



**MINUTES**  
**REAO Board of Directors' Meeting**  
**OCERS Hearing Room**  
**2223 Wellington Avenue, Santa Ana**  
**Wednesday, October 10, 2012**  
**9:30 AM**

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

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

Absent: Doug Storm

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

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

**III. Treasurer's Report**

**A. Review monthly operating statement for September 2012**

Bill Castro presented the September 2012 Treasurer's Report.

*Motion made by Sara Ruckle Harms and seconded by Linda Robinson to approve the September 2012 Treasurer's Report with the changes of adjusting the costs for the meeting with the attorney and moving those costs to the copying costs line. Motion carried.*

**B. Review quarterly budget status for QE 9/30/2012**

Bill Castro presented the Quarterly Budget Report for the quarter ending September 30, 2012.

*Motion made by Sara Ruckle Harms and seconded by Linda Robinson to approve the Quarterly Budget Report ending September 30, 2012. The Treasurer has been asked to add a footnote regarding the monies in the CDs for future reports. Motion carried.*

**C. Review first draft of 2013 budget**

Bill Castro presented the Proposed REAO Budget for 2013. A discussion of each line item ensued. The budget will be discussed again and approved in either December after the luncheon or in January.

**D. Other**

Bill stated that he received proposals for the annual audit and tax preparation for 2013 from the same individual (Daniel J. Leonard, III) who completed the audit and tax returns last year. Mr. Leonard is proposing to complete the audit and tax returns for the same cost as in

2012. Bill Castro will forward this e-mail proposal to Linda Robinson, Doug Storm, Sara Ruckle Harms, Nicole Macias and Ilene Bárcenas.

*A motion was made by Chuck Hulse and seconded by Bob Griffith that we accept Daniel J. Leonard, III's proposal to complete the REAOC audit for 2012 and complete the tax forms. Motion carried.*

#### **IV. Committee Reports**

##### **A. Membership**

John Iagjian presented the Membership Report for September 2012. The membership numbers continue to increase. The associate membership increased by one new member for the month of September. The last pre-retirement seminar was attended by fewer people than the numbers in the earlier seminars.

Sara Ruckle Harms discussed recognizing Dana Cardi and Kathleen Mattivi who have been helping with the membership drive and writing the condolence letters. We will discuss in our next meeting having them recognized at the January meeting.

##### **B. Board Watch**

The Committee has continued to monitor the Board meetings. An additional recognition will be made for these committee members at the January luncheon.

##### **C. Scholarship**

In advance of the meeting, the draft of the desk guide for scholarships was sent to the Board members. Faye Watanabe and Ilene Bárcenas shared a draft of the new application and the informational packet. The desk guide will be updated to indicate that the application will not be sent by mail but rather just by e-mail. The documents will clarify that the reference letter must be an original. The application will be available by e-mail request or telephone call on January 2, 2013. The informational packet will also be available by e-mail request, telephone call and will be on our website on January 2, 2013. The informational packet will also be available for our members at the January luncheon.

Action Item: Ilene Bárcenas will make the final changes to the desk guide and bring the guide back for final approval at the November meeting.

##### **D. Legislation**

Lou Scarpino presented an updated on legislation. The AB 340 and AB197, pension reform bills, are the large, most urgent pieces of legislation that are being followed and analyzed. These legislative changes are very significant. Lou Scarpino stated that we really need to analyze the impact on the current employees and their future retirement. Bob Griffith stated that Julie Wyne is involved with a committee of Act 37 county lawyers to determine how the legislation will impact the Act 37 counties. A report from Julie Wyne will be made available for our information. Lou Scarpino reported that he is also watching the impact of AB 1248 City of San Diego bill which would provide coverage under the federal social security system to all employees who are not covered

under a DB plan and SB 1234 and AB 923 California Secure Choice Retirement insured savings programs.

**V. Meeting Reports**

**A. OCERS/Financial Update/Plan Sponsored Meetings**

There was no meeting so a report was not distributed in advance of the REAOC Board meeting. Bob Griffith stated that we will need to follow-up on what the closing of the system impact may mean. Bob Griffith reported 7.51% earnings from OCERS as of the end of July 31, 2012

**B. CRCEA**

Lou Scarpino reported on a new distribution policy that limits the amount of copies being disseminated. The CRCEA conference will be held this month in Modesto. Linda Robinson and Doug Storm will not be attending. At the present time, the only representatives from REAOC will be Lou Scarpino and perhaps Gaylan Harris or Sara Ruckle Harms. The White Paper II will be presented at the conference. The paper will be posted on the CRCEA website today.

**VI. Luncheon**

Our next luncheon will be on Wednesday, December 5, 2012; this meeting will be our annual business meeting and election of officers. The Surf City singers will again perform.

**VII. The *Informer***

The next edition will be the November/December edition. Articles are due today, October 10, 2012. John LaRoche stated that he talked to Helen Lotos at the last luncheon. She would like to continue to provide the “In the News” report. She will start sending the articles again. The *Informer* will be mailed the 14<sup>th</sup> of November. Larry Leaman made a suggestion to have the CRCEA article, “Public Employees Really Are Paid Less”, published in the *Informer*. If there is room in the *Informer*, the article will be included.

**VIII. Presidents' Message**

The next hearing for our lawsuit has been expedited as Linda Robinson reported at the last meeting. When the actual hearing is scheduled, we will be asking retirees to attend the hearing at the 9<sup>th</sup> Circuit Court of Appeals in Pasadena. Gaylan Harris is still working with Michael Brown on the Class Action Lawsuit. Linda Robinson attended the Hemet luncheon yesterday. She shared Julie Wyne’s information on the pension reform with the attendees.

**IX. Executive Session called at 11:50 AM**

**Executive Session adjourned at 12:22 PM.**

**X. Adjournment**

*A motion was made by Chuck Hulse and seconded by Sara Ruckle Harms to adjourn the meeting at 12: 21PM. Motion carried.*