

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

I. Call to Order at 9:35 AM by Co-President Linda Robinson

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

Absent: Doug Storm

II. Approval of Minutes from October 2011 meeting

A motion was made by Sara Ruckle Harms and seconded by John LaRoche to accept the September 2011 minutes as written. Motion passed.

III. Treasurer's Report

Chuck Hulse presented the quarterly report as of September 2011, the October 2011 Treasurer's Report as well as the draft operating budget for 2012.

Motion made by Gaylan Harris to approve the \$250 spent on candy given away at the OCEA Health Fair; motion seconded by Bob Griffith. Motion carried.

Motion made by Sara Ruckle Harms and seconded by John Iagjian to approve the September and October 2011 Treasurer's Reports. Motion carried.

There was a discussion about the proposed budget for the conferences and meeting line item. It may be appropriate to budget for additional money for REAOC Board members so that they may attend the CRCEA conferences. Additionally it is important to begin planning for the spring conference in 2014 that will be hosted by Orange County. Sara Ruckle Harms volunteered to be the REAOC Board representative on a planning committee for this conference. The line item will be increased to \$9,000 which will include an additional \$1,000 for CRCEA Conference planning for the 2014 conference as well as monies for anticipated increased attendance by Board members at the 2012 conference. The extra help item will be decreased to \$8,400 and the rents & leases item will be reduced to \$900 to cover the costs of storage at OCERS. Chuck Hulse will update the draft budget and it will be discussed at the December meeting.

IV. Committee Reports

A. Membership

John Iagjian reported on the membership as of October 31, 2011. In advance of the meeting, John Iagjian sent to the Board members a copy of an e-mail that he sent to OCMA regarding solicitation of Associate Members. He will also be working with the Sheriff's Association to similarly solicit their members. Sara Ruckle Harms reported that she met with Nick Berardino at OCEA regarding sharing associate membership

information with their members. Sara Ruckle Harms suggested that John Iagjian contact the OCEA Board and share associate membership information with them.

B. Board Watch: Dark 11/1, 11/15, 11/29, 12/27

The holiday lunch for the Board Watch Committee is in early December and the committee will be scheduling all of the Board watch meeting assignments for 2012.

C. Scholarship Committee

The Scholarship Committee will be commencing shortly; Kathleen Mattivi resigned from the committee but Linda Elder agreed to be a member of the committee. The application for 2012 scholarship will be posted on the REAOC website on 1/1/12 and applications will be available at the January luncheon.

D. Legislation

The Joint Legislative Committee on Public Employee Pension Reform is holding hearings on solutions for public employee pensions. Jim Silva and Mimi Walters from Orange County are members of this commission. Part of the hearings will focus on the Governor's just released 12-point plan on public employee pensions which includes a maximum of a 75% pension for new public employees consisting of roughly equal shares of defined benefit, social security, and defined contribution plans. The State would be responsible for contributing to all three components. The proposal would allow the state to shed long term liability associated with defined benefit guaranteed pensions for all but 25% of current pensions. The proposal is dramatic and appears to be far more than is needed to bring correct public sector pension problems. The League of Cities has weighed in on the discussion by proposing series of corrections to the current retirement system including the elimination PERS allowed "air-time" purchases and other allowances generally characterized as excessive. CRCEA is in support of correcting any abuses in the public retirement systems but opposes the major use of defined contribution plans (e.g. 401(k), 457 plans). Introduced in the private sector in 1978, these plans performance are just now being analyzed, and they are not good. The plans are proving to be twice as expensive to the tax payer and employee, insufficient and unreliable as a pension solutions in the private sector, and look to be a major drag on our consumer driven economy. On the national scene, the voter reversal in Ohio that reinstates union bargaining rights is a major development that changes the overall debate dynamic in ways yet to be determined.

Meeting temporarily suspended at 10:45 AM.

Meeting resumed at 12:07 PM.

V. Meeting Reports

A. OCERS

In advance of the meeting, Sara Ruckle Harms sent out the OCERS Board's report for October 17, 2011. Bob Griffith reported that after a lengthy discussion at the OCERS Board meeting, a decision was made to continue the 7.75% assumption rate for one more

year. He also reported that a new investment counselor has been hired by OCERS. The inflation rate will remain at the current 3.5%. There will be an increase cost to the employer due to improved mortality rate.

