New Year Luncheon
Set for Wednesday, January 22nd

Come celebrate the New Year with friends, REAOC members and guests at the January 22nd luncheon at Mile Square Park Golf Course Clubhouse in Fountain Valley. A special menu is being prepared, see page 7 for details. And, as always, the tables will be decorated with beautiful center pieces that will be taken home by a lucky retiree or guest at each table.

You’ll hear the latest on Retiree Health Benefits and other pertinent Retiree information. Prizes and surprises await, including the $600 Progressive Drawing! You could be the next winner but you must be in attendance to win. Don’t miss out.

At the December 2013 luncheon all incumbent Officers and Board members were elected to serve in 2014 and our by-laws were revised to allow for six Directors.

Make your reservation today by sending in the form on page 7 with your check to arrive at REAOC no later than Wednesday, January 15th. Check in starts at 11:00 AM and lunch is served at noon. Please carpool if possible. See you on Wednesday, January 22nd!

Presidents’ Message
New Year’s Greetings from Linda Robinson and Doug Storm

Happy 2014, members of REAOC! On behalf of the entire REAOC and AREOC Board of Directors may this New Year bring great happiness, health and prosperity to you and your family and friends. And may all your New Year’s Resolutions come true!

We want to thank you for your continued support throughout the year and for re-electing us as Co-Presidents at the December Holiday Luncheon and Annual Business Meeting. We are truly honored to serve you and the REAOC organization for a seventh year. Each Director thanks you for their re-election to the positions they fill on the REAOC Board. We are all privileged to have an opportunity to provide a voice for so many retirees who provided years of dedicated, exceptional service to the public and to the County of Orange.

2013 REFLECTIONS  Despite last year’s incipient, chaotic political and economic landscape, there are a number of REAOC bright spots to highlight: For the first time in REAOCs history and thanks to the diligent efforts of the Membership Committee, REAOC reached beyond 5,000 members in 2013; retiree volunteers were formally honored for their service and commitment during the year; four educational scholarships were awarded to assist bright, motivated students to pursue their college education; REAOC-endorsed candidate, Tom Beckett, was elected to fill the Retiree Member seat on the OCERS Board (NOTE: A record-breaking number of ballots were cast by retirees—way to go, everyone); The Informer newsletter was published five times during the year to keep retirees knowledgeable of current events and aware of the shifting scenery affecting the retirement world; five luncheons were organized and well-attended both at Mile Square Park in Fountain Valley and in Homet. Additional activities during 2013 included monthly Board meetings; monitoring regularly scheduled Board of Supervisor meetings; tracking legislation and initiatives; maintaining a presence and participating in retirement system meetings; making bi-monthly presentations at pre-retirement seminars; reviewing retiree-related media reports and attending retiree-related meetings and conferences.

CONTINUED ON PAGE 2
LITIGATION UPDATE  
A hearing was held Monday, November 4th at the Ninth Circuit Court of Appeal in Pasadena. We want to thank all the retirees who traveled to observe the court proceedings as well as retirees who sent good thoughts and energy to us on that day. At the printing of this newsletter, the outcome of the hearing is not known. The three-judge panel could take a number of actions: rule for REAOC, rule for the county, remand the case back to the same District Court judge with direction to consider the extrinsic evidence presented in the case OR, if remanded, the Ninth Circuit could reassign the case to another judge in the District Court, as previously requested by REAOC. We will notify our members via the REAOC website and email distribution list when a ruling is available.

2014 WISH LIST  
A few of our wishes for 2014 include: A positive outcome for both the REAOC and Class Action Lawsuits; continued good performance of the OCERS Retirement System; REAOC succession planning for 2015; World Peace; AND, no further attacks on retiree benefits by the Board of Supervisors!

In closing, we want to express our sincere gratitude to you for your continued support and membership in REAOC. The importance of a united retiree front cannot be overemphasized. The changing retiree landscape includes politicos and others who would target the benefits we earned through years of public service. It is critical for us to be proactive and vigilant in addressing these emerging issues. Thank you for your assistance and participation in REAOC. Take care and be well.

— Linda and Doug
In the News

Edited by Helen Lotos

Is “retirement” a misnomer? The still-sluggish economy, battered 401(k) retirement plans and inadequate savings are upending traditional notions of retirement, according to a poll by the Associated Press-NORC Center for Public Affairs Research, reported by the Los Angeles Times, October 15, 2013.

