

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

I. Call to Order at 11:45 AM by Co-Presidents Linda Robinson and Doug Storm

In attendance officers and directors Linda Robinson, Doug Storm, Lou Scarpino, June Marcott, Sara Ruckle Harms, John LaRoche, John Iagjian, Gaylan Harris, and Chuck Hulse. There is a quorum. Also present were Larry Leaman and Ilene Bárcenas, Office Manager.

II. Approval of Minutes for February meeting

A motion was made by Chuck Hulse and seconded by John LaRoche to accept the February minutes as corrected. Motion passed.

III. Treasurer's Report

The 2010 REAOC Operating Fund Report for February 2011 was presented and discussed by Chuck Hulse.

John LaRoche moved the Operating Fund Report for February 2011. The motion was seconded by John Iagjian. The motion was unanimously approved.

IV. Committee Reports

A. Membership

John Iagjian distributed and discussed the membership report. He also distributed a handout and discussed the plans for an Active Associate Membership. June Marcott would like to add that an Active Associate Member would not be entitled to any scholarship benefit. The definition will be adjusted per the discussion of the Board members including listing the benefits in a more positive manner. To assist in the ease of bookkeeping, John Iagjian will also change the membership to have the dues payable on an annual basis so that all dues are prorated year one and then the member would pay for a full year effective January of the following year. After John Iagjian makes the corrections, this topic will be discussed at a future meeting.

B. Board Watch/Scholarship

The Board Watch Committee is still monitoring the Board of Supervisors' meetings. The Scholarship Committee held their first meeting and the calendar and process have been established for 2011. A new administrator with OCDE will be working with the process to assist in the identification of the scholarship winners.

C. Legislation

It is still very early in the two year legislative session which began in January. Over 25 pension related bills were introduced by the mid-February deadline. Many are place-holders still in shell form that appear to be aimed at pension reform. We know

that reforms are aimed at an array of issues including, but not limited to City of Bell type abuses and systemic concerns such as the policy allowing the purchase of “air time”. Unlike in the prior session, 1937 ACT proposed reforms are expected to be specific to 1937 ACT law and not be based on approaches already in CalPERS law. Patterning after CalPERS was tried in the prior legislative session and has been deemed to be less viable than a focused 1937 ACT effort. A number of new bills, representing the Republican perspective, have been introduced by Senator Mimi Walters from Orange County’s 33rd District, vice-chair of the Senate Public Employment and Retirement Committee, who faces an uphill battle in a Democrat controlled legislature. Nevertheless, the budget battle is expected to play a major part in the current struggle, thus giving leverage to the outnumbered Republicans who must side with Democrats to provide the two-thirds vote of the legislature necessary to advance the question of extending current tax increase to the voters in the next election.

V. Meeting Reports

A. OCERS

Bob Griffith summarized the premium pay issue that was discussed earlier in the meeting by Steve Delaney. The OCERS rate of return is still doing well. In advance of this meeting, Sara Ruckle Harms sent a summary of the last OCERS regular Board meeting.

B. CRCEA

The Ad Hoc Committee was taken off the agenda. Exactly what this means is open to interpretation. This Committee was charged with developing a recommendation to the CRCEA delegates on the advisability of expanding memberships and activities to include national organizations such as the National Institute for Retirement Security (NIRS). In other matters, Lou thanked the CRCEA Board for the amicus brief to the California Supreme Court. Ron James, from Sonoma County, submitted a proposal to the CRCEA Board for dues to be increased by \$ 0.10 per member per year, and for the cost per individual attending CRCEA conferences to be increased by \$10. Both increases are aimed at better defraying individual county costs for hosting bi-annual conferences as well as help them avoid a loss. Finally, a new CRCEA newsletter is now in production. To support and enhance this fledgling effort as well as provide a broader audience for our own advocacy efforts, the newsletter will be placed on REAOC’s website and John LaRoche will establish an ongoing liaison with the CRCEA editor and encourage him to utilize Informer articles via electronic feed – especially those of broad interest to all twenty member counties such as updates on our lawsuit activity, as well as reports of important events our board members attend that cover critical and often controversial perspectives on pension issues.

VI. Luncheon

Our next luncheon, Steve Delaney will be making a presentation that will include discussion of the COLA, investments and status of OCERS. He will bring handouts to share with the attendees. Jerry McFarland contacted John LaRoche to see if we

would like him to entertain at a future luncheon. He will charge \$150 an hour with a 2-hour minimum. After discussion, a motion was made to have Jerry perform at the March luncheon. Additionally John LaRoche reported that a Great Western representative would like to attend a future meeting to discuss the Great Western investment plans. This speaker will be scheduled to attend the May meeting and will be allowed approximately five minutes for her presentation.

June Marcott made a motion to have Jerry McFarland entertain the attendees at the March 2011 luncheon at a cost of \$300 for his two-hour minimum; the motion was seconded by Sara Ruckle Harm. Motion carried.

VII. The Informer

John LaRoche discussed the planned articles for the next edition of the *Informer*. He also shared the deadlines for the articles.

VIII. Presidents' Message

A. Lawsuit Update

Linda Robinson reported that we are still waiting to hear from the California Supreme Court regarding a hearing date.

B. Consumer Credit Counseling Service

At the Health Fair, a representative asked June Marcott if some of the services of the Consumer Credit Counseling Service could be shared with our membership. Most of the workshops are free and may be of interest to our members. We will add a link on our website to this publication and we will send out an e-mail with overview and publication information.

C. Other

A group of REAOC Board members is still meeting with the County regarding health insurance. The County is concerned about rising costs as well as the most expensive claims that are being made. The county has given REAOC some ideas to mitigate health care costs. The next meeting is March 24, 2010. Early in January, Doug Storm sent a letter to the CEO asking for the annual report regarding retirees' medical insurance choices. Patti Gilbert was asked about this report and send it should be sent to Doug Storm and Linda Robinson sometime this week. The report will then be sent to Vicki Gray who will analyze the data.

IX. Adjournment

A motion was made by June Marcott and seconded by Gaylan Harris to adjourn the March REAOC Board meeting at 2:00 PM. Motion passed.