



SCARE Newsletter

Sonoma County Association of Retired Employees

Published Quarterly

May 2010

Volume 22 Issue 2

Calendar of Events

2010

Business Meetings

May 25, August 31, and
November 30

Vets Building at 1:00 PM
Social at 12:30 PM

Luncheons:

June 8, September 21, and
December 7

Quail Inn in Oakmont at
1:00 PM

Board Meetings

May 5, July 7, August 25,
and November 3

1:00 PM Location changes.
Call first.

Get Notices and Newsletters by Email

Quite a few members have agreed to get notices and newsletters via email. This saves money and trees and lets us get info to you more quickly, which is really important as we work to protect retiree health benefits and take legal action. Plus you get the newsletter in color and can increase the font for easier reading!! If you are willing to get the newsletter and notices via email, send an email to communications@sonomacountyretirees.com authorizing Kathy Wertz to send them to you. It is a good idea to add that address to your address book so spam filters let it through.

President's Message

As I write this it appears that spring may finally be here. It feels like it has been a long wet winter although as I look at other parts of the country, we look dry. Spring in Sonoma County always makes me appreciate that I live in a beautiful place that is green and abounds with flowers, grapes and sunshine. This year is especially nice since it appears the drought is over, at least for this year.

As we move into spring we do so in our newly incorporated status. The final approval of our new status (as a mutual benefit corporation with a 501(c)(5) tax exemption) requires some changes to our Articles of Incorporation and our Bylaws. We will vote on these at the General Meeting on May 25th. My thanks to Phyris and Ron for all the work they have done to get us through this process.

Legal Update - on April 6, 2010, at a case management conference, the Court gave us 90 days to amend our complaint to allege additional facts and the opportunity to conduct further discovery of documents from the Board of Supervisors. Our attorneys will review documents we received from the County and will continue to gather additional documents as needed. After we amend our complaint, the Court will decide whether our case can go forward and what the scope of the case will be. While we all wish to find a speedy resolution, litigation can be a slow process. Thank you for your patience and we will keep you posted.

We continue to seek out members who are interested in working with the SCARE Board. If you are interested in being on the Board or working on a project let us know. Right now we are looking for someone interested in planning the programs for the general meetings and we need two more Board members. Anyone who might be interested should contact me for more information.

At the General Meeting in May we hope to have a candidates forum with the two candidates running to fill the vacancy that will occur when Paul Kelley leaves the Board of Supervisors.

I hope to see you at the General Meeting in May and/or at our next luncheon in June.

Carol Bauer, President

Board of Directors

Officers

President

Carol Bauer

Tel. No. - 707-874-9149
Email - bfuzzy51@aol.com

Vice President

Greg Jacobs

Tel. No. - 707-823-7341
Email - gjacobs48@gmail.com

Secretary

Patty Hamley

Tel. No - 707-579-1726
Email - phamleyis@hotmail.com

Treasurer

Phyris Tobler

Tel. No. - 707-795-6926
Email - phyris@sbcglobal.net

Immediate Past President

Dick Gearhart

Tel. No.- 707-577-0227
Email- sgearhar@pacbell.net

Directors

Carl Jackson

Eve Lewis

Ron Piorek

Kathy Wertz

Gary Wilkening

2 VACANT POSITIONS

Retirement Board - Mike Chrystal

Alternate - Dianne Edwards

CRCEA Rep - Ron Piorek

Alternate - Dick Gearhart

Legal - Greg Jacobs

Membership - Patty Hamley

Luncheons - Patty Hamley

Newsletter Editor - Lonna Necker

Scholarships - Gary Wilkening

The SCARE Newsletter is printed quarterly. The information printed in SCARE is believed to be accurate and from reliable sources. However, no responsibility is assumed by SCARE, the Editor, or the writers for inaccuracies in the articles as published.