More than four in five older Americans expect to keep working during their latter years, a sign that traditional retirement is out of reach for vast swaths of society. The survey polled 1,024 people ages 50 and older. Among those who currently have jobs, 82% expect to work in some form during retirement. “The survey illuminates an important shift in Americans’ attitude toward work, aging and retirement,” said Trevor Tompsoon, director of the AP-NORC Center. “Retirement is not only coming later in life, it no longer represents a complete exit from the workforce.” Excluding pensions and homes, 39% of those polled said they have $100,000 or less saved for retirement. Nearly one-quarter have less than $10,000.

Despite conventional wisdom, people can’t count on simply working until they drop. One-third of retirees say they didn’t have a choice in the decision to leave the workforce. Many were pushed out by ill health or layoffs. When you add in an expected increase in life spans, the result is a generation of workers facing dim financial prospects for what used to be known as the golden years.

In the private sector: The Pension Benefit Guaranty Corporation (PBGC) protects the pension benefits of more than 42 million Americans in private-sector pension plans. The agency is directly responsible for paying the benefits of more than 1.5 million people in failed pension plans. Its operations are financed by insurance premiums, investment income, and with assets and recoveries from failed plans.

PBGC’s deficit increased to about $36 billion in FY 2013, due largely to the declining financial condition of multiemployer plans, according to a news release issued by PBGC November 15, 2013. “Pension plans continue to provide retirement security for tens of millions,” said PBGC director Josh Gotbaum. “We should not let the problems of a few plans overshadow the reliable retirement security provided by the majority, but neither can we ignore them. PBGC stands ready to help, but PBGC’s growing deficit is a reminder that our current resources are inadequate. Without adequate funding we can’t pay benefits or preserve pensions.”

Multiemployer plans provide lifetime income to more than 10 million people in 1,400 plans, working for hundreds of thousands of businesses in industries such as construction and manufacturing. Because more plans will fail within the next decade, PBGC’s multiemployer insurance program’s deficit rose to more than $8.2 billion, compared with $5.2 billion last year. In FY 2013, Eastman Kodak Co., the Tribune Co., Dynegy Inc. and others emerged from bankruptcy with their plans intact. If, as expected, American Airlines emerges from bankruptcy, 130,000 of American’s employees will keep their pensions.

In California: State Attorney General Kamala Harris announced in mid-November that JPMorgan Chase & Co. will pay $299 million to settle claims that the company misrepresented the value of residential mortgage-backed securities sold to CalPERS and the California State Teachers Retirement System between 2004 and 2008.

CBS San Francisco Bay Area Online reported that Harris said JPMorgan profited by giving the pension funds incomplete information on the risks of many of the underlying mortgages. The settlement is part of a broader $13 billion settlement between the investment company and the U.S. Department of Justice.

San Mateo County will receive the lion’s share of a $9.6 million settlement to be paid by a handful of former Lehman Brothers investment bank officers, but the county’s $5.2 million portion represents only a sliver of the $155 million total loss suffered by public agencies in the county when the investment company declared bankruptcy in 2008. According to a report in The Almanac, November 14, 2013, the settlement concluded a legal process begun in 2009 when eight plaintiffs, including San Mateo County and the city of Burbank, sued in federal court to recoup massive losses resulting from the bankruptcy. As of late last year, the county had recovered about $15.2 million from asset distribution payments. The county expects to recover at least 22% in coming years.
OCERS News

Recent weeks have been interesting at OCERS. I will try to put both the good news and the bad news in perspective.

People Changes at OCERS

By now everyone has heard the good news that Tom Beckett (with the endorsement of REAOC) handily won the election for the retiree seat on the OCERS Board. I look forward to Tom taking over from me on January 1st.

One of the “general employee” seats on the OCERS Board was also up for election. Frank Ely won that seat with no opposition. Frank has served on the Board for many years, and is very knowledgeable, fair, and has been a consistent supporter on issues important to retirees.

Steve Delaney, OCERS CEO, has assembled a top quality staff at OCERS. Julie Wynne has been one of those key people. She was Assistant CEO and General Counsel for the system. Unfortunately she is leaving OCERS to take the top job at the Sonoma County Employees Retirement System. Our loss will be a great gain for Sonoma. We wish her well in her new job. We will miss her.

