

**REAOC
MINUTES – BOARD OF Directors’ Meeting
OCERS - 2223 Wellington Avenue, Santa Ana
Wednesday, July 14, 2010**

I. Call to Order at AM by Co-President Linda Robinson

In attendance officers and directors: Linda Robinson, Sara Ruckle Harms, June Marcott, Gaylan Harris, Chuck Hulse, Frank Madrigal, Bob Griffith, John LaRoche. There is a quorum. Also present were Lou Scarpino, John Iagjian, Nicole Macias and Ilene Bárcenas, Office Manager

II. Approval of Minutes

A motion was made by Sara Ruckle Harm and seconded by John LaRoche to accept the minutes as amended. Motion passed.

III. Treasurer’s Report

2010 REAOC Operating Fund report for June 2010 was presented and discussed by Chuck Hulse.

Sara Ruckle Harms moved the Operational Fund Report for June 2010, which was seconded by John LaRoche. The motion was unanimously approved.

Chuck Hulse presented the 2010 REAOC Operating Budget Report for the 2nd quarter as of June 2010.

A motion was made by June Marcott and seconded by John LaRoche to accept the Quarterly Operating Budget report.

Chuck Hulse also discussed the memo he sent to the REAOC Board regarding the advice from the CPA who prepared the tax returns which required no action.

He then reviewed the audit report prepared by Linda Boyd concluding that the 2009 Operating fund Monthly and Quarterly Reports were fairly stated. Although not including in her report on the Operating Fund, the Board discussed the recommendation for the Litigation Fund regarding risk inherent in handling and depositing cash receipts. One category of monies received is the cash membership. As the number of cash pay members is only 65 members and dropping each year, the risk in this category is minimal, and no change is needed. The risk related to luncheon receipts is also not material but will be addressed by a new policy. The luncheon proceeds will be counted by both Ilene Bárcenas and June Marcott (or John La Roche in June’s absence). June Marcott will receive the luncheon data reports and verify the validity of paid, comp and free lunch tickets for each of the luncheons. June Marcott will be responsible for verifying the total lunch receipts that are received and then deposited.

A motion was made by Bob Griffith and seconded by Sara Ruckle Harms to make the modifications in the cash handling procedures related to luncheons as described above, and to accept the minimal risk regarding the annual cash paying members. Motion passed.

IV. Meeting Reports

- A. OCERS – memo sent by Sara Ruckle Harms with a summary of the June 21, 2010 OCERS Board meeting was discussed by Bob Griffith. He discussed the Strategic Planning meeting for September 9, 2010 and suggested that REAOC consider having representation at this meeting. Doug Storm and Linda Robinson will prepare for this meeting and possibly make a presentation. Linda Robinson will attend the next OCERS meeting as Sara Ruckle Harms will not be available to attend. Sara Ruckle Harms also distributed a rate group document, recommended employer contribution rates document as well as the application notices for upcoming retirees.
- B. CRCEA – Lou Scarpino reported that the Push Back Campaign and getting a seat on SACRS Board of Directors is getting more discussion at CRCEA. CRCEA is now representing approximately 150,000 retirees from the 1937 counties.

V. Committee Reports

- A. Membership – presentations to the pre-retirement group continue; approximately 17-20 persons attend each of these presentations. The membership report was discussed by John Iagjian. A committee will be established to work on increasing membership. John Iagjian contacted Jeannette Tozaki and she is interested in participating in this committee. Sara Ruckle Harms stated that Mary Jones, recent SSA retiree, may also be interested.
- B. Board Watch/Volunteer Coordinator/Scholarship Applicants – June Marcott chaired a meeting in June and has scheduled Board of Supervisor meeting monitors for the remaining of the calendar year. A selection has not yet been made for the Volunteer Coordinator. There was a discussion regarding having a Board member's relative apply for scholarships.

Bob Griffith made a motion that no REAOC member who is involved in the scholarship process may have a relative apply for an scholarship, seconded by Sara Ruckle Harms. Motion passed.

- C. Legislation – – the Governor's May revise budget starts with a \$19.1 Billion deficit, an improvement over the previous \$19.9 deficit starting point. The good news is that 2011 economic indicators used for the budget are all positive. Human Services is slated to take a large reduction in funding and the Governor has stated he will not sign a budget that does not include pension reform for state workers. On the Federal side, the "pay-go" approach where added expenses must be offset by equal savings. How this plays out will be interesting. While no major actions on California State legislation occurred, Federal legislation is postured to pass banking and financial reform legislation (subsequent to the meeting - this legislation was signed by the President). The impacts on retirees will have to be determined over time as regulations are crafted and put in place. However, consumer protection elements in the legislation are expected to produce positives.

D. REAOC Website – discussion regarding the site being hacked and shut-down for a day until some technical issues were fixed and Ilene Bárcenas’ identity was verified. Ilene Bárcenas reported that feedback from REAOC members regarding the website is extremely positive.

E. By-Laws – Frank Madrigal reported on the feedback to the changes suggested by the By-Law committee that were received from Chuck Hulse in his e-mail dated May 19, 2010 as well as June Marcott’s comments. The December meeting is the only official meeting with members present and will be called the “annual business meeting”. Frank Madrigal led a discussion regarding associate membership beyond the spouse of retirees that is now allowed. The by-laws will be drafted to expand associate retirees to those who would be eligible for an OCERS pension in the future. Frank Madrigal will draft recommended changes and send out a draft of the by-laws.

VI. **September Luncheon** – the next luncheon will be on September 22, 2010. The menu has been set as has the speaker for the lunch.

VII. **The Informer** - deadline is July 28, 2010 for the next articles. Send all updates to John LaRoche.

VIII. **In the News** – no report

IX. Presidents’ Message

A. Lawsuit Update –.with the California Supreme Court

B. PPO Insurance Reserve – Gaylan Harris sent an e-mail 7-10-2010 summarizing the reserve issues.

C. Hemet Chapter – Linda Robinson and Doug Storm met with the members of the Hemet Chapter at their last luncheon.

D. Succession Planning – will have a discussion at the August meeting.

X. Adjournment

A motion was made by John LaRoche and seconded June Marcott by to adjourn the meeting of the REAOC Board at 2:00 PM. Motion carried.