Business Meeting of February 23, 2010

1. Call to Order: The meeting was called to order by President Carol Bauer at 1 PM

2. Treasurer's Report: Phyris was on vacation, so Carol read Phyris' report. As of January 31, 2010, our bank balance was \$113,961. These \$\$ will go fast as our legal bills come in. Last month our bill was around \$23,000. This was for our response to the County's motion to dismiss, along with preparation for other actions that are required. We would appreciate donations from members in any amount. Make you check out to SCARE and send to Phyris at 7675 Blair Avenue, Rohnert Park, CA 94928.

3. JLMBC Update: Kathy Wertz reported on items discussed at the JLMBC meeting last Thursday.

The Retiree Safety Net Program is scheduled to go to the Board of Supervisors in closed session for direction in March. This is a proposed program in which the County would subsidize premiums for those most affected by the upcoming increases.

Waiver Options for Retirees. This is for retirees who want to drop their county health insurance because they have insurance through another employer. We're asking for more latitude on this to accommodate retiree health plan choices, such as AARP.

Vision Plan through SCERA. Open enrollment will be in May.

Life Insurance Increase. Kathy said we are allowed to change to another amount, but we all have to agree on the amount. We currently have a \$2,000 policy which costs 52 cents per month. A \$5,000 policy would cost \$5.25 per month. They are also looking at AARP life insurance.

Open Enrollment will be March 22nd – April 16th, with a June 1st starting date for new rates.

County Health Plan #3 and a new Pacific Care Plan. These are less-expensive options. More information during open enrollment.

The County has contracted with Care Counsel to assist retirees and active employees with health insurance questions. Care Counsel can be reached at 888-227-3334 or www.carecounsel.com.

Estimates of costs of health insurance through 2014-15 have been prepared by SCARE and were posted for review at the meeting.

4. Mentoring Sonoma County

Liliana Ponce, Carol Turner, and Bill Nordskog gave a presentation on becoming a mentor for a youth within our community. Anyone interested in teaching a workshop, allowing a youth to job shadow, tutoring a youth for one hour a week, or mentoring a youth one hour a week for at least one year should contact Liliana Ponce at Big Brothers Big Sisters of the North Bay at (707)571-2227, Ext. 221 or via e-mail at LPonce@bbbsnorthbay.org.

5. Reverse Mortgage

Mike Brencze, Vice President of California Reverse Mortgage Consultants, talked about the benefits of a reverse mortgage. Mike's office is located in the Redwood Credit Union Corporate Offices, 3033 Cleveland Avenue, Suite 150, Santa Rosa. Telephone: (707) 535-2923. Mike is presenting another free workshop at 11 a.m., Thursday, March 25, at the Bennett Valley Senior Center. Reservations are required.

- **Continued from previous page**

6. Legal Report

Our lawsuit is slowly progressing. The County's attorneys filed a motion to dismiss our lawsuit, which is the typical first response. Our attorneys filed an opposing motion, and this has gone to the Judge. It may take a month or two to get a response from the Judge. Meanwhile, we are moving forward with exchanging witness lists and documents with the County's attorneys.

7. Incorporation Update

We have filed with the State as a non-profit public benefit corporation effective 01/01/10. Our request for tax exempt status from the IRS has been approved. For tax exempt status, the IRS thought we were more appropriately coded as 501(c)(5), a labor organization (that doesn't mean union) since we are retirees from the same employer. Our attorney and the Board do not see any negative impacts from this change. There are advantages as we can endorse candidates and get a break on our postage. Therefore, we are agreeing to make this change. Unfortunately, donations to SCARE continue to be non-deductible.

8. New Legislation

Carol introduced SCARE member, Philip Sales, who is asking for signatures on a petition to have parks funded through an increase in the vehicle license fee.

Carol also introduced Herbert Ginsberg, who is supporting SB 810 regarding universal health insurance for California residents.

9. Drawing for Door Prizes: 41 members signed the roster for today's meeting. Bob Larson, Patty Hamley, and Carol Bauer won the drawing. They each donated their winnings to the legal fund.

