



The Informer

RETIRED EMPLOYEES ASSOCIATION OF ORANGE COUNTY, INC.

Holiday Luncheon/ Annual Business Meeting Set for Wednesday, December 4th



Come celebrate the holidays with friends, REAOOC members and guests at the December 4th luncheon and annual business meeting at Mile Square Park Golf Course Clubhouse in Fountain Valley. A special menu is being prepared, see details on page 7. And as always, beautiful holiday centerpieces will adorn the tables and be taken home by a lucky attendee at each table.

Entertainment will be provided by the Harbor Singers whose performance at our March luncheon was enjoyed by everyone who attended.

We will once again be collecting unwrapped gifts and gift cards for Operation Santa Claus / Senior Santa and Friends. Please help brighten someone's life this holiday season.

You'll hear the latest on Retiree Health Benefits and other pertinent Retiree information. Prizes and surprises await, including the \$550 Progressive Drawing!

Make your reservation by sending in the form on page 7 with your check to arrive at REAOOC no later than Wednesday, November 27th. Check in starts at 11:00 AM and lunch is served at noon. Please car-pool if possible. See you on Dec. 4th!

Presidents' Message

From the Desks of Linda Robinson and Doug Storm



Tom and his grandson with members of the REAOOC Board.

Tom Beckett Wins Election To OCERS Retirement Board

CURRENT ACTIVITY UPDATE: The REAOOC Board of Directors has engaged in unprecedented activities during the past couple of months. The final results of two of the three critical, retiree-related events were not available at the printing of this issue of *The Informer*. Final outcomes of those events will be posted on the REAOOC website at www.reaoc.org as results become available.

First of all we are very pleased to announce that Tom Beckett, REAOOC endorsed candidate, won the election for the Retiree position on the OCERS Retirement Board. This election, held every three years, proved to be an unusually contentious process with REAOOC endorsing one candidate and five of the county's largest employee unions endorsing another. While

REAOOC could not compete with the "deep pockets" of unions, we made every effort to inform our membership regarding the reason for endorsing one candidate over another and the critical importance of

retiree representation on the retirement board. Thanks to every retiree who voted in this election. REAOOC Board Members will continue to closely monitor OCERS monthly meetings and activities. Communication to our members is extremely important and we ask you to, please, provide the REAOOC office with your e-mail address if you have not done so in the past by calling 714-840-3995 or contacting us at www.reaoc.org.

Contention seems to be in the air these days as the nine members (plus one additional safety alternate member) on the Orange County Employees Retirement System (OCERS) Board draw battle lines over actuarial assumptions which could significantly impact annual retirement costs to Plan Sponsors (employers which include the county, special districts, cities, fire authority, etc.) as

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Presidents' Message

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well as contributions made to the system by active county employees. The unfunded liability issue facing the retirement system has evolved into a dramatic division among appointed and elected members of the OCERS Board. The four retirement board members appointed by the Board of Supervisors are demanding changes to actuarial assumptions which result in shorter amortization periods and lower projected interest earning rates. The elected members of the retirement board appear to be opposed to short-term, draconian changes in assumptions. Clearly the proposed changes DO NOT reflect the long term, financial successes of OCERS which has been an extremely well-managed, conservative system protecting our pensions for decades. A showdown between competing factions is scheduled for mid-November. Several plan sponsors have announced they will consider leaving the OCERS system and are actively pursuing a move to CalPERS. Such action could have a significant impact on system costs, county liability and retiree security. While most everyone believes that responsible recognition of pension liabilities and their funding is necessary, the solutions proposed by two factions are very different and can have varying consequences. The result of the November OCERS meeting will be reported when available.

The third pressing issue involves litigation. As previously reported, in November, 2007 REAOC filed suit in federal court challenging the Orange County Board of Supervisor's decision to unilaterally split the medical premium pool of active and retired

employees effective January, 2008; this despite 22 years of practice, policy, documentation and negotiation history. The action taken by the Board resulted in an on-going, \$10 million a year cost shift to retirees enrolled in county medical plans. The legal action taken by REAOC seeks reinstatement of the pre-2008, co-mingled insurance premium pool. During the last six years, the REAOC case has been heard in the Federal District Court, Ninth Circuit Court of Appeal and by the California State Supreme Court. It is currently scheduled to be heard, once again, on appeal in the Ninth circuit Monday, November 4, 2013. We want to give a special thanks to those members who traveled to Pasadena to attend this important hearing. Further information regarding this case may be viewed on the REAOC website.

