



# The Informer

RETIRED EMPLOYEES ASSOCIATION OF ORANGE COUNTY, INC.

## Luau Luncheon Set for Wednesday, May 26th



Come and celebrate Hawaiian style with friends, REAOC members and guests at the May 26th luncheon at Mile Square Park Golf Course Clubhouse in Fountain Valley. Attendees are encouraged to wear their favorite muumuu, Hawaiian shirt or other tropical attire. A special menu, no spam or poi, is being prepared. See page 7 for the details.

Beautiful Easter decorations, updates by OCERS CEO Steve Delaney and entertainment by Jerry McFarland were highlights of the March 2010 luncheon. Come and see the great entertainment and special guest we have scheduled for this event.

You'll hear the latest on Retiree Health Benefits litigation and other pertinent Retiree information. Prizes and surprises await, including the \$100 Progressive Drawing! You could be the next winner but you must be in attendance to win. Don't miss out.

Reservations prior to the luncheon are required. Please make your reservation today by sending in the form on page 7 with your check to arrive at REAOC no later than Wednesday, May 19th. Check in starts at 11:00 AM and lunch is served at noon. Please carpool if possible. See you on Wednesday, May 26th!

## Presidents' Message

From the Desks of Linda Robinson and Doug Storm

**O**n behalf of the entire Board of Directors we wish you a safe and relaxing Memorial Day weekend. The summer season is just around the corner and we want everyone to enjoy happy days with family, friends and one another during these upcoming months. Summer is a great time to renew or review personal goals and to re-energize efforts to obtain them. May you all be successful in achieving those goals!

Speaking of goals—the REAOC Board of Directors has been working diligently to further develop and expand services to our members. In mid-to-late summer we expect to roll out a new interactive, user-friendly website complete with enhanced links and a visual flair. The new website will be an excellent, easy-to-use tool for Orange County retirees to obtain information, updates and answers to questions. A master link to retiree-related, state and national websites will be available. One focus of the website developers is to provide a site that can expand and adapt to REAOC as our organization changes and addresses ever-emerging issues. For the first time REAOC staff will have the ability to directly access the website to make changes in content. This will allow information to be provided to members on a

timelier basis. We want to extend our sincere appreciation to Sara Ruckle-Harms, June Marcott and Ilene Barcenas for taking the lead on this important project.

In recent months the Board of Directors and volunteer members have engaged in major efforts to review and analyze newly authorized and proposed legislation/initiatives at the state and national levels. In these difficult financial times, state and local elected officials are attempting to reduce retirement benefits—benefits beyond medical benefits. While many of these bills are not targeted at Orange County, their passage could make it feasible for our Board of Supervisors to take similar actions. To ensure we oppose these efforts as early as possible, we are establishing cooperative links with other counties and statewide organizations. This information-sharing allows us to pool financial and manpower resources with other counties to increase our chances for success.

This edition of *The Informer* contains a historical review of our retiree medical benefit lawsuit and we encourage you to read the summary on Page 3. As we have previously reported the case has been appealed to the United States 9th Circuit Court

CONTINUED ON PAGE 2

# Board of Supervisors Adopts New Policy for Working Retirees

In April 2010 the Orange County Board of Supervisors unanimously approved a new policy that addresses compensation for working retirees who have retired from County service and have since been re-hired, most of the time performing the same or similar duties as they did before their retirement. The new policy will take effect on July 1, 2010.

Highlights include:

- Specific guidelines under which retirees may be reemployed, such as filling a short-term critical need that calls for special skills or knowledge, seasonal workloads, transitional periods during job recruiting and for short-term special projects.
- Limits the compensation of the returning retiree to an equal or higher level position to no more than 80% of their final salary before retirement.
- The salary for a working retiree returning to a lower level position will be limited to the midpoint of the salary range for the lower position.
- All working retirees will not be eligible for any pay increases.

## Seniors Will Not Receive \$250 One-Time Payment

In early March 2010 the United States Senate rejected a proposal to send \$250 checks to 55 million senior citizens who will not receive a cost-of-living increase this year in their Social Security benefits.

