



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

I. Call to Order at 9:33 AM by REAO Co-President Linda Robinson

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

Absent: Bob Griffith, John Iagjian

II. Approval of Minutes from October 2012 meeting

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

III. Treasurer's Report for October 2012

Bill Castro presented the October 2012 Treasurer's Report.

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

IV. Committee Reports

A. Membership

Ilene Bárcenas presented the Membership Report for October 2012. The membership numbers continue to increase. The impact of the mailing by PGA of the Supplemental Benefit Open Enrollment packets to all retirees has been quite significant.

B. Board Watch

The Committee has continued to monitor the Board meetings.

C. Scholarship

In advance of the meeting, the draft of the desk guide for the scholarship process was sent to the Board members. Faye Watanabe and Ilene Bárcenas shared a draft of this desk guide.

Sara Ruckle Harms made a motion to approve the revision of the Scholarship Desk guide; the motion was seconded by Faye Watanabe. Motion carried.

D. Legislation

Lou Scarpino presented an update on legislation. The outcome and the impact of the election are being monitored by Lou Scarpino. It appears that the schools will not be cut due to Proposition 30 monies. The 3-strikes law was lightened a bit which should save some dollars. Redistricting rules essentially held up so there should be no change. The 12-year term limit law that passed will allow us to develop some expertise in the State legislation. The “Fiscal Cliff” is the big issue on the federal side. There has been some talk about bailing out the States on the pension issues. AB 340 and AB 1234, related to pension reform in California, both passed. It is not clear if other than PERS retirement systems will be affected by AB 340. AB 1234, the secure choice plan for the private sector, will be studied by a group who is working on the implementation of this legislation. To implement this plan, there will be a requirement to have the results of the study and new additional legislation.

V. Meeting Reports

A. OCERS/Financial Update/Plan Sponsored Meetings

In advance of the meeting, Sara Ruckle Harms sent her summary of the OCERS regular Board meeting that was held in October. It is believed that the assumed earnings rate of return, which will be voted on at a special meeting on December 5th, will be reduced to 7.25%. The appointed Board members like the idea of this reduced rate.

B. CRCEA

At the conference, a vote was taken regarding the term limits of the officers. The increase in dues of \$.10 per member was discussed and will be implemented. There was a discussion of how these extra funds would be used by CRCEA. Some of these monies will be given to Counties that host CRCEA conferences. They will receive \$1,000 in “seed money” that will be available due to the increased dues. Also at the conference, a suggestion was made to sponsor legislation that would require counties to recognize the retiree organizations. It was not clear if this would be followed up by the CRCEA Board.

Lou Scarpino and Gaylan Harris both made presentations at the conference. Gaylan Harris’ proposal was to create a Public Retirement Relations Board (PRRB) as a single body with statewide authority charged with reviewing disputes between retirees and their sponsoring agency or the administrative entity before going to court. It may be helpful to share this information with Julie Wyne for her comments as an issue with a possible solution rather than a proposal.

Action Item: Linda Robinson will ask Julie Wyne to attend a future REAOC Board meeting so that the issue regarding a PRRB may be discussed.

Gaylan Harris discussed another lawsuit between the City of Redding and their electrical workers. In their lawsuit, they cited the REAOC v. County of Orange many times. They stated in their lawsuit that the MOU survives the life of the employees/retirees (this is a published opinion). The retirees would have the benefits for life that are in their MOU when they retire.

Lou Scarpino shared with the REAOC Board the papers that were developed regarding the Part II issues of the Train Wreck paper. He also shared these same papers with attendees at the CRCEA Conference who were very receptive regarding the materials shared.

VI. Luncheon

John LaRoche shared a draft agenda for our next luncheon that will be held on Wednesday, December 5, 2012. This meeting will be our annual business meeting and we will hold the election of officers for the REAOC Board. As Bob Griffith may not be able to attend the luncheon due to a conflict with the OCERS meeting, Chuck Hulse agreed to handle the REAOC Board election. The Surf City singers will again perform. There will be boxes for donations for Operation Santa Claus and Sr. Santa.

The theme for the January luncheon will be “black and white”. We will honor the various REAOC volunteers at the January luncheon.

Action Item: Ilene Bárcenas will send an e-mail to our members reminding them that there will be a collection for Operation Santa Claus and Sr. Santa at the December luncheon.

VII. The *Informer*

John LaRoche shared a listing of the 2013 *Informer* deadlines. He also shared the articles that will be in the January newsletter.

Action Item: Ilene Bárcenas will post the 2013 *Informer* deadlines within the Board pages of the REAOC website.

VIII. Presidents' Message

A. OCEA & Delta Dental and REAOC membership

Ilene Bárcenas stated that she continues to receive telephone calls from non-members who are receiving Delta Dental and/or VSP insurance administered by OCEA even though they are not members of REAOC. This issue has been discussed in the past and REAOC has been told that the retirees must be REAOC members to receive these benefits.

Action Item: Sara Ruckle Harms will arrange a meeting for herself, Ilene Bárcenas and Linda Robinson with Kathy and Tracie Mills at OCEA to discuss this issue.

Other

Linda Robinson discussed the issue of the \$4 million ERRP dollars with Steve Danley. He stated that the county is still discussing this and they have not yet determined what to do with these monies. He is aware that REAOC is monitoring this issue but stated that there are a couple members of the Board of Supervisors who have not yet responded to HR's request on how to utilize these funds.

The next CRCEA conference will be hosted by Los Angeles County from April 15 through April 17, 2013. The conference will be held in Long Beach at the Hotel Maya.

IX. Executive Session called at 11:52 AM

Executive Session adjourned at 12:17 PM.

X. Adjournment

A motion was made by Sara Ruckle Harms and seconded by John LaRoche to adjourn the meeting at 12:18 PM. Motion carried.