FUTURE ACTIVITIES: REAOC is looking forward to hosting the Spring, 2014 CRCEA Conference to be held April 7th through April 9th of next year. The Hilton Orange County-Costa Mesa will serve as our hotel venue for participants from the twenty statewide '37 Act County Retiree Associations. The planning process is very time-consuming but well underway and we are looking forward to a productive and entertaining conference filled with networking with our fellow retirees from around the state. It is our hope that many REAOC members will attend the conference or at least a portion of the event.

HOLIDAY GREETINGS, RETIREES!

On behalf of the entire REAOC and AREOC Board of Directors we wish

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REAOC

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OFFICERS

Linda Robinson	Co President
Doug Storm	Co President
Faye Watanabe	Secretary
Bill Castro	Treasurer
Bob Griffith	Past President

DIRECTORS

Gaylan Harris
John Iagjian
John LaRoche
Larry Leaman
Sara Ruckle-Harms

APPOINTED STAFF

Ilene Barcenas	Office Manager
John Iagjian	Membership Committee
John LaRoche	<i>The Informer</i> Editor, Luncheon Committee
Norma Roberts	Board Watch Committee
Linda Robinson	CRCEA Delegate
Lou Scarpino	Legislation
Faye Watanabe	Scholarship Committee

The Informer is published 5 times a year. Readers are encouraged to write *The Informer* expressing their views and comments on the subjects of interest to them.

The mission of REAOC is to promote and maintain fellowship and camaraderie of OCERS retirees and their spouses by sponsoring social and recreational activities and by maintaining contacts via the newsletter, the REAOC website, e-mail, or other means of communication. A secondary purpose is tracking and dissemination of information relating to pension and legislative actions, financial matters, physical and mental health care, volunteer and employment opportunities and other concerns that may be of interest to our members.

OCERS retirees and their spouses are eligible for regular association membership. Dues are \$3.00 per month, payable through payroll deduction. Active employees, who will receive their retirement through OCERS, are eligible for Associate Membership. Dues for associate members are \$1.00 per month payable for the year each January.

Luncheons are held at Mile Square Golf Course in Fountain Valley on the fourth Wednesday of January, March, May and September, and on the first Wednesday of December. A local chapter of REAOC is active in Hemet.

In the News

Edited by Helen Lotos

Another Perspective on Pensions: When *Rolling Stone* magazine began publishing back in the rock-and-roll era, it covered the music business and its pop stars. Later, it reported on other current events, including politics. Lo and behold! In the October 10, 2013 issue came a riveting article titled “Looting the Pension Funds: All across America, Wall Street is grabbing money meant for public workers,” by Matt Taibbi, a contributing editor to *Rolling Stone*, author of five books and a winner of the National Magazine Award for commentary.

Starting with background on the Rhode Island Retirement Security Act of 2011, which allowed the state to be used as a test case for the rest of the country “at the behest of powerful out-of-state financiers with dreams of pushing pension reform down the throats of taxpayers and public workers from coast to coast,” Taibbi goes on to identify key supporters who had been funding a nationwide campaign to slash benefits for public workers.

Some highlights of his research: “There’s \$2.6 trillion in state pension money under management in America, and there are a lot of fingers in that pie,” says Taibbi. “In this hugely contentious, often overheated national controversy—which at times has pitted private-sector workers who’ve mostly lost their benefits already against public-sector workers who are about to lose them—two key angles have gone largely unreported. Namely: who got us into this

mess, and who’s now being paid to get us out of it.

“There’s an arcane but highly disturbing twist to the practice of not paying Annual Required Contributions (ARCs) into pension funds: The states that engage in this activity may also be committing securities fraud. Why? Because if a city or state hasn’t been making its required contributions, and this hasn’t been made plain to the ratings agencies, then that same city or state is actually concealing what in effect are massive secret loans and is actually far more broke than it is representing to investors when it goes out into the world and borrows money by issuing bonds.”