Politics Creates Issues for OCERS

I am dismayed to report that the decision making process for the OCERS Board is becoming increasingly influenced by partisan politics. The Board of Supervisors appoints four members to serve on the OCERS Board. Increasingly those appointees have been very affluent, very conservative, and appear to have an agenda that is not compatible with the needs of retirees, employees or even the plan sponsors (employers). The OCERS Board meetings are now often filled with political rhetoric that is not conducive to good decision making.

Tom, Frank and the other elected members of the OCERS Board will have their hands full dealing with the “monkey wrenches” that will be thrown into the decision making process. REAOC will need to continue to closely monitor this unfortunate development.

News Coverage

On November 15th the OC Register ran a story by a new reporter that drew the wrong conclusions about the OCERS investment process. On one hand investing over $10 billion dollars is a very complicated process and maybe we shouldn’t expect a reporter to understand the information he was provided. On the other hand the reporter and the Register hold themselves to be experts and readers have a right to expect basic fairness and accuracy. This appears to be a case of the reporter having already set his conclusions before he got the facts.

Among the key facts that the reporter either ignored or didn’t understand was that the pension fund invests for the long term in a very diverse set of investments. For many years OCERS has invested in lower risk areas with the potential for long term payoff. This often means that OCERS might not make as much money when stocks are up dramatically, but it also means that OCERS losses will not be as great in down years. Over the long run (5 to 10 years) OCERS regularly has the best returns for the lowest risk of any County system in the state. The reporter was given all the details, but chose to focus on the recent three year period when systems with significantly higher risk also had higher returns. With limited success, Steve Delaney and the OCERS Investment team tried very hard to get a more balanced story reported. Those of you with more interest on this can contact the REAOC Office for the full story and the OCERS detailed information.

Thank You

As I complete my third term (nine years) as your representative on the OCERS Board, I want to thank all of you for the opportunity to serve. I have truly enjoyed my time working on behalf of the members of the system. It has been an honor and a privilege.

And Thanks from Tom Beckett

I would like to give appreciation and recognition to all of the people who pitched in and went to work on my behalf in the recent election for the Retired Member of the Board of Retirement of the Orange County Employees Retirement System. To see so many people so motivated was very impressive. I want to thank those who worked the phone banks, created and managed our flyer, coordinated email distributions, and managed our REAOC website. I think one other major factor that contributed to our getting the most votes is that people really did make an effort to contact their friends and make them aware of how important the vote would be to everybody. Thank you everybody for a tremendous team victory.

Finally, I would like to give one more important thank you. I want to thank Bob Griffith for serving as...
The 2013 Fall California Retiree County Employees Association, CRCEA, Conference was held in Fresno October 21-23, 2013. CRCEA is composed of the 20 retiree associations who are all subject to the 1937 County Employee Retirement Systems. Conferences are held twice each year in the spring and fall and are rotated among the Counties.

REACC was represented by Linda Robinson, Sara Harms, Ilene Barcenas, and Gaylan Harris. The conference included numerous presentations as summarized below:

**Estate Administration: Facts You Need To Know**  
Doug Schoring, Attorney and Lecturer spoke on the Basics of Post-Mortem Estate Administration, what it is and its function of collection and valuation of assets, payments of debts and taxes, and the distribution of assets.

**Volunteerism: How to Enhance and Activate Membership**  
Volunteer Services, “Hands Across America” began by President George Bush in 1986. Those interested in volunteering can go to the web site www.handacrossamerica.com and enter their zip code for scheduled events in their local area.

**Water Issues: What It Means To You**  
Mike Grossi, Reporter, Fresno Bee. He started his discussion with describing the Delta issues where two major central California rivers converge. 40-50% of underground water has been used in the State of California Central Valley, with 70% of that in the San Joaquin Valley alone. It was also noted that the average person uses about 300 gallons of water per day, which has been reduced recently to 200 gallons per day due to metering mandated by the Friant Water Act.

**Member Presentations**  
David Muir, Los Angeles spoke on the status of CalPERS’ decision to increase long term care (LTC) insurance premiums by 85%, commencing in 2015. A class action lawsuit was filed in Los Angeles Superior Court on August 6, 2013, seeking relief on behalf of all CalPERS policyholders who will be subjected to the rate increase.

Secretary Pro Tem Teague discussed the process Merced County is currently going through to obtain non-profit status and offered information as it becomes available to any other Association that may desire a non-profit status.

Linda Robinson, Orange, presented an update on the on-going litigation to regain lost benefits, which has been in the courts for six years. Robinson invited the audience to refer to the Retired Employees of Orange County (REACC) website, www.reaoc.org for latest litigation updates and a history of the lawsuit (case number 12-567).

