



MINUTES
REAO Board of Directors' Meeting
OCERS Hearing Room
2223 Wellington Avenue, Santa Ana
Wednesday, July 18, 2012
9:30 AM

I. Call to Order at 9:30 AM by REAO Co-President Doug Storm

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

Absent: John LaRoche

II. Approval of Minutes from June 2012 meeting

A motion was made by Linda Robinson and seconded by Larry Leaman to accept the June 2012 minutes as written. Motion carried.

III. Treasurer's Report

Bill Castro presented the June 2012 Treasurer's Report and the Quarterly Treasurer's Report for the Second Quarter of 2012. A new column has been added to the report to indicate the percentage of the annual budget that has been expended to date. Bill Castro stated that we received an invoice from CRCEA for a \$.10 increase for each member for the remainder of this year and \$.10 for the following year per member.

A motion was made by Chuck Hulse and seconded by Gaylan Harris to pay the invoice received from CRCEA in the amount of \$238.90. Motion carried.

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

There was a discussion regarding the OCERS/REAO/AREOC Board "meet and greet" on July 16, 2012. Overall it was a positive meeting. The OCERS Board members were invited to future REAO luncheons so that they can meet some of the retirees we all serve.

Action Item: Ilene Bárcenas will set a reminder to have Linda Robinson and Doug Storm invite the OCERS Board to the December REAO luncheon.

IV. Committee Reports

A. Membership

John Iagjian presented the Membership Report for June 2012. As of the end of June, we have 4,890 active members and 44 associate members. John Iagjian and Dana Cardi have

been working on wording for an e-mail to send to people who have attended the seminar and have not yet joined REAOC.

B. Board Watch

There have been no updates this past month from the Board of Supervisors' meetings that would impact retirees.

D. Legislation

Lou Scarpino reported that pension reform is still being discussed. SB 1382 CRCEA bill pushing for more cooperation among retirement boards and retiree organizations is back in the Senate from the Assembly and should be going to the governor. SB 1234, retirement for the private sector, remains active. AB 2664, which has been chaptered, has a provision for county dental system option for Act 37 retirees. Initiatives – 1545, 1546 are off the table. Initiative 1541, the Insurance Commissioner review of insurance medical rates, is back and in for a signature check. HR 44, the Debt Free America Act, is still moving through the legislative process.

V. Meeting Reports

A. OCERS & Plan Sponsored meeting

Sara Ruckle Harms reported that no updates on financials were received at the meeting on July 16, 2012. Earnings through May were at 1.95%. OCERS is concentrating more on risks than capital as the current priority.

B. CRCEA

Lou Scarpino reported on an LA Times story was recently published and stated that there are huge default payments from borrowing on the 401Ks. Approximately 28% of people who have 401Ks are borrowing from their 401Ks and approximately 17% are in default on their loans. There was no CRCEA meeting this month. The second white paper being written by CRCEA is being finalized and should be published shortly.

VI. Luncheon

Our next luncheon will be on September 26, 2012. Sara Ruckle Harms contacted the Insurance Commissioner, Dave Jones, and he has a conflict and is not available to speak. Sara Ruckle Harms will try to find another speaker for the luncheon.

VII. The Informer

Our next edition is the September/October edition. Articles are due to John LaRoche by August 1, 2012.

VIII. In the News

No report was given or sent in advance of the meeting. There was a discussion about utilizing Larry Leaman's news reports on the REAOC website as Helen Lotos has not sent recent In the News reports.

IX. Presidents' Message

A. Lawsuit Update

There was a conference meeting with the judge on the 21st of May. He asked the same questions as he had before. He also had questions related to the grant. The judge stated that the decision would be available shortly although it still has not been made available.

B. Stockton Bankruptcy

Stockton has moved to take away medical benefits from retirees. A group of Stockton retirees has filed suit in U.S. Bankruptcy Court in Sacramento asking for a restraining order against the city's moves to cut their health benefits. The city informed retirees by letter that they must pay their premiums by July 30 or their medical coverage would be canceled retroactive to July 1.

C. Secretary Position

Doug Storm reported that Faye Watanabe has agreed to serve the REAOC Board in the position of secretary.

Linda Robinson made a motion to appoint Faye Watanabe as the new secretary of the REAOC Board; the motion was seconded by Sara Ruckle Harms. Motion carried unanimously.

D. Other

There was a discussion at the OCERS Board meeting regarding the initiatives in the City of San Diego. There is a general belief that the initiatives will fail.

Doug Storm discussed Fund 292 changes and the monies that are still in the fund. There has been a public information request to the county for all the background information but nothing has been received. Doug Storm stated it would be a good time to meet with Steve Danley to discuss this issue as well as rates for 2013 for retirees.

OCEA Health and Welfare Trust health fair will be October 2, 2012. This will be discussed at a future meeting.

Action Item: Doug Storm will contact Steve Danley to set up a meeting to discuss the retiree health plan rates for 2013.

X. Adjournment

A motion was made by Chuck Hulse and seconded by John Iagjian to adjourn at 11:07 AM. Motion carried.