



**MINUTES**  
**REAO Board of Directors' Meeting**  
**OCERS Hearing Room**  
**2223 Wellington Avenue, Santa Ana**  
**Wednesday, October 9, 2013**  
**9:30 AM**

**I. Called to Order at 9:44 AM by REAO Co-President Doug Storm**

Present: Doug Storm, Linda Robinson, Gaylan Harris, Bill Castro, John LaRoche, Larry Leaman, John Iagjian, Faye Watanabe and Sara Ruckle Harms. Also present was Tom Beckett, Rebecca Guider, Jan Stephenson and Ilene Bárcenas, Office Manager. There is a quorum.

Absent: Bob Griffith

**II. Approval of Minutes**

*A motion was made by John LaRoche and seconded by Linda Robinson to approve the September regular Board meeting minutes as written. Motion carried.*

*A motion was made by Sara Ruckle Harms and seconded by Linda Robinson to approve the September 25, 2013 Executive Board meeting minutes as amended. Motion carried.*

**III. Treasurer's Reports**

**A. Treasurer's Report for September**

Bill Castro presented the details of the September Treasurer's Report.

*A motion was made by Doug Storm to increase the insurance coverage for REAO Separate Liability Limits option in the approximate amount of \$200.00; seconded by John Iagjian. Motion carried.*

Action Item: Ilene Bárcenas will invite Stephen Pettee to our December or January REAO Board meeting to discuss the insurance coverage we now have and any additional insurance that we may need.

*A motion was made by Larry Leaman and seconded by Sara Ruckle Harms to approve the September 2013 Treasurer's Report. Motion carried.*

**B. Quarterly Budget Report**

Bill Castro presented the Quarterly Budget Report ending September 30, 2013.

*A motion was made by John Iagjian and seconded by Faye Watanabe to approve the third quarter Quarterly Budget Report. Motion carried.*

### **C. Draft Budget for 2014**

Bill Castro presented the draft budget for 2014 and a discussion ensued about our potential needs for 2014. The extra help budget was decreased and much of the monies were shifted to the Spring CRCEA conference.

Action Item: Gaylan Harris will talk with Skip Murphy at the Fresno CRCEA conference to discuss the San Diego County retiree study regarding the impact of the Affordable Health Care Act on the retiree insurance. Gaylan Harris will also pull the Mercer contract to verify if the amount of the contract has significantly changed.

*Motion made by John LaRoche and seconded by Sara Ruckle Harms to approve the draft Budget for 2014. Motion carried.*

## **IV. Committee Reports**

### **A. Membership**

John Iagjian reported on the latest membership numbers. Approximately 20-25 attendees attended the preretirement seminar last week. Many were interested in the Associate Membership.

Action Item: John Iagjian will talk to Robert Kinsler to identify deferred retirees who have started drawing a pension. These deferred retirees are potential REAOC members. Perhaps we can obtain listings of these retirees so that we can share REAOC membership information.

### **B. Board Watch**

Ilene Bárcenas reported that no new additional topics were heard at the Board of Supervisors' meeting other than the previously discussed appointment of David Bell on the OCERS Retirement Board.

### **C. Scholarship**

Faye Watanabe reported that the cycle will begin again in January 2014.

### **D. Legislation**

No legislative report

## **V. Meeting Reports**

### **A. OCERS**

Doug Storm and Linda Robinson attended the OCERS Strategic Planning workshop this month. The Sanitation District and OCEA spoke at the meeting. Don Drose also spoke and discussed the revote that will be taken. The newest OCERS Board member, David Bell, spoke on many topics but seemed to be off point. Several consultants also spoke at the meeting.

Larry Leaman stated that Harvey Leiderman will be making a presentation at the next OCERS Board meeting on municipal bankruptcies and their impact on pension systems. Larry Leaman asked Bob Griffith to discuss a handout regarding a "question for OCERS

Board attorney” and the opinion that unfunded liability is not legally a debt but rather an estimate of future obligation. Bob Griffith will not attend the meeting as he will be on vacation. Larry Leaman will send the handout in an e-mail and Doug Storm will share this with Michael Brown. If he agrees with the information, this could be shared with OCERS for discussion at the next OCERS Board meeting.

## **B. CRCEA**

The fall conference will be held on October 20 – 23<sup>rd</sup> in Fresno. Linda Robinson, Sara Ruckle Harms, Gaylan Harris and Ilene Bárcenas will be attending the conference.

Action Item: Ilene Bárcenas will provide Betty McCollum with a copy of the CRCEA Planning minutes and the planning calendar.

## **VI. Luncheon**

Next luncheon is scheduled for December 4, 2013 and the entertainment will be the Harbor Singers. We will be having tri-tip. There will be collection boxes for Operation Santa Claus and Sr. Santa and Friends. We will also have a business meeting with the election of officers.

## **VII. The Informer**

John LaRoche thanked all of the Board who provided the articles by the deadline date for the next edition of the *Informer*. Helen Lotos found a great article regarding pensions in the Rolling Stone Magazine that was condensed and will be used in the next edition. There will be an article regarding how we select the progressive drawing winner, an article about REAOC from Larry Leaman, candidates and change of by-laws, CRCEA fall conference information and information that Orange County will be hosting the spring conference in 2014 and asking for volunteers. There will also be other articles regarding the scholarship and open enrollment for health insurance benefits.

## **VIII. Presidents' Message**

### **A. Litigation Update**

The hearing will be held at the Ninth District Court of Appeals in Pasadena on November 4, 2013. There will be a carpool on that morning, meeting at OCERS at about 7:30 AM for those who would like to carpool.

Action Item: Ilene Bárcenas will add information regarding driving directions and parking for the hearing on the REAOC website. We will verify if cell phones are allowed in the court.

The Sacramento District Court gave a summary judgment to the County regarding a stipend that was given to retirees for their health insurance. Michael Brown sent a letter to the District Court regarding this summary stating that their decision was helpful to the REAOC case. Gaylan Harris also discussed a case that went to the California Supreme Court regarding the issue of benefits of exiting retirees and if they can be changed.

GASB symposium will be held this Friday beginning at 9:30 AM to 1:00 PM at the Westin in Costa Mesa. Plan sponsors will be attending this conference. Doug Storm will contact Lou Scarpino to see if he is planning to attend.

**B. CRCEA 2014 Spring Conference Planning**

The contract for the entertainment has been signed. Harvey Leiderman has agreed that he will speak at the conference. We will need to plan a separate meeting for the conference. The meeting will be held on October 30, 2013 at 10:00 AM at OCERS.

Action Item: Ilene Bárcenas will contact OCERS to obtain the meeting room for this meeting.

**C. OCERS Vacant Position**

Linda Robinson and Doug Storm led a discussion regarding the election for the OCERS Retirement Board position. Tom Beckett stated that the Registrar of Voters invited him to their office on the 24<sup>th</sup> of October for the results.

A final e-mail regarding the election should be sent out prior to the election deadline.

Action Item: REAOC Board members, if interested, will attend the ROV election results meeting on October 24, 2013. More information will be forthcoming regarding the time.

**IX. Adjournment**

*A motion was made by John LaRoche and seconded by Gaylan Harris to adjourn the meeting at 12:38 PM. Motion carried.*