B. Financial Update/Plan Sponsor Meetings

Sara Ruckle Harms shared the agenda for the meeting but did not attend. She will share the minutes when they are available.

C. CRCEA

The new CRCEA Ad Hoc Committee on Retirement Security has, to date, produced a work plan and two products - a White Paper and a Pension Debate Inventory consisting of a categorized inventory of organizations around the nation that have done solid studies regarding critical issues related to retirees. The white paper is entitled 401(k)'s - A Train Wreck in the Making and was debuted at the October CRCEA conference. These studies will be posted on the CRCEA website for use by all members and the twenty member county associations. Sonoma, Contra Costa and Fresno attended our Supreme Court case with their attorneys. The legal panel at the CRCEA conference shared information about our court case.

VI. Luncheon

The next luncheon and annual business meeting is scheduled for December 7, 2011. June Marcott will present information about Operation Santa Claus. Bob Griffith will lead the elections for the Board officers for 2012. The holiday singers (the Surf City Singers) will be entertaining at the meeting.

Our January luncheon will be the “super-bowl” of luncheon. Attendees will be encouraged to wear football attire reflecting their favorite NFL, college, high school teams.

John LaRoche drafted a letter to the OCERS Board of Directors inviting them to a future luncheon for 2012. A minor change will be made on the letter and then it will be sent to the OCERS Board on REAOC letterhead.

Action Item: Ilene Bárcenas will update the draft letter as discussed and will place the letter on REAOC letterhead and send it to the OCERS Board.

VII. The Informer

The next edition will be mailed on November 16th. John LaRoche distributed a copy of the deadlines for 2012. This list will also be posted on the Board page of the REAOC website. John LaRoche is also currently preparing the January newsletter.

VIII. In The News

There were not any updates made available at the meeting.

IX. Presidents' Message

A. Lawsuit Update

REAOC received a call from a writer from the California Attorney Magazine. She requested information regarding our lawsuit as she would like to write an article for her magazine. Michael Brown was asked to call her and share information for this article. Our attorneys have not yet heard from the California Supreme Court regarding an outcome of the hearing held in October; they have 90 days to respond. Many other counties are carefully following our case.

B. Senior Discounts

In advance of the meeting, Linda Robinson shared a document listing 106 stores with senior discount. John LaRoche will verify the validity of the website with SNOPEs. If the list appears to be valid, a link to the list may be post on the REAOC website.

C. 2012 REAOC Board Meeting Schedule

Meeting schedule distributed to all Board members.

D. Other

It may be a good idea to have Skip Murphy, the President of CRCEA, come and talk to the REAOC Board sometime in 2012. Sara Ruckle Harms will also see if Julie Wyne, the attorney for OCEA, can come to one of the meetings to discuss legislation.

Chuck Hulse reported that the NCPERS dues were increased to \$450.00 per year. The proposed budget for 2012 will reflect this change.

Action Item: Ilene Bárcenas will order an “Executive Session” stamp for the secretaries of REAOC and AREOC.

X. Executive Session

Executive Session called at 1:17 PM.

A motion was made by Sara Ruckle Harms and seconded by John LaRoche to adjourn the Executive Session at 1:30 PM.

Executive Session adjourned at 1:30 PM.

Linda Robinson reported that a motion was made in Executive Session by Sara Ruckle Harms and seconded by Bill Castro that the REAOC board authorizes either of the Co-president(s) to review and authorize the payment of invoices up to \$15,000 from the law firm of Michael P. Brown and forward to AREOC for payment. This motion was passed.

Also in the Executive Session there was also a discussion led by Chuck Hulse regarding transferring the reserve of the REAOC monies to AREOC. A motion was made to transfer \$25,000 before the end of the 2011 calendar year.

XI. Adjournment

A motion was made by Sara Ruckle Harms and seconded by John LaRoche to adjourn the meeting at 1:30 PM. Motion carried.