



MINUTES
REAO Board of Directors' Meeting
OCERS Hearing Room
2223 Wellington Avenue, Santa Ana
Wednesday, February 8, 2012
9:30 AM

I. Call to Order at 9:34 AM by REAO Co-President, Linda Robinson

Present: Linda Robinson, Doug Storm, June Marcott, Bill Castro, Sara Ruckle Harms, Bob Griffith, John LaRoche and John Iagjian. Also present is Lou Scarpino, Larry Leaman (for part of the meeting) and Ilene Bárcenas, Office Manager. There is a quorum.

Absent: Chuck Hulse, Gaylan Harris

II. Approval of Minutes from January 2012 meetings

A motion was made by Bob Griffith and seconded by Sara Ruckle Harms to accept the January 2012 minutes as amended. Motion carried.

III. Treasurer's Report

Bill Castro presented the January 2012 Treasurer's Report.

Motion made by Bob Griffith and seconded by Sara Ruckle Harms to move the January 2012 Treasurer's Report. Motion carried.

IV. Committee Reports

A. Membership

John Iagjian reported on the membership as of January 31, 2012. Our membership numbers have increased as have the Associate Membership.

Sara Ruckle Harms discussed the possibility of establishing a committee of REAO member volunteers to design and send condolences cards for families of REAO members who have passed away. Sara Ruckle Harms will contact member Kathleen Mattivi who has stated that she would be willing to chair this committee.

A motion was made by Bob Griffith and seconded by Linda Robinson to have Sara Ruckle Harms contact Kathleen Mattivi to establish the "Sunshine Committee" with the purpose of sending out condolence cards. Motion carried.

Action item: Ilene Bárcenas will send Sara Ruckle Harms a sample of the current REAO condolence card. Once the committee has been established, listings of members who have passed along with their last addresses, will be sent to the committee to enable them to send the condolences cards.

B. Board Watch

June Marcott reported that there are three new members on the Board Watch Committee. At the meeting yesterday, February 7, 2012, the Chair of the Board, John Moorlach, shared the Board's goals for 2012. Included in these goals is to continue efforts to reform employee pension and to receive a favorable judgment in ongoing litigation against REAOC.

C. Scholarship Committee

June Marcott reported that she scheduled the first meeting of the committee and has drafted a calendar for the process. Scholarship applications were made available at the January luncheon and they are being mailed to members who request copies. In addition, the application form is available on our website.

D. Legislation

Lou Scarpino reported the big issue right now is competing pension reform initiative and legislature efforts. On the legislative front, the 2nd Senate / Assembly joint conference committee hearing took place in January with no firm direction evident. Two separate approach initiatives are of concern and are being carefully watched. The authors are conducting surveys to determining which one would be more likely to get the required signatures to place it on the ballot. The governor's budget includes solutions to resolve a projected \$9.2 billion dollar deficit and end FY 12/13 with a surplus reserve. A major part of the solution is a new tax on the rich to be dedicated to school funding, that would have to be approved by voters. Should voters reject the tax, the proposal includes triggered cuts – the majority of which would be mid-year cuts for the schools.

V. Meeting Reports

A. OCERS & Financial Update/Plan Sponsor Meetings

In advance of the meeting Sara Ruckle Harms sent the summary of the OCERS meetings. Bob Griffith reported that the returns for the year were .74% even though the projections were for 7.75%. It is almost certain that the projections for 2012 will be decreased from the projected amount for 2011. The COLA has been calculated and OCERS retirees will receive 2.5% COLA. Anyone who retired after April 1988 will get the 2.5%; anyone who retired prior to that date should still have credit in their COLA bank and would receive the 3% maximum COLA.

B. CRCEA

The OC Legislative Platform issues have been shared with Art Goulet at CRCEA. The issue related to annual association dues will be brought up in the CRCEA conference. Proposals to date are not addressing both the need to cover costs for conference and legislative costs, so more work remains to be done. It may be necessary to change the CRCEA by laws to enact the motion that was approved to increase the dues \$.10 per member for only conference costs. The AdHoc committee published reports and white papers are now posted on the CRCEA website. Still to

come is the inventory of information available and the draft dissemination plan of how to share the information from the reports/papers.

VI. Luncheon

John LaRoche shared pictures that were taken at the last OCEA Health Fair. Our next luncheon is scheduled for March 28th. We are having angel hair pasta as the main course. Gary Rebensdorf from the OC Credit Union will be presenting “What Keeps you Up at Night” based on the results of the survey forms obtained at the January luncheon. John LaRoche will identify the entertainment for the next luncheon. There was a discussion regarding acknowledging the servers and staff at Mile Square Park.

VII. The *Informer*

Articles for the next edition of the *Informer* were due on February 1, 2012. As the “In the News” article is not available, John LaRoche suggested that we utilize articles that were published in the CRCEA newsletter. Bob Griffith provided an article regarding OCERS issues and there will be an article about Rex and Carol Lee Castellaw.

VIII. In The News

No report was provided this month.

IX. Presidents' Message

A. Lawsuit Update

The very detailed REAOC brief written by Michael Brown was filed on the 6th of February as was the County’s brief. When a copy of our brief is available, it will be posted on the Internet. Michael Brown sent REAOC a bill for his time spent on the brief. The meeting at the Federal Court in Santa Ana on March 19th may not be a hearing but could be a status meeting. When more is known about the court hearing, information will be shared with our members via the website and e-mail.

B. COLA

The Legislative Platform for 2012 contains an issue regarding the STAR COLA. The Board of Supervisors would like to have approval over the STAR COLA rather than having OCERS approve the COLA. There is also an issue related to being “fully funded” that the BOS would like to address related to the COLA. New proposed legislation, AB 1542 (Norby), would change the COLA process to a non-compounding COLA if it would pass.

C. Luncheon speaker – Insurance Commissioner

Dave Jones will be invited by Sara Ruckle Harms to speak at our September meeting. If he is not available, John Chiang, the State’s fiscal officer, will be invited to speak. Sara Ruckle Harms will also make a contact with Jerry Brown’s office to see if he would be interested and available to speak at a future luncheon meeting.

D. Board Meeting Speaker(s)

Julie Wyne has agreed to attend the March REAOC/AREOC Board meeting.

E. Other

Doug Storm and Linda Robinson met with David Nazar – a reporter from the local news station. Rita Nicolosi, one of our REAOC members, also met with the reporter and shared the impact of the insurance costs to her family. The information from the interview should be broadcast within the next few weeks.

X. Executive Session

An Executive Session was called at 12:03 PM. The Executive Session was adjourned at 12:08.

XI. Adjournment

A motion was made by Sara Ruckle Harms and seconded by Bill Castro to adjourn the REAOC Board meeting at 12:09 PM. Motion carried.