



MINUTES
REAO Board of Directors' Meeting
OCERS Hearing Room
2223 Wellington Avenue, Santa Ana
Wednesday, March 14, 2012
9:30 AM

I. Call to Order at 9:30 AM by REAO Co-President, Linda Robinson

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

Absent: June Marcott

II. Approval of Minutes from February 2012 meeting

A motion was made by Sara Ruckle Harms and seconded by John LaRoche to accept the January 2012 minutes as amended. Motion carried.

Sara Ruckle Harms spoke to Kathleen Mattivi and she is willing to Chair the Committee who will send out the condolence cards. She would like to do this alone at first and test the work load.

Action Item: Each month when a listing is received from OCERS of REAO members who have passed, Ilene Bárcenas will update the list to add addresses and provide Kathleen Mattivi with the listing of those REAO members so that a condolence card may be sent to their surviving family members.

III. Guest Speaker - Julie Wyne

Julie Wyne distributed a copy and discussed her Legislative Report that is created for OCERS. This information is posted on the OCERS website. Some of the highlights of her discussion included:

- OCERS is sponsoring a bill (AB 1519/Wieckowski) requiring specific educational requirements for retirement system board members.
- OCERS is sponsoring a group dental plan bill for retirees.
- OCERS has a tax bill that is being worked on and specific language for the bill is pending.
- Julie Wyne discussed the COLA bill that was written by Chris Norby (AB 1542) and supported by the County Board of Supervisors. This bill, if passed, would only apply for new retirees on or after January 1, 2012 not current retirees as the COLA is a vested right.
- SB1231 (Walters) regarding the star COLA; this bill would apply to all counties. This bill would provide that in regard to those supplemental cost-of-living increases,

if the retirement system is not fully funded, or if the granting of this benefit will require additional county contributions or create an unfunded liability, the board of supervisors may adopt a resolution precluding the board of retirement from granting this benefit to new members, and limiting the benefit to the amount members would be eligible to receive at the date of the resolution.

Julie Wyne also discussed the issue of Executive Sessions held during the REAOC/AREOC Board meetings as well as Roberts Rule of Law. She summarized the discussion by stating that the Boards can do what they want as they are not bound by the Brown Act or by Roberts Rule of Law.

IV. Treasurer's Report

Bill Castro presented the February 2012 Treasurer's Report.

Motion made by Sara Ruckle Harms and seconded by John LaRoche to move the February 2012 Treasurer's Report. Motion carried.

V. Committee Reports

A. Membership

John Iagjian reported on the membership data as of February 29, 2012. Our regular REAOC membership numbers have increased as have the Associate Membership. Dana Cardi attended the last presentation of the preretirement seminar and is very interested in backing up John Iagjian. She is also willing to call or e-mail people from the list of attendees to determine if they have joined REAOC or are interested in joining REAOC. From these sign up lists, Dana Cardi will create an e-mail and a contact list and send them to Ilene Bárcenas who will distribute the e-mail using the REAOC e-mail address.

B. Board Watch

The meetings continue to be monitored by the members of the committee.

C. Scholarship Committee

The meeting of the committee has been delayed but will take place the end of this month. To date, no applications have been received.

D. Legislation

Lou Scarpino reported on various pending legislation not covered by Julie Wyne's presentation. SB 1382 (Negrete McLeod) a dues deduction bill, gives authority for the Board of Retirement to recognize organizations that can have authorized deductions from the pension checks. SB1234 (DeLeon), which is being referred to as the "pension envy bill", would require eligible employers to enroll eligible employees into an employer-sponsored retirement plan or pension plan. AB52 (DeLeon/Steinberg) was stalled in committee but it has been reintroduced with a new bill number. This bill will give the Insurance Commissioner the authority to review health care rates similar to how he can review and approve auto insurance rates.

VI. Meeting Reports

A. OCERS

In advance of the meeting, Sara Ruckle Harms sent out a summary of the OCERS Board meeting. There was some positive news from the meeting regarding the rate of return for OCERS investments, the approval of the 2.5% COLA as of April 1, 2012 and the Star COLA reserve. Bob Griffith discussed the process to convert to a new system for the OCERS pension system. The conversion process will be difficult and is very complicated. The problems and gaps with the old system will be eliminated with the new system.

Action Item: Ilene Bárcenas will contact Robert Kinsler on behalf of the Board to determine if they can add a field on the reports received from OCERS regarding the deductions for dental/vision insurance deductions (for both the current system as well as the new system). It would also be good for the new system to have the ability to notify new retirees about REAOC – especially those who do not go to the pre-retirement seminar. REAOC would pick up the cost of mailing forms to those new retirees.

B. Financial Update/Plan Sponsor Meetings

None of our REAOC Board members attended these meetings.

C. CRCEA

The AdHoc Committee on retirement security has published their first paper which was shared with some members of the REAOC Board. To date, two papers have been written and another one is being developed. The first published white paper will be sent to all members of the REAOC/AREOC Boards.

