



MINUTES
REAO Board of Directors' Meeting
OCERS Hearing Room
2223 Wellington Avenue, Santa Ana
Wednesday, September 11, 2013
9:30 AM

I. Called to Order at 9:32 AM by REAO Co-President Linda Robinson

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

Absent: Lou Scarpino

II. Approval of Minutes

A motion was made by John LaRoche and seconded by Larry Leaman to approve the August regular Board meeting minutes as amended. Motion carried.

A motion was made by Larry Leaman and seconded by Faye Watanabe to approve the August CRCEA Planning meeting minutes as written and this meeting will be defined as an Executive Session. Motion carried.

The minutes from the General Meeting in December 2012 were amended to detail the names of the Board members and Directors.

A motion was made by Faye Watanabe and seconded by Larry Leaman to approve the December General Board meeting minutes as amended. Motion carried.

III. Treasurer's Report for August

Bill Castro presented the details of the August Treasurer's Report. He also discussed the current status of the checking account.

Motion made by John LaRoche and seconded by Faye Watanabe to approve the August 2013 Treasurer's Report. Motion carried.

A motion was made by John LaRoche and seconded Gaylan Harris to pay out of the REAO Operating Funds for the second mailer to support the candidacy of Tom Beckett. Motion carried.

Bob Griffith made a second motion that we make an effort to obtain donations from our membership to fund the ongoing efforts to elect Tom Beckett, seconded by Larry Leaman. Motion carried.

IV. Committee Reports

A. Membership

John Iagjian reported on the latest membership numbers. Last Wednesday the pre-retirement seminar was lightly attended.

B. Board Watch

Ilene Bárcenas reported that there was nearly an hour discussion at the BOS meeting regarding reappointing Wayne Lindholm and appointing David Ball to the OCERS Board as public members. The final result of this discussion was the reappointment of Wayne Lindholm and the appointment for David Ball was continued to September 17, 2013. Additionally the IT contract has been outsourced over the objection of county employees and OCEA.

C. Scholarship

Faye Watanabe reported that we are getting ready to start the process for 2014. Faye Watanabe will make a short presentation at the December luncheon. She will also add an article in the November/December Informer regarding the scholarship process.

D. Legislation

As Lou Scarpino was not available to attend the Board meeting, he sent in the following update summarized as follows:

New information is slow in coming this year, and the CRCEA or lobbyist reports have not yet arrived. The legislature is in its final month after the recess month at which time the Governor will have around 4 weeks to sign bills sent to him. Typically, we look for gut and amend actions that amend last moment items into bills that may not have gone through hearings or negotiations. However, we don't expect to see much or any of this on bills we have been watching as the emphasis this year has been twofold:

1. The Republican Obligatory Try - Bills to override the pension reform elements that kept DB's 100% in play at reasonable formulas – this never really got out of committee and won't be likely to get into a last minute amendments.
2. Pension Reform Cleanup – These were highly complex and it appears subject to honest efforts to just figure out how to fix unintended or unseen glitches. I'm sure there are winners and losers, but generally, the thrust seems to be to make the reform legislation work. Very likely some elements will get in at the last minute, but these will have been subject to adequate input and debate.

All of the above notwithstanding, Jerry Brown is proving a tough sell based on what I hear from the UC folks I talk to. He wants to see arguments and data and won't likely be happy with complete gut and amends on subjects not previously exposed to the hearing or negotiation process.”

V. Meeting Reports

A. OCERS

In advance of the meeting, Sara Ruckle Harms sent a summary of the last OCERS Board meeting. Sara Ruckle Harms led a discussion regarding what took place at this meeting. As of July 31, 2013, OCERS' total fund was more than \$10.6 billion. Additionally she reported that Reed Royalty resigned from the OCERS Board effective August 31, 2013. Bob Griffith also discussed the last meeting's activities. He also led a discussion on the unfunded liability. There will be an offsite Strategic Plan meeting that will be held on September 19, 2013.

B. CRCEA

Lou Scarpino sent in the following:

“Nothing new has occurred since my last report. I am also having some conflict issues with the October conference and may need to arrange some Retirement Security Committee coverage for my possible absence.”