Adds Taibbi: “Some states have been caught in the act of doing this, but the penalties have been so meager that the practice can be considered quasi-sanctioned.” New Jersey and Illinois were two examples he cited.

Moody’s Proposal: States and localities with big pension liabilities could see changes to their overall bond rating if new rules proposed this summer by Moody’s Investor Service are adopted, according to governing.com. Moody’s is proposing giving more weight to pension liabilities and other long-term debts in its overall scorecards for rating general obligation bonds. This step by Moody’s is just the latest in what has become a marathon of changes by various organizations in recent years that aim to place a bigger emphasis on pensions’ effect on fis-

cal health.

“But for all of this,” states Taibbi in *Rolling Stone*, “state pension funds were more or less in decent shape prior to the financial crisis of 2008. The country, after all, had been in a historic bull market for most of the 1990s and 2000s and politicians who underpaid the ARCs during that time often did so assuming that the good times would never end. In fact, prior to the crash, state pension funds nationwide were cumulatively running a surplus.”

Taibbi cites a study by noted economist Dean Baker at the Center for Economic Policy and Research, who reported that, had public pension funds not been invested in the stock market and exposed to mortgage-backed securities, there would be no shortfall at all. He said state pension fund managers were of course somewhat to blame, but only “insofar as they exercised poor judgment in buying the (finance) industry’s services.”

“With public budgets carefully scrutinized by everyone from the press to regulators, the black box of pension funds makes it the only public treasure left that’s easy to steal,” says Taibbi. “Politicians quietly borrow millions from these funds by not paying their ARCs, and it’s that money, plus the savings from cuts made to worker benefits in the name of ‘emergency’ pension reform, that pays for an apparently endless regime of corporate breaks and handouts,” says Taibbi.

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Operation Santa Claus / Senior Santa and Friends



Since 1962 Operation Santa Claus has been providing gifts to children who are abandoned, neglected, abused, needy, or placed in foster care in Orange County. In 1992 a Board was formed to reach out to more children, needy seniors and disabled adults through Senior Santa and Friends.

Donation boxes for both programs will be available at the December 4th REAOC luncheon. Gift suggestions for toddlers are items that make noise and books with buttons that produce sounds when pressed. Teens would be happy to receive gift cards as well as electronics, watches, colognes, and lotions. Gift cards to Target, Walmart and chain grocery stores are welcomed gifts for seniors and disabled adults.

Cash donations and gift cards payable to Operation Santa Claus or

Senior Santa and Friends can be mailed to: Operation Santa Claus, 1505 E. Warner Ave., Santa Ana, CA 92705. Donations may also be dropped off at the Holiday Store located at 1505 E. Warner Ave., Santa Ana or at County libraries. To receive a tax deductible letter, please include a legible name and address with your donation. You can also donate online at http://ssa.ocgov.com/volunteer/donations/osc_donation.

Volunteers are needed in December to assist at the holiday store. Volunteers work four-and-one-half-hour shifts. To volunteer or for more information please contact Mona Gustafson at (714) 679-2438.

Thank you for your contribution and for helping to brighten someone's life this holiday season.

Presidents' Message

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you all a happy holiday season. May we celebrate this special time in our lives and embrace the beauty that surrounds us. Peace, happiness and good health to everyone.

In closing we want to thank each member of REAOC for your participation, dedication and continued membership. It is your willingness to support REAOC which makes this association a success. We hope to see you at the upcoming Holiday Luncheon and Annual Business Meeting on Wednesday, December 4th. Take care and be well.

– Doug Storm
– Linda Robinson

In the News

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Further, he states: "The bottom line is that the 'unfunded liability' crisis is, if not exactly fictional, certainly exaggerated to an outrageous degree. Yes, we live in a new economy and, yes, it may be time to have a discussion about whether certain kinds of public employees should be receiving sizable benefit checks until death. But the idea that these benefit packages are causing the fiscal crises in our states is almost entirely a fabrication crafted by the very people who actually caused the problem... In this case, we have an unfunded-pension-liability problem because we've been ripping retirees off for decades—but the solution being offered is to rip them off even more."

