



THE NETWORK

Newsletter of The Retired Employees of San Diego County

June 2016

Honoring Yesterday—Protecting Tomorrow

Vol. 47, No. 6

PRESIDENT'S MESSAGE

By John McTighe



Last month I described how my wife and I arrived at the decision to “age in place” and commenced the process of making our two story house comfortable for us to live out our “golden years” in a remodeled downstairs master bedroom and expanded bathroom. This month I will describe how we survived what our contractor refers to as “throwing a hand grenade into our house”

and give you some tips on how to keep your sanity when your home life has been turned upside down.

By the time we had selected our contractor, we had gone pretty far with him in the design. He walked us through a computer-aided design program that not only laid out the basic dimensions of the project, but also went into such details as the number and placement of plumbing and electrical fixtures. Up to that point, there had been no financial outlay on our part. Now it was time to finalize the design and sign on the dotted line. Our contractor walked us through page by page, a fairly detailed contract that spelled out every aspect of the project. This meticulous process of contract review and approval further increased our confidence that we had selected a contractor we could trust and who would look after the details of the project.

When we completed the signing of the contract we made our first payment which was basically a \$1,000 down payment to secure the contract. According to the payment milestones laid out in the contract, we would pay 10% of the total contract price when the plans got submitted to the city building department. We would then make progress payments through the duration of the project. If you find yourself in a similar remodeling project, it is important you make sure you do not pay the contractor more than he/she has earned at any point of the process. We felt that the progress payment schedule we had agreed to accomplished that goal.

Our contractor had estimated a three-month schedule

once we had received the building permit. Overall, the project took just about as long as had been estimated, even with some additional work and unexpected problems along the way. Our first problem was the discovery of...
(Continued on Page 6)

RECENT EVENTS

- The winner of the SDCERA General Member election for the third seat on the Board of Retirement is R.W. “Bob” Goodchild. Mr. Goodchild received the majority of votes among the five candidates. His three-year term begins July 1, 2016.
- At the May 2016 State Association of Retirement Systems (SACRS) Conference, County Treasurer/Tax Collector and SDCERA Board of Retirement Trustee Dan McAllister was elected as SACRS President for a one-year term.
- Did you attend our recent General Membership Meeting? If not, you missed two great presentations from County Aging & Independence Services. The Long Term Care Ombudsman and Retired Senior Volunteer Programs (RSVP) are looking for volunteers. For more information call the Ombudsman Office at (858) 560-2507. For RSVP, call (858) 505-6399.

WHAT'S INSIDE?

Right...To A Point!	2
Discounted Member Benefits	3
Pension Facts	4
Board Member Profile	4
Pension Facts At A Glance	5
Welcome New Members	5
In Memoriam	7
Flag Day Luncheon Reservation Form	8

June Calendar of Events

9—(Thurs.) RESDC Board of Directors Meeting
8825 Aero Dr., Suite 205, 9:30 a.m.

15—(Wed.) RESDC Day At The Padres Game
Petco Park, 12:40 p.m.

16—(Thurs.) SDCERA Board of Retirement Meeting
2275 Rio Bonito Way, Suite 200, 8:30 a.m.

16—(Thurs.) Flag Day Luncheon, General Meeting
La Mesa Community Center, 11:00 a.m.
4975 Memorial Dr., La Mesa, CA 91942

RIGHT . . . TO A POINT!

By Stan Coombs, Director

Had conversations with acquaintances last week who are prominent in public retirement circles. They surprised me.

The first acquaintance stated that public retirement system members shouldn't be concerned about their retirement fund investment earnings, because, unlike the private sector, public pensions are guaranteed.

The second acquaintance, broadly paraphrased, indicated that a recent six-month, \$600 million slide in a public retirement fund shouldn't be of concern because public retirement systems and their funding requirements are very long-term. He implied that down markets should be viewed as opportunities to double-down on investments.

They're both right, . . . to a point. In words from a bygone era, there's more to the story. Both the California and the United States Constitutions have commonly referenced, "Contract Clauses" that prohibit state agencies from reneging on their debts. Article I, Section 9 of the California Constitution states, "A bill of attainder, ex post facto law, or law impairing the obligation of contracts may not be passed." Article 1, Section 10 of the U.S. Constitution states, "No state shall. . . pass any law. . . impairing the obligation of contracts."