The Senate voted 50 to 47 against spending \$14 billion for the one-time payments which lawmakers

## Presidents' Message

CONTINUED FROM PAGE 1

of Appeal. The court has expedited the hearing of this case and we are currently awaiting a hearing date. We want to assure you; everything in this case that can be done has been done. Our attorneys have been in constant contact with the court and have been assured that both sides have submitted all necessary documents. We must now wait for the court (which has a very busy calendar) to set the court date. While we want the case to be heard as soon as possible, we understand we must wait our turn. As soon as we receive any information regarding the hearing date we will post it on the web site and send e-mails to those on our member distribution list. We ask you to keep positive thoughts and appreciate your patience.

Lastly, thank you for your continued membership in REAOC. As we've said before, the success of any organization depends on its members and we are grateful for your commitment, assistance and support. Take care and be well.

–Doug Storm  
–Linda Robinson

## REAOC

P.O. Box 11787  
Santa Ana, CA 92711-1787  
Phone: 714-840-3995  
Website: www.reaoc.org  
E-mail: reaoc@reaoc.org

### OFFICERS

Linda Robinson	Co President
Doug Storm	Co President
June Marcott	General Secretary
Frank Madrigal	Recording Secretary
Chuck Hulse	Treasurer
Bob Griffith	Past President

### DIRECTORS

Gaylan Harris  
John LaRoche  
Sara Ruckle-Harms  
Vacant

### APPOINTED STAFF

Ilene Barcenas	Office Manager
John Iagjian	Membership Committee
John LaRoche	<i>The Informer</i> Editor
June Marcott	Board Watch & Scholarship Committees
Linda Robinson	CRCEA Delegate
Lou Scarpino	Legislation

*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 the members. 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. Association membership is limited to OCERS Retirees and their spouses. Membership dues are \$3.00 per month, payable through payroll deduction. The mission of REAOC is to promote and maintain the fellowship and camaraderie of OCERS Retirees and their spouses by sponsoring social and recreational activities, and by maintaining contacts via a newsletter and other means of communication. A secondary purpose of REAOC is the 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.

# Litigation Summary

## Background

**1985** County takes formal action to establish an insurance premium pool that combines active employees and retirees; thereby equalizing insurance premiums.

**1993** County implements the Retiree Medical Program (RMP) and, on a one time basis, invites retirees to participate in the RMP even if they are not currently enrolled in County insurance programs.

**2004** County identifies a \$1.4 Billion Unfunded Liability over the next 30 years for the RMP.

**2005** County negotiates with unions to separate retirees out of the health insurance premium pool previously shared with active employees.

**2006** County holds workshop in June regarding the new split insurance pool indicating cost increases to retirees of approximately \$30 to \$60 a month. Board adopts contracts with unions, splits the insurance premium pool and compensates active employees at a cost of \$1.8 Billion over next 30 years.

**2007** Rate setting for 2008 insurance premiums results in a \$10 Million cost shift to retirees. The average additional cost to retirees for insurance coverage is \$160 a month. Most retiree premium increases cost an additional \$200 to \$300 per month and some increases reach an additional \$880 a month.

With the financial assistance from our members, REAOC retains the legal services of Moscone, Emblidge and Quadra, LLP, a law firm based in San Francisco to challenge the County's actions. Retiree volunteers work tirelessly to provide



research, analysis, statistical data and facts to the law firm. On November 5, 2007 a lawsuit is filed in Federal Court chal-

lenging the County's actions to reduce retiree medical benefits.

**2008** Discovery process begins and efforts intensify. Motions and cross motions filed. Conference calls, meetings with counsel, depositions, document collection, research and court appearances follow. A Summary Judgment Motion is filed to expedite the process. On December 22 an extraordinary number of retirees attend a scheduled court hearing. The judge takes all arguments under submission. Six months later a ruling is issued.

The trial court rules in favor of the County. An appeal is filed by MEQ in the United States Court of Appeals for the Ninth Circuit. REAOC's opening brief is filed August 28th. The County's response is filed September 28th and REAOC's reply to that brief is filed on October 12th. An amicus brief is filed in support of REAOC's appeal. Signatories include the CA Retired County Employees Association (CRCEA), the CA Federation of Teachers, The Faculty Association of the CA Community Colleges and the CA Community Colleges Independents' Organization.

We are currently awaiting notification of a hearing date.

## Additional Legal Actions

**March, 2008:** The Orange County Employee's Retirement

System (OCERS) Board unanimously approves REAOC's request to allow litigation fund contributions to be deducted directly from monthly retirement checks.

**September, 2008:** The Orange County Board of Supervisors threatens to sue OCERS for allowing REAOC members to make modest contributions through monthly pension deductions.