10. Adjourn: There being no further business, the meeting was adjourned by President Bauer.

Respectfully submitted, Patty Hamley, Secretary

JLMBC Update

Well, it's springtime and the annual enrollment for health benefits was over on Friday, April 16. There were many plan changes to consider this year in addition to a shortened enrollment period. Also, all of us will experience higher premium costs as the County continues to increase the retiree's share of the monthly premium as well as increasing the premiums themselves.

We are continuing to pursue a Safety Net Program for retirees although the County is really dragging their feet through the process. We are expecting a progress report at the JLMBC meeting in May. Since the County is unlikely to notify retirees when it does become available, we suggest that you call Risk Management (707-565-2942) if you cannot afford to pay your increased health insurance cost.

Also, we are asking that the Retiree Health Plan Waiver provisions be broadened to allow retirees to waive County provided health plans and re-enroll at a later date. We will keep you updated on our progress in these areas of concern. Even though you might find less costly coverage, we recommend that you do not drop your County coverage for you or your dependent(s) until a waiver is available as you will not be reinstated if you need it later.

And lastly, we are trying to resolve issues around increasing our \$2,000 life insurance policy to \$5,000 or \$10,000. In order for the policy to benefit everyone, it must be a "guaranteed issue" policy, which means no health appraisal is necessary. We'll keep you posted!!

Kathy Wertz, Health Benefits Chair

Congratulations New Retirees



Cynthia Arthur—Information Systems
 Carla Bonilla-Superior Court
 Barbara Bright—Human Services
 Charles Cerniglia—General Services
 Nicholas Chase-PRMD
 Myles Coleman—Probation
 Judith Cootright—Sheriff
 Julie Cox — Human Services
 Evelyn Dickens — Auditor
 Leslie Garritson—Retirement
 Michael Harrison—Child Support

Margaret Holland—Health Services
 Dan Holtman-Auditor/Controller
 Karen Hyles—Superior Court
 Diana Jameson—Information Systems
 Linda Jenkins-Human Resources
 Mark Kasprow-Health Services
 Leilani Luce—Community Development
 Thomas Newell-Health Services
 Randy Poole—Water Agency
 Gale Reeder—Probation
 Carol Robinett—Human Services
 Bruce Schmidt—Human Services
 Alix Shor—Human Services

Welcome to New SCARE Members



Barbara Bright (Human Services)
 Charles Cerniglia (General Services)
 Wanda Critchfield-Guidi (Public Health)
 Evelyn Dickens (Auditor-Controller)
 Steven Fabian (Public Defender)
 Leslie Garritson (Retirement)
 Linda Jenkins (Human Resources)
 Jerry Newman (Human Services)
 John Pels
 Randy Poole (Water Agency)
 Gale Reeder (Probation)
 Carol Robinett (Human Services)
 Elissa Seals (Child Support)
 Dena Shaw (General Services)
 Alix Shor (Human Services)
 Margaret Tunstall (Tax Collector)
 Vaughan Whalen (Human Services)

General Membership Meeting Agenda

1 PM—Social at 12:30 PM

May 25, 2010—Santa Rosa Vets Building

AGENDA

1. WELCOME
2. TREASURER'S UPDATE
3. INCORPORATION UPDATE
4. VOTE ON CHANGES TO ARTICLES OF INCORPORATION AND BYLAWS
5. LEGAL UPDATE
6. CANDIDATES FORUM
7. QUESTIONS OR COMMENTS FROM MEMBERS
8. OTHER
9. DRAWING



Encourage fellow retirees to join SCARE!

Please encourage any retirees you know to join SCARE and continue to have a say in the future of their benefits. You can call Patty Hamley at 707 579-1726 to get a copy of our application form or go to our website: www.sonomaountyretirees.com.

Mail application to: SCARE,
 2112 Berkeley Drive, Santa Rosa, CA 95401

SCARE Statement of Finances

March 31, 2010

Checking	5,989.52
Money Market	101,667.95
Savings Account	<u>5.72</u>
TOTAL	\$107,663.19

As of March 31, SCARE had 1301 members and 190 associate members.