Writing a week later in his Taibblog, he states: "Pension-reform advocates are not trying to 'stop' pensions; they're mainly trying to convert them from a defined-benefit model to a defined-contribution model. The gravy train they're trying to 'stop' is for workers, not money managers, who will actually earn more under reform, as states move more toward alternative investments. In no way is the financial services sector campaigning for an end to its pension gravy train. This is a pretty big thing to forget in this particular argument. It's actually the whole argument, isn't it?"



Progressive Drawing \$550.00

Daniel Lentz of Orange would have won \$500 at the September luncheon had he joined us. Remember—you must be present at the time of the drawing to win!

See you on Wednesday, Dec. 4, 2013 at Mile Square Park.

REAOC Needed More Than Ever

by Larry Leaman, REAOC Board of Directors

There was a time when county retirees could look forward to a secure and stress free retirement. Back then REAOC was primarily a social organization that enabled retirees to keep in touch, get periodic news through *The Informer* newsletter, and attend fun luncheons.

Today, however, REAOC is all that and more. Now public sector employees and retirees are under attack. More and more of our elected leaders seem to view us as undeserving of the benefits we have earned and some appear hell-bent to cut or eliminate those benefits. National and state-wide movements to reduce or eliminate public sector pensions flow from organizations that have names that sound like they are intellectually pure in nature, such as: The Reason Foundation; American Enterprise Institute; California Foundation for Fiscal Responsibility; PEW Charitable Trust and the Arnold Foundation. Drill down and you will find that these and other organizations have anti-public sector agendas and are pouring millions into political campaigns to reduce or eliminate public sector pensions, including changing them to 401k's that produce nice commissions for Wall Street money managers and little else, and gain control of the billions of dollars in public pension funds in this nation. It seems that a new foundation, trust or think tank of some kind appears weekly with this kind of agenda.

Your REAOC leadership tries to stay on top of these organizations and their insidious agendas, includ-

ing monitoring whether candidates for the office of County Supervisor or other elected county positions are accepting contributions from those organizations. We also monitor our OCERS Retirement Board, a group that has recently been infiltrated by Board of Supervisors appointees who do not seem to always have the best interests of retirees in mind but instead seem to be driven by a fervent belief that government is too big and it needs to be cut back, one way or another, and that includes pensions. Through such monitoring and staying abreast of retirement related developments throughout the nation we can inform and alert you to the potential for hidden and not-so-hidden agendas that are damaging to county retirees.

To be successful, REAOC needs your continued support by maintaining your membership and urging other retirees who may not be members to join. If you know a retiree who is not a REAOC member, urge them to join by contacting the REAOC office and asking for a membership application. It is the best \$3 per month any county retiree can spend.

REAOC Updates via E-mail

REAOC officers often send e-mails to our members in order to keep them informed of current events and activities, such as the status of the lawsuit challenging the reduction of retiree health care benefits. If you are not on REAOC's e-mail list, please forward your name and e-mail

Supplemental Benefits Open Enrollment

REAOC MEMBER EXCLUSIVE

All retirees should have recently received their 2014 Supplemental Benefits Open Enrollment package. They were mailed out during the middle of October, in a REAOC envelope marked "**Time Sensitive: Benefit Booklet Enclosed.**" This package details the insurance benefits available exclusively to REAOC members including both PPO & HMO Dental, Vision, Guaranteed Issue Life, Car, Home, Renters, Travel, Accident, Legal, Identity Theft, Pet Care, & More.

If you haven't already done so, please take a moment to look through the booklet as the open enrollment period for the dental and vision is strictly enforced and ends December 6th. Coverage is available for all REAOC members and their spouse/domestic partner and their dependent children.

If you have questions, need assistance in filling out the enrollment form, or need another copy of the enrollment kit, please contact Pacific Group Agencies directly at (800) 511-9065 or REAOC@pgagencies.com.

address to reaoc@reaoc.org. This will help to ensure you have the latest information in between editions of *The Informer*. Thank you.



