

REAOC
Minutes – Board of Directors’ Meeting
OCERS - 2223 Wellington Avenue, Santa Ana
Wednesday, October 13, 2010

I. Call to Order at 9:37 AM by Co-Presidents Linda Robinson and Doug Storm

In attendance officers and directors: Linda Robinson, Doug Storm, June Marcott, Frank Madrigal, John LaRoche, Chuck Hulse, Gaylan Harris, , Sara Ruckle Harms, Bob Griffith. There is a quorum. Also present were Lou Scarpino, Helen Lotos and Ilene Bárcenas, Office Manager.

II. Approval of Minutes

A motion was made by June Marcott and seconded by Sara Ruckle Harms to accept the minutes as amended. Motion passed.

III. Treasurer’s Report

The 2010 REAOC Operating Fund Report for September 2010 as well as the 2010 REAOC Operating Budget Report for the 3rd Quarter through September 2010 were presented and discussed by Chuck Hulse.

John LaRoche moved the Operational Fund Report for September 2010 as well as the 3rd Quarter Report. The motion was seconded by June Marcott. The motion was unanimously approved.

IV. Committee Reports

A. Membership

Ilene Bárcenas presented the membership report as of September 2010. The membership numbers have stayed fairly consistent. There have been no deceased reports received from OCERS. Once they are received, our membership numbers may drop a bit.

B. Board Watch/Scholarship

OCERS would like to have a copy of our Board Watch Meeting Report. This request was discussed and it was approved to forward a copy of the report to them.

The scholarship process has not yet been started for 2011 although there will be an article in the next *Informer* about the scholarship process for 2011.

C. Legislation

Lou Scarpino gave the following report:

Governor Schwarzenegger vetoed all of the pension reform bills that covered, among other things, prohibitions against pension spiking -- holding out, instead, for comprehensive pension reform - this even after citing the offensive nature of the City of Bell abuses. It does not appear that this will have an impact on OC retirees. The Governor did sign into law legislation to implement the new federal health reform law including its provisions to cover children with preexisting conditions, but with

limits as to what insurance companies can charge, continued coverage for children to remain on their parent's policy through age 26, elimination of insurance life time caps, and disallowing companies from rescinding coverage.

The California State budget finally passed. The State General Fund for FY 2011-12 is essentially flat as compared to the current year. A good number of state employee unions bought into greater cost sharing for their constituents as well as second tier retirements. These concessions are not expected to appease well rooted opposition to public pensions. Unfortunately, especially with the veto of pension reform bills, retirees are still not out of the limelight. Next year we can expect continued legislative efforts aimed at reducing retirement benefits.

D. REAOC Website/Appropriate Postings

Sara Ruckle Harms discussed the educational forum regarding Medicare and similar informational articles that could be posted on the REAOC website. There was a discussion regarding what may or may not be posted on the website. After the discussion a decision was made to generally let the website committee (Sara Ruckle Harms, June Marcott, Ilene Bárcenas) determine what is to be posted. If the website committee believes the information would be useful for our members, it may be posted on the website without approval of the entire REAOC board. There may be some topics that need to come back to the Board; the web committee will make this determination. We will post the information regarding the Medicare class. June Marcott and Ilene Bárcenas will attend this Council on Aging training and provide a report back to the full Board regarding the contents of the training.

Sara Ruckle Harms moved and Linda Robinson seconded that we pay the \$45 fee for the attendees (June Marcott and Ilene Bárcenas) for the Medicare training sponsored by the Council on Aging. Motion passed.

Ilene Bárcenas shared a report from Constant Contact regarding the three e-mails that have been sent to our members. Sara Ruckle Harms recommended that we send a quarterly message so that our members receive regular communication from the Board. Possible ideas include updates on the litigation, the "Presidents' Message", etc. The website committee will discuss this at a later date.

E. By-Laws

Frank Madrigal led a discussion relating to the most current draft of the REAOC by-laws. This discussion led to suggestions by the Board members of changes needed. The By-Law Committee will receive a copy of the latest draft and then will reconvene if needed to incorporate the suggested changes. They will also review the AREOC By-Laws to determine if there are any appropriate By-Laws in AREOC that should be in the REAOC By-Laws. The final draft of the By-Laws will be sent to the entire Board for their review and approval prior to the next regular Board meeting. Once approved by the Board, they will be posted on the website for the members' review.