**September, 2009:** Orange County Board of Supervisors pass a new resolution limiting REAOC's ability to collect litigation funds through monthly pension checks and defines dues "for limited purposes of payment of regular membership dues" and may not be used for elective dues contributions (e.g., litigation funds used to challenge County actions). OCERS researches implementation of resolution.

**December, 2009:** REAOC members vote to increase dues to \$3.00 per month

**March, 2010:** Additional dues amounts for the litigation fund are no longer available through monthly pension deductions. Members are now required to support legal efforts through alternative means.

In 2009 REAOC members approved the formation of a 501(c)(4) corporation as an adjunct to REAOC's current 501(c)(7) status, thereby, allowing REAOC to become more active in advocating for retirees via legislative, lobbying, legal and political efforts.



# Scholarships to be Awarded at May 2010 Luncheon

The deadline for the 2010 Keith L. Concannon Scholarship applications was April 1, 2010. This is the sixth year of the scholarships, which are named in honor of Keith L. Concannon, a past REAOC President and REAOC representative on the Orange County Employees Retirement System Board. A total of thirteen outstanding students have been past recipients of the scholarships. They included high school seniors, undergraduate and graduate students.

Applicants must be related to a REAOC member and have a GPA of

at least 3.0 on a scale of 4.0. Further, they must be accepted for a degree program or already attending an accredited educational institution authorized to provide full credit toward a bachelor's or higher degree or attending an accredited institution that is authorized to provide a training program to prepare students for gainful employment in a recognized occupation.

A complete application consists of an official transcript as well as an essay of 250 words or less. In addition, applicants are asked to provide information regarding their extracur-

ricular school activities, volunteer experiences, work experience, honors and awards they have received. The applications are screened for completeness by the Scholarship Committee. They are then evaluated and ranked by a panel of professional educators at the Orange County Department of Education as well as the Scholarship Committee.

The selected recipients will be announced at the REAOC luncheon on Wednesday, May 26, 2010 to be followed by an article and pictures featuring them in an upcoming edition of *The Informer*.

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## 2-1-1 Orange County – A Valuable Resource

 In a time of personal crisis, it can be difficult to know where to turn for help. By dialing 211, callers can learn about a host of community services and assistance groups.

2-1-1 Orange County links Orange County residents to community health and human services and support. Callers seeking assistance can dial 211 (toll free) 24 hours a day and be connected to trained multilingual Information and Referral specialists, who maintain a database with information on government and nonprofit agencies representing specialized services. 2-1-1 Orange County also serves as a crucial public information system during local disasters such as earthquake or fire.

Simply put, 211 is to social services what 911 is to emergency services.

Since the July 2005 launch of the Orange County 2-1-1 call center

through November 2009, their Information and Referral Specialists have fielded over 276,000 calls and provided more than 690,000 referrals to residents seeking community services and support.

Resources and services that can be accessed are as follows:

- **Basic Human Services** – Food, clothing, shelter, rental assistance, utility assistance.

- **Physical and Mental Health Resources** – Medical information lines, crisis intervention, support groups, counseling, drug and alcohol treatment, Medicaid/Medicare, maternal health, children's health insurance.

- **Employment Support Services** – Unemployment benefits, financial assistance, job training, transportation assistance, education programs.

- **Support for Seniors and Persons with Disabilities** – Home health care, adult day care, meal

services, respite care, transportation, homemaker services.

- **Programs for Children,**

- Youth and Families** –

- Childcare, after-school programs, Head Start, family resource centers, recreation programs, mentoring, tutoring, protective services.

- **Support**

- for Community Crisis or Disaster Recovery** – Public information during time of earthquake, fire or other disasters.

For more information, dial toll free 211 or 1-888-600-4357 or visit their website at [www.211oc.org](http://www.211oc.org).



# In the News

by Helen Lotos

In his state of the state speech earlier this year, Gov. Arnold Schwarzenegger said California is “about to get run over by a locomotive.” He was talking about the future costs of funding pensions for public employees. Currently, the tab is running at more than \$3 billion a year. There are more than one million public employees in the state, ranging from school-bus drivers to city managers. They are people like Norma Pyle, a 65-year-old grandmother in Orangevale, a Sacramento suburb. She worked for 20 years as a teacher’s aide and office secretary in an elementary school, but about half of that time she worked only part time. That means only 10 years counted toward her modest monthly pension. In an interview with KPCC Public Radio, she says “\$739.89 is what I get. That’s the gross.” She says she doesn’t have much patience for people who say such pensions are draining California’s coffers.