Phyris Tobler, Treasurer

Incorporation Update & Vote to Approve

We have received the needed approval from the State Attorney General's office to change from a public benefit corporation to a mutual benefit corporation. As mentioned in the last newsletter, this change was needed because the IRS classified us as a labor organization [IRC 501(c)(5)] for tax exempt purposes and the State requires that nonprofits with that classification be mutual benefit corporations.

We have had to make changes to our Articles of Incorporation and our Bylaws to accommodate these changes and now we once again need member approval. We will be voting on them at our May business meeting.

Our Articles of Incorporation have changed quite a bit so they are included in full below.

RESTATED ARTICLES OF INCORPORATION OF SONOMA COUNTY ASSOCIATION OF RETIRED EMPLOYEES

ARTICLE I

The name of this corporation is Sonoma County Association of Retired Employees.

ARTICLE II

A. This corporation is a nonprofit mutual benefit corporation organized under the California Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity, other than credit union business, for which a corporation may be organized under such law.

B. The specific and primary purpose of this corporation is to engage in labor organization activities, within the meaning of Section 501(c)(5) of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any future United States internal revenue law (the "Code"), that promote and protect the welfare and interests of individuals who receive or expect to receive retirement benefits from public agencies participating in the Sonoma County Employees' Retirement Association.

ARTICLE III

Notwithstanding any of the above statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purposes of this corporation. In addition, the corporation shall not, as its principal activity, receive, hold, invest, disburse or otherwise manage funds associated with savings or investment plans or programs, including pension or other retirement savings plans or programs.

ARTICLE IV

This corporation is not organized for profit and no part of the net earnings shall inure to the benefit of any private person.

Our Bylaws have changed much less. Wherever they previously said "public benefit," they will now say "mutual benefit." Wherever they said "501(c)(4)," they will now say "501(c)(5)." In addition to those changes, we had to make a few other technical changes, either because of the changes mentioned above or for other needed cleanup. Those changes are shown below with strike outs through the language to be deleted and with the new language underlined.

The full text of the revised bylaws showing all changes can be found at our website or you can request a hard copy from our Secretary, Patty Hamley, at 707-579-1726.

Changes to Bylaws:

ARTICLE II - PURPOSE

Section 1. This corporation is a nonprofit mutual benefit corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Corporation Law exclusively for public and charitable purposes, to engage in labor organization activities, within the meaning of Section 501(c)(5) of the Internal Revenue Code of 1986, as amended, or the corresponding provisions of any future United States internal revenue law (the "Code"), that promote and protect the welfare and interests of individuals who receive or expect to receive retirement benefits from public agencies participating in the Sonoma County Employees' Retirement Association.

Section 2. Further to the purpose stated above, the specific purposes of this corporation shall be to promote social welfare by include (a) representing the interests of individuals . . .

ARTICLE V - BOARD OF DIRECTORS

Section 1. The Board of Directors shall have no more than twelve (12) and no fewer than seven (7) members. The exact authorized number of Directors shall be fixed, within those limits, by a resolution adopted by the Board of Directors from time to time. All Board members, with the exception of the Immediate Past President, who shall be an *ex-officio voting* member of the, shall be elected by the members at the last general membership meeting of the year.

Section 5. A Director shall serve for a term of two (2) years. Terms shall be staggered; that is, approximately half the Directors will be elected each year, with their terms starting in January of the following year.

Section 8. A quorum is needed to conduct business at a Board Meeting. A quorum consists of 50% plus 1 a simple majority of the currently seated Board Members. Motions may be passed by a simple majority of those Board Members present.

ARTICLE VII - ELECTIONS

Section 6. Each Board position shall be filled by a majority of the votes cast at the general membership meeting at which a quorum is present. Proxies are not used.

ARTICLE IX - GENERAL MEETINGS

Section 5. A quorum at any general membership meeting shall consist of not less than twenty-five (25) active members entitled to vote. A majority of the Regular members vote at a meeting of regular members where a quorum is present is needed to pass motions by the membership. Proxies will not be used.

