



Retired Public Employees' Association (RPEA)
Board of Directors' Meeting
June 17, 2014
Minutes

Westin LAX Hotel
5400 West Century Blvd.
Los Angeles, CA 90045

TUESDAY, JUNE 17, 2014

AGENDA ITEM 1 – CALL TO ORDER

President Harvey Robinson was unable to attend due to illness. Vice President Jerry O'Keefe called the meeting to order on **June 17, 2014 at 9:04 a.m.**

AGENDA ITEM 2 – ROLL CALL

Secretary/Treasurer Marie Reed conducted the roll call.

Present: Marie Reed, Secretary/Treasurer; Ann McWherter, Past President; Rosemary Knox, Director of Membership; George Linn, Director of Public Relations; Donna Snodgrass, Director of Legislation; Al Darby, Director of Member Services; Paul Tamboury, Assistant Area Director I; Ernest Sandoval, Area Director II; Robert Van Etten, Area Director III; Ellen Knapp, Area Director V; Wes Stonebreaker, Area Director VI; Dennis Cassella, Area Director VII; Estela Pena, Area Director VIII; Cleave Govan, Area Director IX

Excused: Harvey Robinson, President; Joanne Hollender, Director of Health Benefits; Don Raffaelli, Area Director I

Also Present: Joe Umiker, Office Manager; Tanya Rakestraw, Assistant Manager

AGENDA ITEM 3 – PLEDGE OF ALLEGIANCE

Director of Membership, Rosemary Knox, invited veteran member, [REDACTED] to lead the Pledge of Allegiance.

AGENDA ITEM 4 – INSPIRATIONAL MESSAGE

Area Director I, Ernest Sandoval, gave the following Inspirational Message:

Good Morning to you, faithful, RPEA Board members and guests. I would like to thank especially those Delegates from the far north of our state, and those from Arizona, New Mexico, Nevada and Oregon. But, I especially want to that the Assistant Area Directors who continue to help Area Directors complete their tasks.

During the late 60's when the beat poet, Lawrence Ferlinghetti, lived in San Francisco, I had just arrived at Yuba College in Marysville, and I was asked by my students about time, and I quipped, "Time is of the essence." I have to admit that I didn't know what essence meant in that context. However, I then remembered what my Grandfather told my mother about time. "Time is yesterday, today and tomorrow. Yesterday is gone. We have washed our hands of it. It's most difficult to undo what happened yesterday. It is now part of history. Tomorrow—well, we can prepare for tomorrow, but we have to wait until it arrives before we can do anything about it. Nothing happens tomorrow until it arrives. Let us see what then happened. Today is what is important. Our today is what counts. Each today is most important. Today we can discuss issues. We can debate the issues. We can solve the issues as best we can. We should focus our energy and make full use of today. We should do the best we can.

A number of years ago PERS was in disarray. Some of their officers were being investigated and eventually indicted. The PERS investment portfolio had suffered extreme losses in asset value. The

asset value of your retirement system had plunged to around \$167 billion dollars. From the State of Washington, PERS hired a new Chief Investment Officer. I attended the first PERS Investment Committee meeting because your President asked me to go. And I listened to Joe Dear, the Chief Investment Officer, and he spoke for 50 uninterrupted minutes where he discussed the goals of the PERS investments. He had just fired five managers because they had not done their jobs. He had set goals for the investment managers and set the roadmap of the PERS investment strategy. He then stated that there were still problems with transparency, as some managers were not communicating with one another. And the example he gave was that on the fourth floor the managers were buying real estate, and on the fifth floor the managers were selling real estate. Nine months later I attended a workshop of the Investment Committee, and one of the senior managers gave a presentation. As he concluded, he stated they were having transparency problems and problems with communications between the managers. And then he asked, "Are there any questions?" I raised my hand and stood up and I said, "I sat for fifty minutes and listened Joe Dear speak nine months ago. He spoke about the roadmap for PERS and said the same thing about transparency." I then asked, "Haven't you solved that problem yet?" And he began to answer, and the chair of the committee rapped his gavel three times, and each time he rapped it, he said, "YOU'RE OUT OF ORDER! YOU'RE OUT OF ORDER! YOU'RE OUT OF ORDER!" The Chair then called a recess. Well, you know what Ernie did. I stood up and walked up behind the chair, and I was going to talk to the chair. Joe Dear walked over to me and very quietly said, "I apologize for your embarrassment." I was upset, and I said, "I'm going to talk to the Chair." Joe Dear said, "Please don't do that. He's my boss." My reply was, "He works for us." I then looked at the agenda, and at the very bottom in Agenda Item 10 was the statement, "Public Comment." So, I was out of order.

At the next Investment Committee meeting on the printed agenda appeared this: "The public may comment on any agenda item." I spoke any number of times to Joe Dear about mundane things. I know he listened, because some of the things we discussed have been showing up on what became the next agenda and was appearing as part of some of the policies of the PERS Investment Committee. This last March the assets of your portfolio exceeded \$288 billion dollars, due in large part to Joe Dear's roadmap for the PERS Investment Office. Joe Dear isn't here anymore. He died this last winter. We should surely miss him. RPEA has lost a great friend

and an astute, intelligent and concerned gentleman. At his memorial, his son was asked about his father's philosophy of life. His answer was, "My Dad said listen to your heart and do the best you can." And so today I leave you with that message from Joe Dear. "Listen to your heart and do the best you can."

AGENDA ITEM 7 – ADOPTION OF THE CONSENT CALENDAR

Vice President O'Keefe called for changes to the Consent Calendar.