Nevertheless, pension costs are fueling a growing anxiety throughout California and across the nation. State Senator Joe Simitian, D-Palo Alto, has co-authored Senate Bill 1425, which aims to curtail “pension spiking” among public employees who boost their final salaries before retirement by cashing out on vacation time or administrative leave, for instance, to get higher monthly payments. In his 25 years of public service, Simitian has never heard the level of anger and frustration from the public on the issue as he had in the past year, he told the *San Mateo Daily Journal*, Mar. 22. His bill also covers “double dippers” – those who

retire with substantial pensions, then pursue similar jobs often at the same public agency. “I don’t think the public wants to pay the equivalent of two full-time paychecks to someone working in the same job,” he said.

The Santa Barbara County Board of Supervisors approved creating a nonpartisan commission to investigate its skyrocketing retirement costs and suggest cost-cutting options (*Lompoc Record*, Mar. 24). Each supervisor will appoint one board member who is a county resident with financial or investment experience and has no ties to the county retirement system. After six months and no more than \$50,000 in expenses the commission will return to the board with the results of its analysis.

Elimination of a manager’s incentive plan and reductions in retirement system contributions went before the Solano County Board of Supervisors in late March. The county still has a \$16 million deficit despite reducing its workforce by 459 positions, including laying off 144 employees. One suggestion on the agenda was to reduce the county’s “pick up” of the employee’s share of retirement costs, reported the *Vallejo Times Herald*, Mar. 22.

Health care benefits for county retirees could be a thing of the past by the end of the year, a gathering of retirees was told in Mendocino County, reported the *Ukiah Daily Journal*, Mar. 25. That would mean health care costs would more than double and almost quadruple for more than half of the county’s 700 retirees.

In San Bernardino County, managers have agreed to give up salary increases as the county prepares to deal with a \$90 million shortfall for the next fiscal year (*Riverside Press-Enterprise*, Mar. 25). The action affects more than 500 employees and saves the county about \$5.4 million. However, the county’s superior court judges will continue to receive judicial benefits – automobile, security and education allowances – under an agreement approved by county supervisors.

Across in the nation, in New Jersey Gov. Chris Christie signed into law broad changes to pensions and benefits offered to public workers, reported the *Star-Ledger*. The changes, which will largely affect future workers, faced stiff opposition from labor unions. The state’s \$46 billion pension gap is largely the result of stock market losses and the state failing to make payments into the investment fund. However, the number of workers in the system has soared by 20% since 1999, while retirees have increased by 43%.

Future government employees throughout Illinois would have to work longer to get full retirement benefits, and the size of those pensions would be limited under a measure that zoomed through the general assembly after years of calls for reform, reported the *Chicago Tribune*. The idea is to save billions of dollars in the coming decades to cover retirement costs for teachers, lawmakers and many public servants throughout state government, universities, cities, counties and park dis-

CONTINUED ON PAGE 6

# REAOC members at the Spring Luncheon

From the top (left to right): Esther Brooks & Lynn Hurd; Karen Kraushaar, Elaine Gourdin & Maricela Perez; singer/guitarist Jerry McFarland; Ross Pinyan, Joe Kiraly & Lou Scarpino



## In Memoriam

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

### January 2010 – April 2010

- Cobb, Robert, OC Public Works
- Cuseo, Phyllis
- Maldonado, Carmen, UCI
- Perea, Lillian, Superior Courts
- Sanderson, Philip, OC Public Works
- Smith, Orvella, UCI
- Stanton, Carolyn, SSA
- Strong, Jerry, OC Community Resources
- Tannier, Keith, HCA
- Taylor, Betty, HCA
- Velten, Odile, HCA
- Winter, Ramon, OC Public Works



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## In the News

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tricts. In Vermont, officials have reached agreement on a teacher plan that could become a model for financially-strapped states seeking ways to reduce the rising cost of employee retirement benefits. The accord between the legislature and the state treasurer – and Vermont's largest public employee union – will result in most teachers working additional years and making higher contributions to the pension fund but receiving a larger pension check upon retirement. The state initially will save \$15 million a year, or about 10% of Vermont's current budget shortfall.