ARTICLE XI - INDEMNIFICATION AND INSURANCE

NOTE: The information on indemnification and insurance that was previously included in the Articles of Incorporation has been moved to these Bylaws and include changes recommended by our attorney.

Section 1. To the fullest extent permitted by law, this corporation shall indemnify its directors and officers, and may indemnify employees and other persons described in Corporations Code §7237(a), including persons formerly occupying any such positions, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that section, and including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described in that section. "Expenses," as used in this bylaw, shall have the same meaning as in that section of the Corporations Code.

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Minutes of SCARE Board Meeting of Wednesday, March 3, 2010

1. Call to Order: The meeting was called to order by President Carol Bauer at 1:10 p.m. In attendance: Carol Bauer, Dick Gearhart, Patty Hamley, Carl Jackson, Greg Jacobs, Eeve Lewis, Ron Piorek, Phyris Tobler, Kathy Wertz, and Gary Wilkening. A quorum was present.

2. Approval of Minutes: Minutes of prior Board Meeting were approved via e-mail. The Minutes of the February 23, 2010, were not available and will be sent out by Secretary Patty Hamley via e-mail to Board Members for their review.

3. Treasurer's Report: As of February 28, 2010, we have \$102,109 in the bank. We had to take money out of our Money Market account to pay attorney fees in February. As we get further into our lawsuit, legal costs will go up. Now that we are a corporation, we need to set up a new bank account with the Redwood Credit. We need a Resolution naming the President, Secretary, and Treasurer as authorized to sign on the new account. It was moved by Phyris, seconded by Ron to approve required resolution, and the new resolution was unanimously approved.

4. Legal Update: The motions from our and opposing attorneys went to the Court the end of January and will hopefully be reviewed by the Judge by April. Witness lists have been sent and documents to support the case have been requested by each side of the lawsuit. Ron suggested we have a face-to-face meeting with our attorneys when all the requested documents have been received.

5. Incorporation Status: We submitted our request for approval for nonprofit status as a 501(c)(4) corporation, but the IRS thought we were more appropriately coded as 501(c)(5). This has advantages for us, but state law requires 501(c)(5) corporations to be mutual benefit, instead of public benefit, corporations. In order to change this, our attorney will write a letter to the California Attorney General's office explaining why we need to change from a public benefit to mutual benefit corporation. Then we can finalize our corporation articles and bylaws.

6. JLMBC Report: Kathy reported the Safety Net Program is still in limbo. At the end of March, Scott Hadley (Benefits Manager) will go to the Board of Supervisors (in closed session) for direction. They are still discussing the Waiver Option to allow retirees to opt in and out of health insurance benefits but are wanting to limit it to retirees who have other health insurance through an employer. We think waiver should be available for any retiree who has comparable insurance, including AARP. Scott says he cannot get a package together before open enrollment. He indicated that he plans to limit the information in the Open Enrollment booklet to 5 or 6 pages, with additional information being available online or by contacting HR or Care Council. Our Board is very concerned about this as many retirees do not have computers and may be confused by having to call to ask for more information. Dick suggested scheduling a meeting with Scott in the next few days to see what is going out to retirees for open enrollment (March 22 – April 16). Carol will send an e-mail to Scott that we would like to meet with him before the Open Enrollment booklet is finalized.

7. SCARE Application Change: Phyris is revising our application for membership. A couple of changes were suggested, and she will incorporate them into the application form.

Mike Chrystal talked to Gary Bei about sending out an annual informational letter about SCARE to all retirees, along with our application, and Gary seemed to be open to that although it may need Board approval. Phyris will draft a letter and will ask Mike Chrystal to take it to the Retirement Board for its approval.

8. Status of Board Vacancies: Carl has talked to several retirees about serving on the SCARE Board. No luck so far.

9. Report on General Meeting: Board members agreed that the speakers at our February 23rd Business Meeting (Mentoring & Reverse Mortgages) were very well received. Carol will call the Council on Aging to see if they have a speaker who can come to our next Business Meeting (May 25).