V. Meeting Reports

A. OCERS

Bob Griffith reported that September was a very good month for OCERS. Overall the earnings may not be as positive as proposed (7.75% increase) but there is still another quarter of the year to determine the end results. Linda Robinson and Doug Storm stated that they also made a presentation to the OCERS Board.

Bob Griffith reported that OCERS has been in the process of recruiting a Director of Investments. During this process, 170 applications were received and the top six candidates were interviewed by a committee of OCERS Board members. The top two candidates met with the entire Board and a selection was made to give the position to Jennifer Hom. Ms. Hom has a very impressive background and should be a very positive addition to OCERS.

Sara Ruckle Harms reported that she attended the Plan Sponsor meeting on the 27th of September as well as the October educational forum.

B. CRCEA

Lou Scarpino reported that there will not be a CRCEA Executive Meeting this month. If there are any agenda items for the upcoming conference, please share these with Lou Scarpino. Doug Storm, Linda Robinson and Lou Scarpino will be attending the CRCEA Conference. A discussion followed regarding the need to make a concerted effort to support the needs of the retirees and retirement systems with the new governor.

VI. Luncheon

John LaRoche reported on the success of the September luncheon. Dr. Bresky made a very well received presentation on the skills and tools needed to improve health and memory wellness. The next luncheon, our annual General Meeting, will be our holiday lunch and will be held on December 1st with entertainment provided by the Dickens Carolers. We will be voting for next year's officers and approval of the REAOC By-Laws at this lunch. The lunch menu will include tri-tip roast. There will be donation boxes for Operation Santa Claus and Seniors and Friends available at the luncheon.

VII. The Informer

John LaRoche discussed the articles for the next edition of the *Informer*. He will be sending the draft articles to the lay-out artist today. Once this is done, the draft will be sent to the Board for the final review before it is sent to print. The next edition will be mailed on November 10th.

VIII. In The News

Helen Lotos shared the latest "In the News" report with the Board members. She will once again be able to provide this report on a regular basis. An e-mailed copy will be sent to Ilene Bárcenas to be posted on the REAOC web site.

IX. Presidents' Message

A. Lawsuit Update

Linda Robinson reported that we are waiting to hear from the California State Supreme Court regarding the calendar preference. If we do get the preference, the case should be heard early 2011.

B. Medical Insurance

County of Orange Employee Benefits notified Doug Storm and Linda Robinson that a letter has been sent to retirees who are enrolled in health plans that will not be offered in 2011. An additional letter regarding the medical insurance preview will be sent out on October 13, 2010 to all retirees who are utilizing one of the Health Plans.

C. Health Fair

Sara Ruckle Harms, June Marcott and John LaRoche manned the REAOC booth at the OCEA Health Fair on October 5th. There were over 1,900 attendees at the fair at this very successful event. June Marcott ordered pens for the Health Fair but they were not received in time. They will be handed out at the holiday luncheon. At the Health Fair, the Consumer Credit Counseling Service of Orange County provided a brochure for free workshops that they provide. June Marcott will follow up with this company to determine if this would be a good resource for our members.

D. Hemet Luncheon

Doug Storm and Linda Robinson went to the luncheon yesterday in Hemet and met with members who live in the area.

E. 2011 Meeting Schedule

The new meeting schedule was presented and approved by the Board.

F. Other

Officers and Directors Liability Insurance may be needed by the REAOC Board. Stephen Pettee sent information and a proposal to Doug Storm and Linda Robinson regarding a policy. The proposed liability insurance is \$820 premium per year for \$1,000,000 in coverage. The coverage would be effective November 1, 2010.

Sara Ruckle Harms moved that we purchase the liability insurance coverage for the Directors and Officers at the purchase price of \$820, which was seconded by Bob Griffith. Motion passed unanimously.

Chuck Hulse will also be paying the REAOC liability insurance coverage renewal as it is now due.

X. Executive Session

Linda Robinson called an Executive Session to discuss the litigation fees.

XI. Adjournment

A motion was made by Sara Ruckle Harms and seconded by Chuck Hulse to adjourn the meeting of the REAOC Board at 1:09 PM. Motion carried.