

MINUTES
REAOC Board of Directors' Meeting
OCERS Hearing Room
2223 Wellington Avenue, Santa Ana
Wednesday, June 8, 2011
9:30 AM

I. Call to Order at 9:35 AM by Co-Presidents Linda Robinson and Doug Storm

Present: Linda Robinson and Doug Storm (via conference call), John Iagjian, June Marcott, Sara Ruckle Harms, Chuck Hulse, Bob Griffith and John LaRoche. Also present is Bill Castro and Ilene Bárcenas, Office Manager. There is a quorum.

Absent: Gaylan Harris and Lou Scarpino.

II. Approval of Minutes from May 2011 meeting

A motion was made by June Marcott and seconded by Sara Ruckle Harms to accept the May 2011 minutes as corrected. Motion passed.

III. Treasurer's Report

A. The Treasurer's Report for May 2011

The report was presented and discussed by Chuck Hulse.

John LaRoche moved to receive and file the May 2011 Treasurer's Report. The motion was seconded by Bob Griffith. The motion was unanimously approved.

B. Financial Reviews of 2010 REAOC Operating Fund Account

Chuck Hulse also presented and discussed the Financial Reviews of the 2010 REAOC Operating Fund account as well as the REAOC Litigation Fund (closed in January 2010) that were conducted by Bill Castro in May 2011. Additionally there was a discussion regarding Bill's recommendation for a policy regarding the need for receipts for expenditures incurred by Board members.

June Marcott moved to receive and file the REAOC Operating Fund and Litigation fund audit reports. The motion was seconded by John LaRoche. The motion was unanimously approved.

A motion was made by Sara Ruckle Harms and seconded by Bob Griffith to require receipts in all cases when a claim for reimbursement is made from a REAOC Board member or a retiree acting on behalf of the REAOC Board. If receipts are not available for expenditures of \$25 or less, the Treasurer can reimburse the claimant if the expenditure is adequately described in writing. When the Treasurer is not satisfied with the written explanation for expenditures of \$25 or less, or when receipts for expenditures exceeding \$25 are not available, approval of the Board is required for reimbursement. The Treasurer will document this reimbursement policy in his response to the audit recommendation. The motion was unanimously approved.

C. Surf City Singers Payment

A brief discussion followed concerning the \$300 payment to the Academy of the Performing Arts for entertainment at the last luncheon for which a receipt has been requested but not yet received.

A motion was made Sara Ruckle Harms and seconded by June Marcott to authorize payment of \$300.00 to the Surf City Singers and the Academy of the Performing Arts. Motion passed unanimously.

D. OCMA CPA

Chuck Hulse stated that he has been in contact with the Orange County Management Association's CPA who stated in writing that he would be willing to complete a "certified audit" as well as the income tax preparation for REAOC's 2011 statements for an annual charge of \$3,500, or a "review" and tax preparation for \$2,700. Interest was expressed in obtaining such services and Chuck Hulse was asked to contact the CPA and obtain a break-out of the charges for the "audit" or "review" versus the tax preparation. This issue will be discussed at a later Board meeting.

IV. Committee Reports

A. Membership

John Iagjian distributed and discussed the membership report. He also provided a copy of the proposal for the Active Associate Membership as well as the draft application. Additional revisions were made to the two documents. The updated documents will be sent to Board members for their final review before the launch of the program.

B. Board Watch

June Marcott reported that at the Board of Supervisors' meeting yesterday, June 7, 2011, there was a discussion regarding the article in the *Register* on the subject of the benefits and salary increases for the Executive Management. Nick Berardino spoke out against the actions taken. Other actions at the meeting included the job termination of the Public Guardian, John Williams.

C. Scholarship Winners

All of the scholarship recipients and/or their family representatives attended the May REAOC luncheon and received their scholarship checks. Pictures of the recipients and their families were taken at the luncheon. The next *Informer* will include an article about the scholarship recipients including pictures taken at the luncheon.

D. Baseball Update

June Marcott reported that a total of 55 baseball tickets and 44 lunch tickets have been sold to date. June Marcott will prepare and Ilene Bárcenas will send a follow-up e-mail to our membership to attempt to sell the remaining tickets.

E. Legislation

Sara Ruckle Harms reported that AB 52 passed in the Assembly and is now in the Senate committee. This bill, among other things, will grant regulators the authority to reject rate changes that are found to be excessive, inadequate, or unfairly discriminatory. This bill allows the Insurance Commissioner specific new rights that may be of benefit to our members. Sara Ruckle Harms also reported that Blue Shield will be rolling back their premiums.

V. Meeting Reports

A. OCERS

Sara Ruckle Harms sent a summary of the May OCERS regular Board meeting in advance of the REAOC Board meeting although she did not attend the meeting. Sara Ruckle Harms did attend the May Investment Committee meeting. New videos have been made by OCERS that will be shared with new employees so that they understand the new retirement options.

B. CRCEA

No report was given as the Legislative Committee chair was not in attendance.

VI. Luncheon

Many positive comments were received by John LaRoche regarding the last luncheon. A suggestion was made to have the Surf City Singers perform at our holiday luncheon. Our next luncheon will be on September 25, 2011. Sara Ruckle Harms will extend an invitation to the Insurance Commissioner, Dave Jones, to determine if he can attend the luncheon and speak for a short time. If Mr. Jones cannot attend the meeting, a back-up plan for another speaker or entertainment will be made. Kathy from Great Western will also be speaking for about ten minutes.

VII. The Informer

The deadline for articles is August 3, 2011 for the September edition of the *Informer*. There are many articles planned. There was discussion regarding a new resource for medical transportation and sharing this information in the *Informer* and on the website. Sara Ruckle Harms, June Marcott and Ilene Bárcenas will work on this new web entry.

VIII. In the News

Helen Lotos did not attend the meeting but she reported by e-mail that she will send an updated report that will be used to update the news on the REAOC website.

IX. Presidents' Message

A. Lawsuit Update

REAOC is still waiting to obtain a date for the expedited hearing. The other class action lawsuit that is being followed by REAOC is now filing an appeal with the Ninth Circuit Court of Appeals.

B. Senior Job Fair

June Marcott sent in advance of the meeting a summary regarding recommendations regarding a Senior Job Fair which was discussed at the meeting.

A motion was made to accept Norma Robert's offer to research available job fair information and coordinate posting this information on the REAOC website. The REAOC Board will evaluate the effectiveness in six months to determine if effort should be continued. Sara moved the recommendation, seconded by Bob Griffith. Motion passed.

C. Other

Ilene Bárcenas contacted Stephen Pettee at Pacific Group Agencies who then contacted our insurance company regarding the need to have specific insurance coverage for the Hemet facility, the First Presbyterian Church. Stephen Pettee made the changes required and had the main policy fully updated with all the endorsements (changes) to include the Hemet facility coverage. A copy of the updated policy was e-mailed by Pacific Group Agencies to the church.

Linda Robinson and Doug Storm will not be able to attend the Hemet luncheon for June.

Sara Ruckle Harms discussed the business cards for AREOC. AREOC Board members will need to send the business card contact information to Ilene Bárcenas so that the cards can be finalized and ordered.

X. Executive Session

Executive Session was called into session at 10:05 AM and ended at 10:15 AM. Executive Session was once again called into session at 11:24 AM.

XI. New Director

The board discussed filling the position vacated by the resignation of Frank Madrigal.

A motion was made by Bob Griffith and seconded by John Iagjian to select Bill Castro to fill the vacant director position. Motion passed unanimously

XII. Adjournment

A motion was made by Sara Ruckle Harms and seconded by June Marcott to adjourn the meeting at 11:39 AM.