George Shoemaker, San Diego, reported on the activities of the CRCEA Retirement Security Committee which was established to work toward providing affordable retirement. They monitor the retirement situation on an ongoing basis and maintain an informational data base: www.crcearesearch.org.

Mike O’Neal, Stanislaus, discussed the status of two lawsuits previously provided by Stanislaus County www.rescoteday.org.

**Farm To Table: Important Things To Know**  
Richard H. Molinar, Farm Advisor. Kristen Stenger, UC Cooperative Extension, and Mike Smith, Smith Family Organic Farms discussed, ways to cut fat and sugars, provide healthy recipes, conduct grocery shop/trips for healthy living, and how to read labels.

**Historic Preservation**  
Karana Hattersley-Drayton, Historic Preservation Project Manager, City of Fresno gave a presentation on the accomplishments in preserving historic sites in the San Joaquin Valley. Tourism produces about one hundred billion dollars of business in California.

**Senior Issues**  
Frances Contreras, Fresno Area Agency on Aging highlighted issues relating to aging, and discussed the Older American’s Act of 1965. This Act set out guidelines, for programs such as nutritional meals, providing information and referral services.

**Sacramento Scene**  
Amy Brown, CRCEA Legislative Consultant, Karen Green, Consultant to the Assembly Committee on Public Employees, Retirement and Social Security, Pam Schneider, Principal Consultant, Senate Committee on Public Employment and Retirement spoke about the current political climate in Sacramento. Amy Brown stated that of the eighty total Assembly Members there were thirty-nine new members. There are seven freshmen who are assuming duties as Chair of Committees.

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**2014 Keith L. Concannon Scholarships**

REACC proudly continues the Keith L. Concannon Scholarship Program which is named in honor of REACC's long serving representative on the Orange County Employees Retirement System Board and former REACC President. The Scholarship Program has to date supported over 30 highly qualified students in their pursuit of a college or advanced degree.

Starting January 2, 2014, applications for the tenth annual scholarship awards may be requested by e-mail at reaoc@reaoc.org or by telephone at (714) 840-3995. Informational packets will also be available at the luncheon at Mile Square Park Banquet Facility on January 22, 2014.

All students who are related to a REACC member and meet the requirements described below are strongly encouraged to submit a scholarship application. Please read the application instructions thoroughly as these have changed. Orange County residency is not required.

Please note that applicants cannot be related to anyone who will act in a decision-making capacity on the scholarships awards, including the REACC Officers and Board Members and the Members of the Scholarship Committee. Students who have already received the scholarship grant two times are not eligible to submit an application.

**Qualifications:** Applicants must be either high school seniors who have been accepted as full time candidates 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.

A candidate for a degree program means a student who is pursuing a degree at a college or university, or is attending an accredited educational institution authorized to provide full credit toward a bachelor's or higher degree, or is attending an accredited institution authorized to train students for gainful employment in a recognized occupation.

All applications must be complete and electronically submitted, including the certification. Responses to the essay question cannot exceed a total of 300 words. A photograph suitable for publication should be included.

**Deadline:** The application, including essay response and certification must be submitted by April 1, 2014. The applicant’s official high school or college transcript must be postmarked no later than April 1, 2014. Please order transcripts early to allow ample time for processing and mailing to: REAOC, Attn: Scholarship Committee, P.O. Box 11787, Santa Ana, CA 92711-1787. It is anticipated that as in all past years, there will be a very qualified field of applicants participating in the 2014 Scholarship Program!

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**OCERS News**

the Retiree Member of the Board of Retirement for nine years. For much of Bob’s term I attended OCERS Board meetings. Bob was always the one with the calm, thoughtful, and reasonable voice. We could not have had a better representative. Thank you, Bob.
New Year Menu for January 22nd

Charbroiled Chicken Breast with Herb Broth
Parsley Mashed Potatoes
Fresh Garden Vegetables
House Salad with Italian or Ranch Dressing
Fresh Baked Rolls
Dessert
Coffee and Iced Tea

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.

Luncheon Reservations Due Wednesday, Jan. 15, 2014

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!

