

REMCO
Luncheon Meeting
Minutes
Tuesday, December 13, 2011

Call to Order:

President Lola Barnett called the meeting to order at 12:02 PM followed by the Pledge of Allegiance. The Head Table was introduced, noting the attendance of Secretary LaVon Justice, Vice President Kaye Greeley, Treasurer David Baker, Risk Analyst Marla Pettygrove, and Retirement Plan Administrator Maria Arevalo. Lola also introduced Gloria Coronas who was proving entertainment for the group. Lola reported that we had plenty of prizes to raffle off, and to see Ron and Debbie Kinchloe in the back of the room to buy tickets.

Treasurer's Report:

David Baker entertained the members with a joke to continue the holiday spirit. David reported for the fourth quarter: Deposits of \$9562 (membership dues, raffle ticket proceeds). Debits of \$4855.22 (scholarships, Carpenter Printing, Post Office for newsletters), and \$100 for Petty Cash, leaving a new balance of \$42,706.52.

David also reported that CRCEA is raising their dues by ten cents per member, and the Conference Fees by \$10.00 for attendees. CRCEA currently represents 20 Counties; it began 30 years ago as a social organization. Its purpose is to protect and watch over retirements with a legislative committee and consultant. There have been 250 legislative changes, and there are those who fight against defined benefits. Motion made and seconded to accept the report.

Secretary's Report:

Secretary LaVon Justice reported the minutes of the September 13, 2011 REMCO meeting. Motion to accept Secretary's report, seconded. Accepted.

Retirement Office:

Maria Arevalo, Retirement Plan Administrator, reported that Retirement Board regular member representatives Mary McWatters and Dwayne McCoy are also running for seats. Maria reported that the investment market has had ups and downs. On June 30, 2011, the return on fiscal year investments was 23.3%, while recent events will show a different and much lower year-end return. MCREA is audited yearly, and has shown that the staff are very good and continue to provide effective financial oversight. Maria reported on pending legislation; the possibility of Tier 3 retirement, discussions on the Governor's 12 point plan, increasing retirement age to correspond with Social Security, and a hybrid of a defined contribution/defined benefit plan, and the possibility of Air time and sick leave/vacation contributions being eliminated, all issues that may be on the ballot of the next election. Maria suggested that members discuss with non-public individuals that REMCO's defined benefit is more self-sustaining and creates less unfunded liabilities than other plans, that not all retirement plans are equal.

Risk Analyst Marla Pettygrove reported there would be an increase in medical premiums in January 2012. Due to restructuring, the Under 65 premium may go down. Marla had retirement informational meetings with more than 90 potential retirees, which included her husband Scott Pettygrove.

Lola reported that the meeting dates of the second Tuesday of March, June, September and December would be posted on the website, www.REMCOMerced.com. The REMCO membership numbers have increased due to the recent retirements. Vera Turner, formerly of MCMC, now living in Florida, contacted Lola to let her know she is thinking of the REMCO members and wishing them the best of the Season.

David Baker reported an update on the Orange County lawsuit. It was an unanimous decision that there were implied contracts rights - actions showed intent even if not in writing. A member questioned the meaning of "implied contract". John Carlisle, Newsletter Editor, reported that most contracts are written but actions of the involved parties can establish the intent of parties. Orange County has spend millions of dollars on the lawsuit. REMCO had donated money to Orange County's lawsuit as Orange County has

said if they won, and attorney's fees are paid, they would reimburse the contribution, but John said he isn't holding his breath.

Lola thanked her supporters and reported it has been an interesting year, but she is ready to pass on the baton when her term is completed in 2013. She wanted members to consider stepping up to take her place when that time comes. Lola gave thanks to all who contributed prizes, and to Gloria Coronas for providing the music, to make this meeting a fun event.

Lola called for a moment of silence for our heroes, deceased members, firefighters and soldiers who have died in the line of duty.

No other business being brought forward, a motion was made to adjourn, seconded.

Meeting adjourned at 12:32 PM.