



**MINUTES**  
**REAO Board of Directors' Meeting**  
**OCERS Hearing Room**  
**2223 Wellington Avenue, Santa Ana**  
**Wednesday, June 13, 2012**  
**9:30 AM**

**I. Call to Order at 9:32 AM by REAO Co-President Linda Robinson**

Present: Linda Robinson, Doug Storm, Bill Castro, Chuck Hulse, June Marcott, John LaRoche, Bob Griffith and Gaylan Harris. Also present is Larry Leaman and Ilene Bárcenas, Office Manager. There is a quorum.

Absent: Sara Ruckle Harms, John Iagjian

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

*A motion was made by John LaRoche and seconded by Chuck Hulse to accept the May 2012 minutes as amended. Motion carried.*

**III. Treasurer's Report**

Bill Castro presented the May 2012 Treasurer's Report.

*Motion made by Chuck Hulse and seconded by Gaylan Harris to move the May 2012 Treasurer's Report. Motion carried.*

**IV. Committee Reports**

**A. Membership**

Ilene Bárcenas presented the Membership Report for May 2012. There has been a steady increase in membership. This increase was boosted by those who retired before March 31<sup>st</sup>.

Action Item: Ilene Bárcenas will contact those who have dropped their membership in the last several months to see if they will be interested in retaining their membership in REAO at a reduced rate.

**B. Board Watch**

Norma Roberts agreed to chair the committee. June Marcott also report that Jeannette Tozaki has joined as a new member of the committee. At the Board meeting yesterday (day one of budget hearings), Norma Roberts reported that there was a discussion about the Insured Health Plans (Fund 290) and Self Insured PPO Health Plan (Fund 292). Supervisor Moorlach asked if there had been discussion about dismantling Fund 292. The HR Director, Steve Danley, said there had been some discussion about dismantling it but he would need to have more direction. This is a concern to retirees.

Action Items: Doug Storm will contact Michael Brown regarding a potential need to subpoena records related to the 292 fund.

June Marcott will contact Norma Roberts to request her attendance at the July 2012 meeting so that all of the Board members can meet her.

### **C. Scholarship Follow-up**

June Marcott reported that the scholarship luncheon went very well and the recipients of the scholarship were excellent candidates this year. There was discussion regarding press releases in community newspapers to share the information regarding the recipients with the community.

Action Item: Doug Storm volunteered to determine how the press releases may be done and where the articles could be published.

### **D. Legislation**

Lou Scarpino sent some information that was shared by Linda Robinson. She reported on Todd Spitzer winning the new seat for the Board of Supervisors. She also reported on the passage of the legislation that states that the new Board of Supervisors must take the lower pension benefit. She also discussed the San Jose and San Diego legislation that passed that relates to retiree benefits and COLAs.

Chuck Hulse also discussed the 401(k) Plans – A Train Wreck article that has been proposed. He stated that it is important that we clarify that the 401 (k) plans should not be the only plan for retirees but should be supplemented with other sources of retirement income. Chuck Hulse also reported on a pending bill, H.R. 4646. This bill, known as the "Debt Free America Act", would create a 1% transaction fee on cash, check, credit card, and transfer of stock, bonds or other financial instruments. We should watch this bill.

## **V. Meeting Reports**

### **A. OCERS**

In advance of the meeting, Sara Ruckle Harms sent a report that summarizes the last OCERS Board meeting. Bob Griffith stated that he missed last month's OCERS meeting. This coming Monday the report from the Actuary will be received. It is anticipated that the unfunded liability and the contributions will both increase. This report will be available on the OCERS website. Bob Griffith also stated that the investment number will be lowered from 7.75% and will probably settle at 7.5%. There was an election for the Safety Members. He also noted that Rich White retired from the County and he was hired by the County of Mendocino as their Retirement System Administrator. The new representatives for OCERS have been selected.

Bob Griffith reported that Steve Delaney and the OCERS Board would be happy to meet with the REAOC/AREOC Board members. Bob Griffith also stated that it would be better to make this meeting open to the public and on an OCERS Board meeting day during the lunch hour. Bob Griffith suggested that the Plan Sponsor Meeting would also be a good venue for this get together of the Boards. The next OCERS Board meeting is July 16, 2012.

Bob Griffith also stated that the County has approached OCERS to determine if they could administrate the retiree health plan. LA and San Diego retirement systems administer the health benefits for the retirees. The County would still be the administrator of the retirees' benefits. OCERS stated that they would be willing to do this depending on the details. If there would be discussions to move in this area, REAOC should have a seat at the table.

Action Item: Doug Storm will investigate the costs of providing lunch for approximately 45 persons at the July OCERS Board meeting at the "meet and greet". Bob Griffith will check with the OCERS Board to determine if the 16<sup>th</sup> of July meeting will work for that Board.

#### **VI. Luncheon**

Our next luncheon will be on September 26, 2012. Sara Ruckle Harms will again contact the Insurance Commissioner to see if he is available to speak.

Action Item: Sara Ruckle Harms will need to send a new letter to the Insurance Commissioner to see if he would be willing to attend and speak at our September luncheon.

#### **VII. The *Informer***

Our next edition is the September/October edition. There will be an article about the CRCEA conference, an article from Lou Scarpino regarding "Writers and Speakers Wanted", an article highlighting the scholarship winners with their pictures, and there will be an article regarding June Marcott's service on the REAOC Board. This article will also ask for interest in chairing the Scholarship Committee.

#### **VIII. In the News**

No report was given or sent in advance of the meeting.

#### **IX. Presidents' Message**

##### **A. Lawsuit Update**

We are waiting to hear a judgment from the May 21, 2012 hearing. The Harris decision was received and now can be posted on the web with the disclaimer that REAOC is not a party to this particular lawsuit. There were four issues that were brought up and the plaintiffs were successful in all four issues (1) whether to take judicial notice of a declaration and five Memoranda of Understanding ("MOUs"); (2) whether the district court erred in holding that the Retirees' Subsidy claim was barred by claim preclusion; (3) whether the district court erred in holding that there was no explicit authority requiring the County to provide a benefit in perpetuity; and (4) whether the district court erred in holding that the Retirees failed to exhaust their administrative remedies.) On this fourth item, we still need to obtain clarification as to the meaning of the decision. This class action suit will allow for the recovery of monies for the retirees.

Action Item: Ilene Bárcenas will post the Harris decision on the REAOC website.

**B. Other**

Linda Robinson and Doug Storm attended the Hemet luncheon/meeting this week. There were approximately 25 attendees. The attendees are still very interested in the pending lawsuits and are following them very closely. The donations for the church rummage sale were given to the church where the Hemet meeting/luncheons are held and the church very much appreciated the donations. There was also a discussion on an e-mail from a retiree association from the City/County of San Francisco.

**X. Executive Session**

Executive Session called at 11:42 AM.

Executive Session adjourned at 12:32 PM.

**XI. Adjournment**

*A motion was made by Bob Griffith and seconded by Gaylan Harris to adjourn at 12:33 PM. Motion carried.*