CRCEA 2013 Fall Conference

The CRCEA 2013 Fall Conference was held on October 21-23, 2013 in Fresno County. The conference was hosted by the Retired Employees of Fresno County (REFCO) and held at the Radisson Hotel & Conference Center. Activities included the Keynote Address, Round Table Session, Legislative Report, Business Session, Hospitality Receptions and an evening banquet. Topics included information on bankruptcy issues, Affordable Care Act (ACA) updates, estate information, water issues, health and nutrition ideas and volunteerism as a strategy.

REAOE was represented at the conference by Linda Robinson, Sara Ruckle Harms, Gaylan Harris, Lou Scarpino and Ilene Barcenas. A full report on the conference will be included in the January/February 2014 edition of *The Informer*.

REAOE will be hosting the Spring 2014 Conference at the Hilton Hotel in Costa Mesa. The Pulcini Brothers, Bruce and Wayne, who provided great entertainment at our October 2013 luncheon, will also be performing at the conference's Tuesday night banquet. We are seeking volunteers to help with planning and at the conference. If you would like to volunteer please contact our Office Manager, Ilene Barcenas at (714) 840-3995 or reaoc@reaoc.org.



The Pulcini Brothers provided great entertainment at the September 2013 REAOE Fall Luncheon. They will also be performing at the 2014 CRCEA Spring Conference hosted by REAOE next April.

Candidates for 2014 REAOE Officers and Board Members

At the December 4, 2013 luncheon and annual business meeting REAOE members will elect Officers and Board Members for 2014. The following incumbents were nominated at the September 25th luncheon:

Co-President	Linda Robinson
	Doug Storm
Past President	Bob Griffith
General Secretary	Faye Watanabe
Treasurer	Bill Castro
Director	Gaylan Harris
Director	John Iagjian
Director	John LaRoche
Director	Larry Leaman
Director	Sara Ruckle-Harms

There were no additional nominations from members attending the luncheon. We will also be voting on an amendment to our by-laws to increase the number of Directors to six(6). If you would like to be a candidate for any of the above positions or nominate someone else, please contact our Office Manager, Ilene Barcenas, at (714)840-3995 or reaoc@reaoc.org. Please attend the December 4th luncheon/business meeting and add your vote.

2014 Keith L. Concannon Scholarship Program

January 2014 is the kick-off of REAOE's tenth annual Keith L. Concannon Scholarship Program. Informational packets will be available at the January 22, 2014 luncheon at Mile Square Park Banquet Facility.

Starting January 2, 2014, this information and the applications may be requested by e-mail at reaoc@reaoc.org or by phone at 714-840-3995. Applicants must be either high school seniors who have been accepted as a full time candidate for a college degree program in fall 2014; or full time students already pursuing a degree at an accredited educational institution. All applicants must have a minimum grade point average of 3.0 on a 4.0 scale.

Applicants must be related to an active REAOE Member (relatives of an Associate Member are not eligible to apply). Orange County residency is not required. Students who have already received the scholarship grant two times are not eligible to submit an application. Please read the application requirements as these have changed.

Please encourage eligible students to submit an application for the 2014 Scholarship Program!

Open Enrollment for Retiree Health Benefits

Open enrollment in a County of Orange retiree health plan for 2014 is upon us. If you are an eligible participant, you should have received a package on or before November 1st. The open enrollment period runs through November 22nd.

During the 2014 Annual Open Enrollment Period remember:

- Review your Automatic Benefits Coverage shown on your Benefits Enrollment Summary for the 2014 plan year.

- Make sure your Medicare is in order if electing a Medicare Advantage Plan.
- If you are adding a new dependent to your health coverage, make sure you submit the Dependent Verification form along with supporting documentation by the deadline.
- Attend an Open Enrollment meeting held at convenient locations.
- Review your Benefits Enrollment Guide to compare the different health plans that are available to you.

If you have had a recent address change, please be sure to notify the County of Orange Benefits Center by calling the Benefits Resource line toll-free at 1-866-325-2345. You must also notify OCERS and REAOC whenever you change your address.

Holiday Luncheon Menu for December 4th

Roasted Tri-tip with Teriyaki Sauce

Roasted Red Potatoes

Garden Vegetables

House Salad with Italian or

Ranch Dressing

Fresh Baked Rolls

Dessert

Coffee and Iced Tea



On the Calendar: 2014 REAOC Luncheons



January 22

March 26

May 28

September 24

December 3

In Memoriam

We extend our deepest sympathy to the families and loved ones of those who meant so much to so many.