Seems enough to protect promised public pensions, one would think.

But, when public retirement systems are challenged after they attempt to reduce benefits, or during bankruptcies, courts have often ruled that governing bodies hadn't approved the threatened retirement benefit in a form that established the required contractual relationship with their employees, even though the hiring of an employee is commonly viewed as the consummation of an employment agreement.

And, recognition of those contractual relationships may be hard to come by. According to Emory Law School Professor, Andrew Volokh, in his article, "The Revival of the Contract Clause – Constitutional Issues in Public Pension Reform," the Supreme Court determined in 1985 that the presumption is against finding a contract obligation. That's because legislative policies must be "revised and re-

pealed," and if the obligation isn't "unequivocally expressed," construing laws as contracts drastically limits the powers of the legislative body.

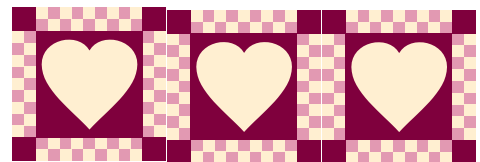
In 2007, a district court ruled against the Retired Employees Association of Orange County, saying that there never had been a contractual promise to continue a pooled health arrangement, when Orange County separated retirees' and active employees' health coverage, bringing higher retiree rates. The court said the County wasn't obligated for any benefit not undertaken explicitly through a board resolution. The legal news service, "Law 360," reports that in 2014 an appeals court agreed.

Volokh notes other cases. In 2013, an Alabama court ruled that a contract impairment must be determined "substantial," judging by whether it's central to the contract, whether settled expectations were disrupted and whether the impaired right was reasonably relied on.

The Sacramento Bee reports that Judge Kimberly Mueller ruled against The Sacramento County Retired Employees Association in 2011, again finding no contractual obligation when Sacramento County proposed to reduce retiree medical and dental subsidies.

The other point, according to Volokh, is that these constitutional Contract Clauses disallow laws that impair employment contracts, not simple breaches of contracts. In 2013 a federal court in Kansas denied a contract clause claim because a teacher couldn't point to specific changes in law when she sued her school district. They apparently only determined her ineligible for early retirement because she couldn't demonstrate the required 15 years of consecutive service. Seems that invoking these constitutional guarantees of public pensions is not a slam-dunk.

(Continued on Page 5)



Allen Infeld celebrated his 85th birthday in May! He retired from Air Pollution Control in 1993. He and his wife, Beverly, have taken 95 cruises! Allen and Beverly will celebrate their 60th wedding anniversary in December!

Mary Wright will celebrate her 90th birthday this month with a large family party! She retired from Superior Court in 1989 after 22 years of service. She and her husband, Steve, still enjoy taking road trips in their RV, but they let their son do all the driving now. Mary is very active in her church and also spends as much time as she can with her family.



DID YOU KNOW? DISCOUNTED MEMBER BENEFITS ARE AVAILABLE!

By Mark Nanzer, Executive Director

It goes without saying how much we appreciate your membership, but I feel inclined to say loud and clear to all RESDC members...THANK YOU! You are the lifeblood of our organization and we want to ensure that you find value in your membership.

One place this value exists is competitively priced benefit programs. While our popular dental plans are only available for enrollment during the October/November open enrollment period, highlighted below is a sample of programs available to RESDC members throughout the year.

If you haven't considered accessing these programs, please take a few moments to review these excellent offerings. These plans all offer discounted rates for RESDC members.

Comprehensive Living Trust Estate Plan

Benefits of Estate Planning include:

- Preserving an estate for the benefit of heirs
- Maintaining control over the distribution of assets
- Helping to reduce—or potentially eliminate— estate taxes
- Designation of someone to act on your behalf should you become incapacitated
- Protecting your privacy by avoiding probate

To learn more contact the two law offices below:

Lopez & Wilmert | larisa@lopezwilmert.com | (619) 589-1112 , La Mesa & Chula Vista

Law Office of Scott Soady | scott@help411.com | (858) 618-5510 | Rancho Bernardo

HMO Pet Care – United Pet Care

Available for Dogs, Cats, Birds, Rabbits, Ferrets, Pocket Pets, & Reptiles. Available for your pet at a discounted price and each additional pet receives a discounted rate.

