continue writing the articles. She did not respond back to John LaRoche. Sara Ruckle Harms and Ilene Bárcenas have discussed using Larry Leaman’s e-mail news updates in place of Helen Lotos articles. Larry Leaman will flag those items that are appropriate to post on the website and these articles will be used in place of the former “In the News” reports on both the website and in the newsletters.

## **XI. Presidents' Message**

### **A. Lawsuit Update**

There is still not a decision from the court re: the REAOC v County of Orange. The class action lawsuit is still moving through the process and there may be a need to re-file the case to reframe the argument and add additional information specifically related to the grant. The issues of the class action lawsuit will still be related to age discrimination, the health grant and the splitting of the pool.

**B. Other**

Linda Robinson, Doug Storm, Sara Ruckle Harms and Gaylan Harris met with the County regarding the new medical health insurance rates. Wayne Willard will be the new Employee Benefits Manager. A dialogue has been open between REAOC and the new HR manager.

**XII. Executive Session called at 1:35 PM.**

**Executive Session adjourned at 1:38 PM.**

There were no reportable items from the Executive Session.

**XIII. Adjournment**

*A motion was made by Doug Storm and seconded by John Iagjian to adjourn at 1:42 PM. Motion carried.*