10. Location of Board Meetings: It was decided that we will continue to have our Board Meetings at the SEIU Office at 1 p.m. rather than go to a noisy restaurant for a luncheon meeting.

11. Ads in Newsletter: If space permits, we may start selling advertising space in our Newsletter. This would be a way of bringing in extra money for printing and postage costs.

12. CRCEA Conference: Ron and Dick will be attending the CRCEA Conference in Santa Barbara, April 25 – 28.

There being no further business, the meeting was adjourned at approximately 4:15 p.m.

Respectfully submitted, Patty Hamley, Secretary

a. On written request to the board by any person seeking indemnification under Corporations Code §7237(b) or §7237(c), the board shall promptly decide under Corporations Code §7237(e) whether the applicable standard of conduct set forth in Corporations Code §7237(b) or §7237(c) has been met and, if so, the board shall authorize indemnification. If the board cannot authorize indemnification, because the number of directors who are parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of directors who are not parties to that proceeding, the board shall promptly call a meeting of members. At that meeting, the members shall determine under Corporations Code §7237(e) whether the applicable standard of conduct has been met and, if so, the members present at the meeting in person shall authorize indemnification.

b. To the fullest extent permitted by law and except as otherwise determined by the board in a specific instance, expenses incurred by a person seeking indemnification under this Article XI of these bylaws in defending any proceeding covered by that Article shall be advanced by the corporation before final disposition of the proceeding, on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately found that the person is entitled to be indemnified by the corporation for those expenses.

Section 2. Insurance. This corporation shall have the right, and shall use its best efforts, to purchase and maintain insurance to the full extent permitted by law on behalf of its officers, directors, employees, and other agents, to cover any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising from the officer's, director's, employee's, or agent's status as such.

If you have questions, please come to the meeting to get more information. If you cannot attend, you can call Phyris (707-795-6926) or Ron (707-526-3483).

Contributors to the Legal Fund

Thank you to the following members who have donated to our legal fund *since the last Newsletter*. It is greatly appreciated.

- Cynthia Berkley
- Kathleen DeLoe
- Robert & Lois Elias
- Sharon Falsey
- Leslie Garritson
- William Haugan
- Laura Lee
- Terry Loucks
- Charlotte Marchetti
- Ben & Rosemarie Pendranzini
- Sandy Sweitzer
- Charles & Darleen Ward
- Gary Wilkening

Now that our lawsuit has been filed, our legal costs are going to increase substantially. **We could really use additional donations in any amount.** As always, deductions are not tax deductible. Make your check out to SCARE and mail to 7675 Blair Ave., Rohnert Park, CA 94928. Thank you. Phyris Tobler, Treasurer

In Memoriam

- Daniel Andreason
- Edythe Asti
- Edward DeCosta
- Morris Houlette
- Michael Meese
- Don Morikawa
- Robert Nicholson
- James Odonnell
- Ruth Peron-Hayes



Updating Contact Information

Please remember to let us know when you move, change phone numbers or email addresses. Notifying SCERA does not get the information to us as SCERA will not give out your address or phone number to anyone. We know it is very easy to forget to do this but sometimes we have trouble locating members and if we get mail back, we try reaching you by phone or email. Please send email to Phyris at phyris@sbcglobal.net, snail mail to 7675 Blair Ave., Rohnert Park, CA 94928, or call 707 795-6926. Then we can make sure you always get our Newsletter and other important notices. Thanks.



Sonoma County Association of
Retired Employees (SCARE)
P.O. Box 5513
Santa Rosa, CA 95402

Address Service Requested

Final Vote on Incorporation

Updated Articles of Incorporation and revisions to the SCARE Bylaws are included in this Newsletter. Changes are being made to meet IRS and State Corporation Code requirements. There will be a vote at the May 25th Membership Meeting. Please attend if you can.