One of our more popular benefits, the HMO Pet Care is a discount program available for pets regardless of age or pre-existing and breed specific conditions. Pet owners will receive instant savings of 20%-50% off exam, surgery, hospitalization, vaccine, spay/neuter, diagnostic,

radiology, dental, and other preventative and sick care procedures. Medication is also discounted 20%-25%.

Members will also receive discounts at numerous pet places including those for: Pet Food, Natural Food, Grooming, Accessories, Products, Supplies, Boarding Kennel, Doggie Daycare, Pet Sitting, Dog Walking, Training/Obedience, Herbs, Supplements, & Medications.

To enroll or for more information: Call United Pet Care at (888) 781-6622 and mention you are a member of RESDC or visit:

www.unitedpetcare.com/resdc.

Amplifon Hearing Benefit

Amplifon Hearing Health Care has partnered with RESDC to offer a FREE hearing aid discount program. Benefits include:

- Significant savings of approximately 25% off hearing aids, including name brands like Phonak, ReSound, Starkey, and Siemens and 40% off testing and diagnostics
- Low price guarantee – will beat local hearing aid quotes by 5%!
- Free one-year supply of batteries
- Free one-year follow-up care
- Risk-free 60-day, 100% money-back satisfaction guarantee
- 3-year warranty – one of the longest in the industry
- Financing available

To take advantage of this free program, call Amplifon Hearing Health Care directly at: (877) 846-7075 and let them know you're a RESDC member. A Patient Care Advocate will assist you.

For further information on these and other benefit programs offered to RESDC members, call the RESDC Office at (619) 688-9229 or visit our web-site at: www.resdc.net/member-benefits/.



**June 21st
First Day of Summer!**



PENSION FACTS
RESDC Is Serious
About Keeping You Informed
By Chris Heiserman, Director

In last month's NETWORK, I urged you to "Follow RESDC to Stay Informed." I feel a more descriptive picture of what is available now in our newsletter and on our Facebook page may encourage more of you to check this out. On our website (www.resdc.net) the "News Now" navigation tab on the Home Page will take you directly to short summaries and links to recent full-length articles, reports, or news bits about pension reform proposals, retirement-related commentary, and other interesting issues.

The items posted are submitted by members of our Editorial Committee, RESDC board members, and other knowledgeable friends who regularly monitor local, state and national media sources. We select the most relevant and informative items and place them on the "News Now" page (and often duplicate the posts on Facebook.)

Let me give you a better idea of what you will find in "News Now." I am writing this the first week of May for the June NETWORK. These were the current items on our website that week:

- Posted May 6, 2016. "R. W. 'Bob' Goodchild Elected to SDCERA Board of Retirement." Provides a brief description of SDCERA's news release announcing the outcome of the vote to fill one of three seats on the nine-member board for active employee representation. A link to the SDCERA website for the complete release is included.
- Posted May 6, 2016. "Why Do Older People Love Facebook? Let's Ask My Dad." Describes a [New York Times](#) article based on a survey of more than 350 American seniors done by Pennsylvania State University. They found older people like Facebook for the same reasons as their younger counterparts: bonding with old friends and interacting with like-minded people.
- Posted May 2, 2016. "Case Studies of State Pension Plans that Switched to DC Plans." Summarizes cases where three states that moved from Defined Benefit (DB) pensions to Defined Contribution (DC) 401(k) style savings accounts to "save" money found that the change instead worsened their financial position and drove up pension debt.

- Posted on April 28, 2016. "Disappearing Pensions Hurt U.S. Economy and Workers." [USA Today](#) story describing how the wholesale private sector shift away from Defined Benefit pensions to 401(k) accounts has resulted in significantly lower resources for retirees and has prompted employees to work more years and reduced overall worker productivity.

By the time you read this, there will be more recent posts on "News Now" that may pique your interest or give you a taste of what's happening on the pensions and retirement security fronts in California and across the country. At the bottom of the web page a link will back you up to "Older Entries" if you would like to see more details about the items described here.