- A. *Director of Member Services, Al Darby, pulled his report, Item 6A9, from the consent calendar.*
- B. *Director of Legislation, Donna Snodgrass, pulled her report, Item 6A8, from the Consent Calendar.*

MOTION Secretary/Treasurer Marie Reed, moved to adopt the
M-1 Consent Calendar as amended. Area Director II, Ernest
06/14 Sandoval, seconded the motion.
[CARRIED]

C. A

AGENDA ITEM 5 - INTRODUCTIONS

Vice President O'Keefe invited the Board and audience members to introduce themselves. **[ATTACHMENT ___]**

AGENDA ITEM 6A9 – BOARD OF DIRECTORS' & HEADQUARTERS WRITTEN REPORTS – DIRECTOR OF MEMBER SERVICES, AL DARBY

Director Darby gave an oral report focusing on the newly-approved member services benefits provider, AMBA.

MOTION Director Darby moved that RPEA allow AMBA thirty (30)
M-2 more days to get their California agency license. After
06/14 that date, the Board make a decision about some other
provider. Area Director Sandoval seconded the motion.

Discussion.

VOTE ON [CARRIED]
M-2
06/14

**AGENDA ITEM 6A8 – BOARD OF DIRECTORS’ & HEADQUARTERS
WRITTEN REPORTS – DIRECTOR OF LEGISLATION, DONNA SNODGRASS**

Director Snodgrass gave an oral report **[SEE ATTACHMENT ___]**.

MOTION The Legislative Committee recommends, and Director
M-3 Snodgrass moves that RPEA endorse Leyne Milstein for
06/14 the CalPERS Board of Administration Local Government
Active Seat.

Discussion.

MOTION Secretary/Treasurer Reed moved to end the debate.
M-4 [REDACTED] seconded the motion.
06/14 [FAILED]

Discussion continued.

VOTE ON [CARRIED]
M-3
06/14

MOTION The Legislative Committee recommends, and Director
M-5 Snodgrass moves that RPEA endorse David Miller for the
06/14 CalPERS Board of Administration State Government
Active Seat.

Discussion.

MOTION Director Darby moved to end the debate. There was no
M-6 second.
06/14 [CARRIED]

VOTE ON [CARRIED]
M-5
06/14

(Vice President O’Keefe called a ten-minute recess.)

AGENDA ITEM 8 – ADOPTION OF THE AGENDA

MOTION Secretary/Treasurer Reed moved to adopt the agenda
M-7 as presented. Director Snodgrass seconded the motion.
06/14 [CARRIED]

AGENDA ITEM 9 – ADOPTION OF MINUTES

MOTION Secretary/Treasurer Reed moved to adopt the minutes
M-8 of the April 2014 Board of Directors meeting as
06/14 presented. Area Director VI, Wes Stonebreaker,
seconded the motion.
[CARRIED]

AGENDA ITEM 10 – FINANCIAL REPORTS

Secretary/Treasurer Reed gave the financial report [SEE ATTACHMENT ____].

AGENDA ITEM 11 – CORRESPONDENCE [ATTACHMENT ____]

Secretary/Treasurer Reed presented the following items of correspondence:

- A) *Thank you note from Thank you note from GA Committee Member, Nancy Santos, for the flowers and card we sent to Rich McCoy's service.*
- B) *Thank you card from Louise Avilla.*
- C) *Thank you note from Betty Raffaelli for the get well floral arrangement we sent.*

AGENDA ITEM 12 – POSSIBLE CANDIDATE ENDORSEMENT FOR GOVERNOR, CONTROLLER & STATE TREASURER

The Board discussed possible candidate endorsements for Governor, Controller and State Treasurer.

MOTION Area Director Sandoval moves that RPEA not endorse
M-9 any statewide candidates and that we publish profiles
06/14 on those candidates running for state office (*Governor, Lt. Governor, State Treasurer and Controller*) in the bimonthly newsletter. Area Director IX, Cleave Govan, seconded the motion.

Discussion continued.

VOTE ON [CARRIED W/1 NO FROM DIRECTOR DARBY]
M-9
06/14

MOTION Area Director VI, Wes Stonebreaker, moves that RPEA
M-10 not endorse any statewide candidates, including
06/14 Governor, Lt. Governor, Controller and State Treasurer. Area Director Sandoval seconded the motion.
[CARRIED]

AGENDA ITEM 13 – CANDIDATE INTERVIEWS & ENDORSEMENTS FOR ALL MEMBER-ELECTED CALPERS BOARD POSITIONS

MOTION Director Snodgrass moves that the Board write
M-11 procedural guidelines on the parameters for endorsing
06/14 elected CalPERS Board members. Area Director Sandoval seconded the motion.

Discussion.

VOTE ON [CARRIED]
M-11
06/14

AGENDA ITEM 14 – RPEA PARTICIPATION IN 2014 CALIFORNIA PUBLIC EMPLOYER LABOR RELATIONS ASSOCIATION (CALPELRA) CONFERENCE

MOTION Director of Public Relations, George Linn, moves that the
M-12 Board spend an amount not to exceed \$6,500 for
06/14 registration and booth costs for CALPELRA 2014. Director Knox seconded the motion.

Discussion.

VOTE ON [CARRIED]

M-12

06/14

MOTION Director Knox moves that we offer a one-year
M-13 membership (\$27) to each person who completes a
06/14 response card at the CALPELRA conference. Assistant
Area Director I, Paul Tamboury, seconded the motion.
[CARRIED]

AGENDA ITEM 15 – DISCUSSION RE OBTAINING QUOTES FOR AN RPEA MARKETING CONSULTANT & VENUES

MOTION Director Knox moves that RPEA send out requests for
M-14 proposals (RFP's) to find someone to assist us with our
06/14 marketing and recruitment efforts. Director Darby
seconded the motion.

Discussion.

VOTE ON [CARRIED W/1 NO]

M-13

06/14

(Vice President O'Keefe adjourned the meeting at 11:44 a.m.)