In Memoriam

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

April 2013 – November 2013
Abbott, Martha, Superior Court
Bounds, Gara, OCFA
Brady, Clarence, Assessor
Cohen, Harry, HCA
Downey, Gardner, CEO
Dunn, Patricia, Public Guardian
Edgar, Nora, CC Public Works
Freeman, Virginia, OCTA
Gauger, Hanne, SSA
Headrick, Margaret, HCA
Keys, William, Treasurer-Tax Collector
Krueger, Beverly, SSA
Larson, Ruth, UCI
Lawson, Hatley, Probation
McCourt, William, County Counsel
Miller, Timothy, CC Public Works
Muller, Marcella, Marshall Dept.
Naughton, Jo Anna, Probation
Nguyen, Phuc, SSA
Paddock, Eldon, HCA
Patella, John, CCTA
Prince, Robert
Rodusky, Edward, CCTA
Silva, Frances, HCA
Slaback, Leil, Superior Court
Thomas, Helen, Superior Court
Torres, Flora, OC Sheriff’s Department
Townsend, Jeannette, HCA
Trontz, Gladys, HCA
White, David, CCSD
Wood, Dorothy, CC Public Works

Surviving Spouse
Cambell, Charlyne

On the Calendar: 2014 REAOC Luncheons

March 26
May 28
September 24
December 3

AREOC Litigation Fund

Print Name:_________________________
Address: __________________________
Qty, 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!

Progressive Drawing $600.00

Pat Romine of Orange would have won $550 at the December luncheon if she had been present at the luncheon. Remember—you must be present at the time of the drawing to win!
See you on Wednesday, January 22, 2014 at Mile Square Park.
Welcome, New Members

Assessor: Subal Goswami
Auditor/Controller: Larry Edwards
Child Support Services: Kevin Harrison
Community Resources: James Mugica, Harold Henrikson
County Counsel: Joyce Grogen
Department of Education: Ann Kelly
District Attorney: James Gailliot, Karen Kingdon
Fire Authority: Joletta Belton, Michael Fechner, Thomas Strong, Jeff Taylor, Georgia McCarthy
HCA: Angelito Ibarra, Kim-Phung Ngo, Ernest Proud, Carolyn Wadsworth, Charles Young, Juanita Croteau, Judith Devor, William Dikeimann, Rosalinda Sanchez, Glen Sutch, Nga Nguyen Le, Thelma Suzuki
Integrated Waste Management: Armando Gutierrez, Bruce Taiji, Patrick Campbell
John Wayne Airport: David DeLeon, Susan Tanner
Library: Marilyn Carlson
Marshall’s Department: Barbara Byers, Joseph Duarte
Probation: Corene Sullivan, Scott Moore, Melissa Lan Phan, Karen Zimke
Public Defender: Charlene Hinshaw, Leslie White
Public Works: Eva Allen, Charles Ferguson, Jess Ledesma
OCSD: Serge Alvarez, Gold Randolph, Lanny Taylor, Patrick Lee, Richard Dostal
OCTA: William Bryant, Belinda Robinson Broughton, John Hinsley, Lucinda Miller, Kathy Patterson, Toni Cunningham, Janet Matthew, Robert Mungua, Zudy Rohling, George Salcedo
Sanitation District: L.B. Barnes, Rick Hannapel, Karen Jackson
SSA: Kathleen Clark, Ray Gallagher, Janet Carroll, Anita Castro, Jeffrey Stanton, Debbie Williams, Eila Williams, Shahrokh Kordestani, Patricia Mendoza, Virginia Moroz, Colleen Perkins, Deborah Leon, Carolyn Suia-Romero
Superior Court: Karla Hughes, Jean Fisher Morgan, Betty Butelo, Marjorie Felix, Lesley Lipton, Harold Nelson, Catherine Walters
Treasurer/Tax-Collector: Beverly Bruyntjens
Not Stated: Angelia Lee, Mary Anderson, James McArdle, Frederick Neroni, Mitsu Yamada
Surviving Spouses: Melvin Burke, Sharon Devereaux, Catherine King, Sylvia Larriva, Marian McQuilken, Joyce Metcalfe, Maria Dolores Misa, Bonnie Sue Pigmon, Judith Tarter, Virginia Gronberg, Beverly Nordblom, Quyen Truong

Introducing the Informer

New Year’s Luncheon Set for Wednesday, January 22nd

Dated Material – Please Deliver Immediately

OCR: Conference Report

OCERS News

In The News

Inside The Informer

P.O. Box 11787, Santa Ana, CA 92711-1787
Retired Employees Association of Orange County, Inc.