If you enjoy the opportunity to conveniently access this current information on retiree issues, I urge you to bookmark the link and check back at least a couple of times each month. RESDC leaders review monthly statistics on website and Facebook usage to see if members find our efforts useful. We hope you do.



BOARD MEMBER PROFILE
FRANK BITTNER

Frank Bittner has been a member of the Board of Directors since 1991 and presently serves as Treasurer.

He retired from the Public Administrators Department in 1990 and has prior county experience with the Registrar of Voters Department, Integrated Planning Office, the Assessors Department, and the Welfare Department.

He retired from the Navy after almost 30 years of service as a Lieutenant.

Frank received an Associate Degree in Accounting and an Associate Degree in Public Administration.

His retirement activities include swimming, bicycling, duplicate bridge, and growing roses.

Frank and his wife, Lorraine, have traveled extensively and have visited all seven continents. One of their most memorable travel experiences included spending five days cruising Antarctica and walking ashore on the ice among the penguins.

Frank and his wife have a large family that includes three great-great-grandchildren.

PENSION FACTS AT A GLANCE

3%

Percentage of CalPERS' more than 600,000 retirees who receive the much publicized six-figure annual pensions (\$100,000 or more)



WELCOME NEW MEMBERS

Antonia M. Barradas	Superior Court
Constant DeCalonne	Superior Court
James L. Dixon	
Richard D. Jenkins	District Attorney
Victoria M. Mangarin	Public Defender
Myra E. McDaniel	
Karen J. Tominia	Health & Human Services

Right....To A Point! (Continued from Page 2)

What about the idea that market slides are normal, provide investment opportunities, and retirement system funding requirements are so long-term that members shouldn't concern themselves with temporary market fluctuations?

Markets and portfolios do routinely cycle up and down. Retirement investing is very long-term, and you do want to buy low! In fact, the six-month slide referenced above ended when earnings surged with a vengeance. But, if only it were so simple.

Remember the assumption rate? It's a long-term prediction of retirement fund earnings (currently 7.5% for the San Diego County Employees Retirement Association), which reduces the contributions needed each year from active employees and the employer to fund the system. Notwithstanding the long-term character of public retirement, it turns out that if a temporary market slide reduces investment earnings in a given year below the assumption rate, a funding deficit is created, and the employer must make up fund deficits!

These are the deficits that are so unpopular with public retirement critics, who are focused on reducing public retirement benefits through a series of extremely damaging ballot propositions. We've described these before. Temporary market slides can result in annual deficits - often in the hundreds of millions of dollars due to the sheer size of large retirement portfolios - and fuel critical media coverage, and further invigorate political critics.

They are real risks to public retirement systems, that warrant attention.

San Diego County retirement net assets increased \$354.9 million during March, bringing fiscal-year-to-date changes to minus \$183.5 million, and total net assets back to \$10.2 billion.



President's Message, (Continued From Page 1)

ery of asbestos in the existing walls and ceiling that were being demolished. Due to building and safety regulations, the contractor (at added expense to us) was required to bring in a specialty subcontractor to do the demolition work. From there on, the work proceeded as scheduled. We decided along the way to have more concrete poured outside and to extend the new wood laminate flooring into our family room, living room, and dining room, as well as to rebuild our 1970s fireplace, hearth, and mantel into a modern fireplace and cabinet with an enclosure for our big screen TV. All of that required that we process change orders to cover the additional work and cost.

We ran into a big "oops" when the contractor demolished the old tile floor in the family room in preparation for laminate flooring to be laid. A large crack caused by a root under the slab had to be repaired before the new floor could be installed. Of course, this was another change order and more cost, but not a big disruption to the flow of the project.

We now have an enlarged bedroom, totally new bathroom, a new office nook, new wood laminate floors in the family room, living room, and dining room, and a completely rebuilt fireplace with built-in TV and cabinetry. All of our living is now done on one floor, with comfort and convenience and, should we ever need it, enough access to accommodate a walker or wheelchair. Below are a few photos of the before and after of the bedroom, family room and bathroom.