## And the Winner is... *Joan When!*

Joan When was fortunate to be present at the January 27th REAOC luncheon and was the lucky winner of the \$700 Progressive Drawing. Joan said she has been attending the luncheons for the past year and was very surprised and excited when she heard her name called.



Medicare/Medical billing department and her last position was in Case Management. She has been married to her current husband for 34 years and together they raised her three and his three children.

Joan said she loves to travel and will use her winnings for a future trip. She generously donated \$50 to start the pool for the next Progressive Drawing.

Joan retired from UCIMC in April 2004 where she had worked for 32 years. She started her career in the

## *Luau Luncheon Menu for May 26th*

*Home-style Meatloaf with  
Garlic Brown Sauce*

*Fresh Whipped Potatoes*

*Garden Vegetables*

*House Salad with Italian or  
Ranch Dressing*

*Dessert*

*Coffee and Iced Tea*



## On the Calendar: 2010 REAOC Luncheons



**Wednesday:**  
September 22  
December 1

## Progressive Drawing \$100.00

Marilee Steward of Hemet would have won \$50 at the March luncheon had she joined us. You must be present at the time of the drawing to win!

See you on Wednesday, May 26 at Mile Square Park.

## Hemet Chapter Luncheon

REAOC's Hemet Chapter will hold its next luncheon on Tuesday, June 8, 2010 at 11:30 a.m. at the First Presbyterian Church located at 575 E. Kimball in Hemet. The cost is \$9.50 per person. Make your reservation by calling Jeri at 951-672-4594 or Jack Edwards at 951-654-8511.

Upcoming luncheons will be held on the second Tuesdays in October and December 2010.



## 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, May 19, 2010

Print Name: \_\_\_\_\_

Enclosed is my check for \$ \_\_\_\_\_  
for \_\_\_\_\_ lunches at \$17.00 each.

\_\_\_\_\_ Vegetarian lunch(es)

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 \$ \_\_\_\_\_ for AREOC Litigation Fund.

PLEASE CAR-POOL!



# Welcome, New Members

<b>Auditor/Controller:</b> Maricella Gonzales	Raymond, Ashutosh Mehta, Halbert	Claudia Francoeur, Joan Okada, Richard
<b>Clerk/Recorder:</b> Shizve Davidson	Tran, Alcira Navarro	Kopps, Rita Leek, Laura Garcia, Theresa
<b>District Attorney:</b> Susan Riezman	<b>OCSD:</b> Donald Dear, Jackie Parker,	Carmona, Stan Pringle
<b>EMA:</b> Charles Gould	Sherry Dishon, Virginia Gass, Richard	<b>Superior Court:</b> Cynthia Olis, Dee
<b>HCA:</b> April Barrio, Ngach Ho, Anita	Henley, Wellington Bennett, Melvin	Velasco, William Volner, Marjorie
Portillo, Janice Ervin-Assigal, Larry	Stafford, Jr.	Woods, Ronald Meehan
Finch, Joan McDonald	<b>OCTA:</b> Walter Kowalchuk	<b>Surviving Spouse:</b> Nancy Kerr, Carolyn
<b>JWA:</b> Ralph Villani	<b>OCWD:</b> Steve Owens	Stokich, Esther Sanderson
<b>OCCR/OC Parks:</b> John R. Robinson	<b>OCWR:</b> Steven Goodrum	<b>Not Stated:</b> Judith Vargas-Montoya,
<b>OC Community Services:</b> Linda Pringle	<b>Probation:</b> Larry Downs, Ronald	Richard Gable, Shirley Fischer, Pat
<b>OCERS:</b> Susan Spietz	Nichols, Marianne Phillips	Cramer, Chau Dang, Carolyn Stokich,
<b>OCPL:</b> Wendy Ying, Carol Manley	<b>Sanitation District:</b> Daniel Tremblay	Arabela Higareda, Glenn Owens, Teresa
<b>OCPW:</b> Richard E. Miller, Robert	<b>SSA:</b> Susan Rhodes, Edna Rangel,	Burris, Ema Rubio



# The Informer

RETIRED EMPLOYEES ASSOCIATION OF ORANGE COUNTY, INC.  
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## INSIDE THE INFORMER

- REAOC Luncheon Set For Wednesday, May 26th
- Litigation Summary
- 2-1-1 Orange County
- In The News

**Dated Material – Please Deliver Immediately**