Action Item: Ilene Bárcenas will send a copy of the white paper to both Boards.

Lou Scarpino and Larry Leaman attended the 22nd Annual Southern California Public Retirement seminar and distributed a summary to the Board members that highlights the issues discussed at the seminar.

Motion made by John LaRoche to send Linda Robinson, Doug Storm, Lou Scarpino, Gaylan Harris and Sara Ruckle Harms to the CRCEA conference that will be held in Visalia on April 15 through the 18th. Motion seconded by Bob Griffith. Motion carried.

There continues to be discussion regarding increased dues for CRCEA membership. There is also an issue regarding voting as a CRCEA delegate and if the voting delegate has to be in attendance or if they can send a proxy who may vote on behalf of the delegate. These issues will be discussed at the conference.

Bob Griffith moved that we authorize our delegate, Linda Robinson, to vote on CRCEA matters as she deems appropriate; motion seconded by Sara Ruckle Harms. Motion carried.

VII. Luncheon

Sara Ruckle led a discussion regarding a speaker for a future luncheon. Possible speakers include either John Chiang (State Controller) who can share information regarding retirement issues or Dave Jones (Insurance Commissioner), who can share information regarding insurance issues. After a discussion, it was decided that Dave Jones would be the most appropriate speaker for our members.

Action Item: Sara Ruckle Harms will contact Dave Jones to determine if he is available to speak at a future REAOC luncheon.

John LaRoche reported that Gary Rebensdorf from OCERS will be the guest speaker at the March luncheon. He will be addressing the “what keeps you up at night” index card items that were collected at the January luncheon. Robert Kinsler will address the Register article regarding the Stanford report. We do not have any entertainment lined up at this time for the March luncheon. John LaRoche is exploring ideas for entertainment for the May luncheon. He will contact the High School of the Performing Arts in Santa Ana to see if they have groups available to perform.

Action Item: Ilene Bárcenas will post the OCERS response to the Stanford report that was published in the Register on the REAOC website.

VIII. The Informer

The deadline for articles is March 28, 2012 (May edition). John LaRoche discussed articles for the May edition and assignments were made including having Bob Griffith write an article regarding the Star COLA.

IX. In The News

No update from Helen Lotos but Larry Leaman continues to share news with the Board members.

X. Presidents' Message

A. Lawsuit Update

Our court case was continued to April 30, 2012. Response briefs are due March 19th and Michael Brown, with the assistance of Ernie Galvan, is working on the REAOC brief. We still do not know if there will be a trial on the 30th or if this hearing will be a summary judgment. If there is a trial held on the 30th, it would not be a jury trial but just heard by the judge.

Action Item: Ilene Bárcenas will add information on the REAOC website regarding the California Lawyer magazine recognition of our attorneys.

B. Other

Operation Santa Claus (OSC) will be sponsoring a Golf Tournament on June 18, 2012. Mona Gustafson of OSC asked that we share information about the tournament and also inquired into the possibility of REAOC being a sponsor for the tournament.

John LaRoche made a motion which was seconded by Sara Ruckle Harms to place an article in the Informer to announce the OSC golf tournament. Motion carried.

Action Item: Ilene Bárcenas will notify Mona Gustafson that we do not provide monetary contributions but we are willing to will share information about the tournament in the May edition of the Informer. We will also ask for volunteers to assist with the tournament.

The County Employees Benefits will be holding seminars regarding a variety of health topics and would like to have REAOC assist them in disseminating information to the retirees who may be interested in this information.

Action Item: Sara Ruckle Harms will contact Barbara Voelkel to obtain information regarding these seminars. Ilene Bárcenas will post information on our website regarding these seminars when that information is made available.

Linda Robinson and Doug Storm attended the Hemet luncheon meeting. They reported that the attendance was good and included several members who use to attend the luncheons and once again were at this luncheon. Gift cards were given to random winners and Linda Robinson gave retirees in attendance chocolates. The Hemet church where the luncheon is held will be having a rummage sale.

Action Item: John LaRoche will add an article regarding bringing donations of clothing or small household items as well as personal hygiene items (small hotel /travel sizes) to the May lunch that can be contributed for the rummage sale. Ilene Bárcenas will add information about contributions on our website.

Ilene Bárcenas reported that she had been contacted by Stephen Pettee of Pacific Group Agencies about posting a link on our website regarding the supplemental benefits being offered by Pacific Group Agencies. Earlier this year, Stephen Pettee introduced this information at a REAOC Board meeting.

Sara Ruckle Harms made a motion that was seconded by Gaylan Harris to have the Office Manager, Ilene Bárcenas, post the link to the supplemental insurance information offered by Pacific Group Agencies on the REAOC website. Motion carried.

XI. Adjournment

A motion was made by Chuck Hulse and seconded by John Iagjian to adjourn the REAOC Board meeting at 1:08 PM. Motion carried.