



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

I. Called to Order at 9:35 AM by REAO Co-President Linda Robinson

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

Absent: None

II. Approval of Minutes from November and December 2012 meeting

A motion was made by Linda Robinson and seconded by Sara Ruckle Harms to approve the November minutes as amended. Motion carried.

Motion made by Sara Ruckle Harms and seconded by John LaRoche to approve the December minutes as amended. Motion carried.

III. Treasurer's Report

A. November & December 2012

Bill Castro presented the November 2012 Treasurer's Report.

Motion made by Linda Robinson and seconded by Sara Ruckle Harms to transfer the funds in the savings account to the checking account and close the savings account and to approve the November 2012 Treasurer's Report. Motion carried.

Bill Castro presented the December 2012 Treasurer's Report.

Motion made by Sara Ruckle Harms and seconded by Linda Robinson to approve the December 2012 Treasurer's Report. Motion carried.

B. Quarterly Operating Budget Report – 4th Quarter 2012

Bill Castro presented the 4th Quarter Budget Report.

Motion made by Linda Robinson and seconded by Sara Ruckle Harms to receive and file the 4th Quarter 2012 Operating Budget Report. Motion carried.

C. 2013 Proposed Budget

Bill Castro presented the 2013 proposed budget and led a discussion regarding this draft budget.

Sara Ruckle Harms made a motion to accept the proposed 2013 budget with a review at the June meeting, seconded by Linda Robinson. Motion carried.

IV. Committee Reports

A. Membership

John Iagjian shared the numbers from the Membership Report through the end of 2012. The numbers have continued to grow; much of the growth in the last three months is due to the open enrollment done by PGA. John Iagjian will continue to look at ways to increase membership and associate membership including possible contact with the Attorneys and Management units. John Iagjian will work with John LaRoche to write an article for the *Informer* to celebrate our membership exceeding 5,000 members.

Sara Ruckle Harms made a motion to receive and file the membership report; seconded by John LaRoche. Motion carried.

B. Board Watch

Ilene Bárcenas reported that Norma Roberts held a meeting in January with the committee and the assignments to monitor the 2013 Board of Supervisors meetings have been made. Two members of the 2012 committee have left and Norma Roberts needs to replace those members.

Action Item: Ilene Bárcenas will contact Norma Roberts to see if she will make a presentation at the January luncheon to recognize the Board Watch Committee members and to also solicit new members for the Board Watch Committee.

C. Scholarship

Ilene Bárcenas reported on the status of the scholarship application process.

Motion made by Sara Ruckle Harms to sponsor the luncheons for those who volunteer for REAOC at the January luncheon, seconded by Bob Griffith. This will include the Scholarship Committee, Board Watch committee, luncheon volunteers (Rex and Carol Lee Castellaw and Sharon Sedgwick) and Kathleen Mattivi who sends out the condolence cards. Motion carried.

Action Item: Faye Watanabe will contact her committee members and let them know that they are welcomed to the January luncheon as guests. Ilene Bárcenas will contact Norma Roberts to let her know about the invitation for her committee members. John LaRoche will let the luncheon committee know that they will be guests and will be recognized at the luncheon.

D. Legislation

At the federal level, the house is 233/200, down 9 Republicans and up 7 Democrats; there are still a couple of undecided seats; Senate 45/55, Democratic advantage. California

voters successfully changed the power structure in the last election by installing a super majority of Democrats in both houses. Nevertheless, Democrat governor Brown is successfully forcing the budget into balance and paying down the state's mountain of debt. The effort is being helped by the fact that the great recession appears to be running its course. The State budget comes out January 10, 2013. Lou Scarpino expects that it will be a balanced budget without too much angst compared to past budgets. On the Federal side, the first part of the "Fiscal Cliff" has been resolved; although not the complete solution, it does provide some relief. Tax code changes and deductions/loopholes are still on the table. On the legislative side, the first bill that is of concern regarding pension plans is SB 24 (Walters) may not get out of committee. A long haul is anticipated on the clean up legislation.

V. Meeting Reports

A. OCERS/Financial Update/Plan Sponsored Meetings

Bob Griffith stated that the newspaper today reported on the CalPERS earnings and it is less than 1%. OCERS return was 10.24% for this past year through November; Bob Griffith believes that it will stay at nearly that amount when December is included. Sara Ruckle Harms shared a copy of her notes from the December 2012 OCERS Board meeting. This handout includes an in-depth discussion of the assumption rate. There was also a significant discussion at the meeting regarding the various retiree rates. Tom Flanigan is now the Chair of the OCERS Board and Frank Eley is the Vice-Chair. The Chair of the Investment Committee has not yet been decided. Bob Griffith's term will end December 31, 2013.

There was a discussion regarding the pension statements that were incorrect for January 2013. OCERS did acknowledge the error and have posted a statement on their website (and this is posted on REAOC's website). Bob Griffith is unaware if a corrected statement will be sent to retirees.

B. CRCEA

No items to discuss related to CRCEA. PRJ Seminar will be in Lakewood at the Community Center, February

Motion made by Linda Robinson for Lou Scarpino to attend the PRJ seminar, seconded by Sara Ruckle Harms, and that the seminar be paid for from REAOC funds. Motion carried.

Motion made by Linda Robinson and seconded by Faye Watanabe to have Sara Ruckle Harms represent REAOC at the Health Care Forecast Conference at UCI in February at a cost of \$550 paid for with REAOC funds. Motion carried.

VI. Luncheon

Steve Delaney will attend the luncheon and would like to speak about OCERS. The theme for the January luncheon will be "black and white". We will honor the various REAOC volunteers at the January luncheon and their luncheons will be free. Ilene Bárcenas discussed the issue of the shortage of vegetarian lunches at the December luncheon and that

the requests for vegetarian lunches will be handled differently for future luncheons. John LaRoche signed up a new group for the March luncheon called “The Harbor Singers”. John LaRoche also received the copies of the contracts for the caterer and will sign them on behalf of REAOC. In May, the luncheon will have a luau theme and a senior group who play ukuleles for our entertainment.

Action Items: each of the committee chairs will need to plan on introducing their committee members who will be honored at the January luncheon.

VII. The *Informer*

Articles are due January 30 for the next edition of the *Informer*. Articles will include Faye Watanabe’s scholarship article, Bob Griffith’s OCERS update, John Iagjian’s membership article, John LaRoche will write an article about the CRCEA Spring Conference and Helen Lotos will do “In the News”.

VIII. Presidents' Message

Linda Robinson and Doug Storm will be meeting with Ernie Galvan on Friday, January 11, 2013 regarding the REAOC v. County of Orange lawsuit. The hearing for the class action suit was postponed and will now be held on January 28, 2013 at 10:00 am. An announcement regarding this hearing will be made at the luncheon.

Hemet luncheon was again very enjoyable. There continues to be a need for used clothing, toiletries, etc. for the 1st Presbyterian Church that houses our lunches.

We will be hosting the CRCEA conference in the spring of 2014.

IX. Adjournment

A motion was made by Linda Robinson and seconded by John LaRoche to adjourn the meeting at 1:28 PM. Motion carried.