So, what advice do I have to help survive a major home renovation project like we went through? First, do your homework. Know what you are getting into both in terms of the scope of the project and the cost. Don't over-extend your comfort level for either the amount of work to be done or in particular, the cost of the work to be done. Know the limits of what you can afford. Also, do your homework in selecting a contractor you can trust who has experience with the type of work you are doing and has good references. Take the time to go see some of the work they've done and talk with the owners about their experience with the contractor. Build in a margin, both in time and money, to be prepared for the unknowns that may crop up along the way. Have a sanctuary you can escape to when everything seems to be crazy around your house. In our case, this was a sitting room off of our upstairs master bedroom that had a TV and very importantly, a door that closed that kept out most of the noise and dust. The National Association of Home Builders has additional tips for how to live with a remodeling project and an aging-in-place remodeling checklist that can be found at www.nahb.org.

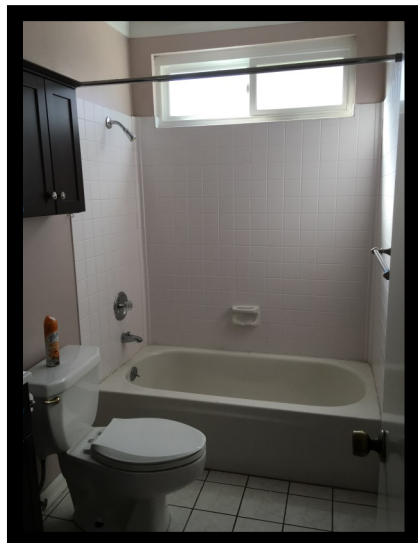
Time will tell whether we will ever take advantage of the safety and accessibility features we added through this remodel, but overall we are very happy with our experience and with the final outcome. If you'd like to know more or seek my advice, please email me at jmctighe@resdc.net.

Family Room Before



After

Master Bathroom Before



After

ASSOCIATION OFFICERS

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 1st Vice Pres.....Stan Coombs
 2nd Vice Pres....Chris Heiserman
 Secretary.....Joan Wright
 Treasurer.....Frank Bittner

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 Carlos Gonzalez, Janice Graham Heather,
 Joe McGuire, Nellie Parks,
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Susan Mallett

EXECUTIVE DIRECTOR

Mark Nanzer

OFFICE STAFF....Marge Elmendorf

....Karen Hazel

....Liz Silverman

NETWORK EDITOR....Karen Hazel



Identity theft is one of the fastest growing crimes in the United States. There are steps you can take to minimize your risk of identity theft including: destroying unused checks and credit cards, taking extra security with online purchases, being aware of phone scams, and simply guarding your purse or wallet. Be sure not to give out your personal information over the phone unless you are sure you know to whom you're speaking. SDCCU® also encourages you to review your credit report once a year for free at annualcreditreport.com.

For information on what to do if you think you've become a victim of fraud or identity theft visit sdccu.com and search identity protection.

MEMBER PRIVACY

Any retiree or surviving spouse who doesn't want his/her death notice published in the "In Memoriam" section of this newsletter may notify the RESDC office and your privacy will be maintained.

IN MEMORIAM

Edward Aaron	Pubic Health
W. Robert Augestad	Surviving Spouse
Mary Batten	Surviving Spouse
Shirley Bertolino	Agriculture
Anne Beukema	Marshal
Patricia Black	District Attorney
Mary Cranford	Surviving Spouse
Judith A. Dara	Superior Court
Ena Delaguardia	Social Services
George Devoid	Public Works
Jack Dickenson	Public Works
William Finch	Assessor/Recorder
Raymond Fisher	Sheriff
Kikue Foss	Surviving Spouse
Dorothy Gibson	Surviving Spouse
Larry Goodman	Sheriff
Dorothy M. Hamilton	DMI Hospital
Betty Hunt	Social Services
Lillian Hunt	General Services
Emma Kaino	Public Health
Marjorie Landers	Edgemore
Georgia Leight	Revenue & Recovery
Cathleen McCrea	Public Defender
George J. Pearson	Public Works
Harold Peyer	Public Defender
Carol Popet	Planning & Land Use
Betty Price	Health & Human Services
David Provost	Sheriff
Edmundo Ritarita	Probation
Charmaine Ruud	District Attorney
Bonita Shepard	Registrar of Voters
Paula Sherriff	Health & Human Services
Andre Stutz	District Attorney
Helen Syphers	Welfare
Anneliese Terry	Surviving Spouse
Salvia Thompson	Informational Services
Marion Tyczki	Social Services
John Vlismas	Surviving Spouse
Marian Weir	Social Services
Judy Wieand	Health & Human Services
Patricia Wiggenghorn	Surviving Spouse
Ladon Williamson*	District Attorney
Clarence Yanish	Personnel

*Active

**As long as we think of you,
 You'll always be with us.**

The surviving spouse of a member is eligible for RESDC membership. For enrollment assistance, call (866) 688-9229.