August 2013 – October 2013

- Antopol, Shannon, SSA
- Argo, Mary, UCI
- Bujnowski, Dorothy, OCSD
- Dennison, Laura
- Hart, William, CEO
- Kiphut, Marjorie, Superior Court
- Langdon, Ruth, Superior Court
- Larriva, Frank, Probation
- Ortiz, Gwendolyn, UCI
- Sanders, Burt
- Skeith, George, HCA
- Smith, George, OC Public Works
- Stainforth, Joan, OC Public Works
- Taylor, Anna Grace
- Troup, George, District Attorney
- Wagnon, Mary, Superior Court
- Wells, Raymond, Treasurer-Tax Collector
- Wingard, Robert, OC Public Works
- Winters, Karen, SSA

Directions to Luncheon at Mile Square Park, Fountain Valley

Mile Square Golf Course is located in Mile Square Park, 10401 Warner Ave., Fountain Valley. From the San Diego Freeway (405), take the Warner Ave. exit and proceed East on Warner. Turn into Mile Square Park Golf Course Clubhouse entrance at Ward St. and park (parking is free). Mile Square Park is bounded north by Edinger Ave., south by Warner Ave., east by Euclid Ave. and west by Brookhurst.

AREOC Litigation Fund

Print Name: _____

Address: _____

City, State, Zip: _____

Enclosed is a check in the amount of:

\$ _____

Please make your check payable to AREOC Litigation Fund and mail the check with this form to:

REAOC, P.O. Box 11787,
Santa Ana, CA 92711-1787

Thank you very much for your contribution to this fund!

Luncheon Reservations Due Wednesday, Nov. 27, 2013

Print Name: _____

New/Changed E-mail Address: _____

of lunches at \$17.00 each: _____

of Vegetarian lunches: _____

Enclosed is my check for \$ _____

Check-in begins at 11:00 a.m. and lunch

is served at noon. Please make your check

payable to REAOC and mail to: REAOC,

P.O. Box 11787, Santa Ana, CA 92711-1787

Also enclosed is a separate check for

\$ _____ payable to AREOC Litigation Fund.

PLEASE CAR-POOL!



Welcome, New Members

CEO/CAO: Julie Mussche, William Gayk

Child Support Services: Sandra Sandoval, Denise Wendland, Karen Rodriguez

HCA: Karen Litfin, Susan Uballe, Diane Skirzynski, William Kite, Steven Johnson, Dung X. Pham

Human Resources: Patti Gilbert

OCSD: Marilou Espinosa, Keli Sheridan, William Brake, Jr.

OCTA: Gary Dorton, Guy West

Probation: James Riley, Mary

McDermid, Patricia Randall-Many, Martina Valek

SSA: Kanako Blondet, Jill Clements, Carol Arriola, Roberta Barnard, Lena Nizhegorodseva, Linda Kitto

Superior Court: Evelyn Valle, Maria Tomas

Not Stated: Nancy Michelle, Douglas Brannan, Gloria Davidson, Anne Robertson, Patricia Henshaw



Hemet Chapter Luncheon on December 10th



REAO's Hemet Chapter will hold its next luncheon on Tuesday, December 10, 2013 at 11:30 a.m. at the First Presbyterian Church located at 515 E. Kimball in Hemet. The cost is \$9.50 per person. Make your reservation by calling Jeri at (951) 672-4594 or Erma Phillips at (951) 654-4312.

Upcoming luncheons will be held on the second Tuesday in February and April 2014.

Dated Material – Please Deliver Immediately

2014 Scholarship Program

In The News

REAO Needed More Than Ever

Holiday Luncheon Scheduled for December 4th

Tom Beckett Elected to OCERS Board

INSIDE THE INFORMER

P.O. Box 11787, Santa Ana, CA 92711-1787

RETIRED EMPLOYEES ASSOCIATION OF ORANGE COUNTY, INC.

The Informer

PRESORTED
FIRST CLASS
U.S. POSTAGE
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