The next conference will be held in Fresno on October 20 – 23, 2013. Linda Robinson, Doug Storm, Gaylan Harris, Ilene Bárcenas and Sara Ruckle Harms will be in attendance. As stated above, Lou Scarpino may not be able to attend.

A motion was made by Bob Griffith to amend the motion of August 14, 2013 to adjust the wording to include REAOC/AREOC Board Members who can attend and be reimbursed for the CRCEA conference; motion seconded by Gaylan Harris. Motion carried.

VI. Luncheon

John LaRoche shared the draft agenda for the REAOC luncheon on September 25, 2013. The entertainment will be by Bruce Pulcini who was part of the entertainment act at the last CRCEA conference. For December, John LaRoche booked the Harbor Singers for the entertainment. The theme for this upcoming luncheon will be Fall/Halloween.

VII. The Informer

Articles for the next edition are due on October 9th. The articles will include the 2014 Scholarship Article, REAOC Board election, an article about the Health Fair, the open enrollment supplemental benefits as well as the Health Plan and the CRCEA Conference.

In order to add Tom Beckett as another Director of REAOC, we will need to change the By Laws. The current By Laws allow for only five directors. John LaRoche will add information in the November/December Informer regarding amending the By Laws to allow for the addition of another Director.

There was a discussion regarding the healthy hand-outs for the OCEA Health Fair. A decision was made to purchase granola bars.

Sara Ruckle Harms moved that we authorize payment for a healthy snack for the OCEA Health Fair; motion seconded by John LaRoche. Motion carried.

Action Item: Ilene Bárcenas will make copies of the REAO Associate Membership applications to be distributed at the OCEA Health Fair.

VIII. Presidents' Message

A. Litigation Update

We now have a hearing date for the appeal at the 9th Circuit Court for the REAO v County of Orange case. The hearing will be held on November 4, 2013. We are the last case on the docket that date. We will have a different panel at the hearing. All members of the REAO/AREOC Boards should attend if possible. We will post an article regarding the hearing on the website. Many briefs have been filed on behalf of our case by Michael Brown and the County. These briefs will be posted on our website.

B. CRCEA 2014 Spring Conference Planning

Sara Ruckle Harms reached out to Vince Vassil, the former Head of Security at South Coast Plaza and a member of REAO. He asked for an overview regarding the conference so that he can determine if the South Coast Plaza can provide anything for the conference. She also talked to Girard Miller and he said he would be willing to speak at the conference.

Ilene Bárcenas reported that we have a new contact at the Hilton as Michelle is no longer employed by the Hilton. Our contact, Jennifer Arai, will help us until a new person is assigned. Doug Storm talked to Betty McCollom (CRCEA) about the progress we are making on the planning of our conference. He also spoke to Stephen Pettee and he is willing to pay for his room, the cost of refreshments, etc. Doug Storm stated that his daughter, who has a background in hotel conference management, will be the liaison between the hotel and REAO during the conference.

C. OCERS Vacant Position

There has been significant activity regarding this open position. The first mailer is being finalized and will be sent to all OCERS retirees. The company we will be using for the flyers already has a confidentiality agreement with OCERS and will not have to sign another one to be able to utilize the OCERS mailing list that includes all retirees. Tony Bedolla sent out a flyer and also has received support from OCEA, the Sheriff and the Fire Authority unions. We anticipate that he will be sending more mailers to the retirees. We verified with the Registrar of Voters that the ballots will be sent out on September 13th but will be sent by bulk mail.

A plea was made for phone bank volunteers. There is a script that can be used and calls will be made on the 16, 17 and 18th of September. Jan Stephenson, Linda Robinson, John Jagjian will volunteer.

Action Item: Ilene Bárcenas will notify June Marcott who is volunteering so that she can give them names of REAO members to call as well as share the script and the background information regarding Tom Beckett.

IX. Adjournment

A motion was made by John LaRoche and seconded by Faye Watanabe to adjourn the meeting at 12:50 PM. Motion carried.