Office Hours: 9 am to 2 pm, Monday through Friday
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NETWORK is the official monthly newsletter of the Retired Employees of San Diego County, Inc. (RESDC), a private non-profit organization.

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Business and Inquires: Business matters and address changes may be recorded on the office voice mail at any time, call (866) 688-9229. Please spell your last name so the correct member record can be located.

The information printed in the NETWORK is believed to be from reliable sources. However, no responsibility is assumed by the NETWORK for inaccuracies contained herein.

NEW LOCATION!



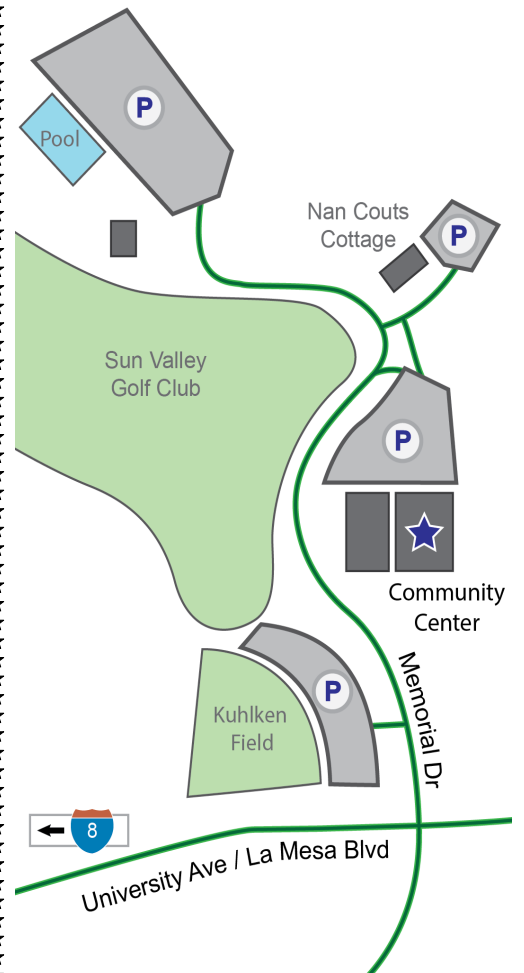
NEW LOCATION!

**FLAG DAY LUNCHEON
 GENERAL MEMBERSHIP MEETING**

- ★ **What:** Lunch—\$12.00 per person
- ★ **When:** Thursday, June 16, 2016, 11:00 a.m.
- ★ **Where:** La Mesa Community Center in MacArthur Park
 4975 Memorial Dr., La Mesa, CA 91942
- ★ **Entertainment By:** Christian Youth Theater San Diego Performance Group. Students will sing a tribute to our military.
- ★ **Menu:** Ham, Roast Turkey, salads, fruits, vegetables, desserts, coffee or tea.

★ To attend the luncheon, please complete the form below, include the name of person(s) attending, and send a check for \$12.00 per person, payable to RESDC at 8825 Aero Dr., Suite 205, San Diego, CA 92123. **Reservation forms must be received in the RESDC office by Friday, June 10.** Tickets should be picked up at the registration table at the luncheon. They will not be mailed. ★ Parking is adjacent to the Community Center with overflow parking available in three other lots at the center. The closest overflow parking lot is the Cottage lot and it will be well marked.

★ **The Flag Day Luncheon is an indoor event.**



Name of Member: _____ Telephone #: _____
 Department: _____ Year Retired: _____
 Name of Guest(s): _____
 # of Reservations: _____ x \$12.00 each = \$ _____ (Total Enclosed)
 Email Address: _____