



NETWORK

Newsletter of The Retired Employees of San Diego County Since 1961

Vol. 46, No. 1

Honoring Yesterday—Protecting Tomorrow

January 2015

PRESIDENT'S MESSAGE

By Susan Mallett



This is the season for celebrations, good tidings, and yes, those resolutions for positive changes as we go into the New Year. Anticipated changes at our retirement system, SDCERA, are underway as you will read below. As we prepare this first newsletter for 2015, the RESDC staff is busy with final preparations for the holiday luncheon and our return to the beautiful Bahia ballroom. We all look forward to this festive event and the annual membership meeting, of course, as we acknowledge the association's accomplishments of the past year. It will be an opportunity to hear from our Executive Director, Mark Nanzer, who has learned a great deal about our pension system in a few short months since joining us in July.

Several dedicated RESDC board members attended the Board of Retirement retreat held November 20-21, 2014. At the start of the meeting, during the public comment portion, a RESDC statement was provided and excerpts of that statement are included here.

"RESDC representatives have attended Board of Retirement meetings for decades, frequently commenting and always describing important board actions to thousands of retirees via our monthly newsletter and other forms of communication.

We believe SDCERA is a well-managed retirement system that provides earned pension benefits to retirees. And, with a continuation of good management practices, can be expected to do so for decades to come.

We applaud you for returning to calm consideration of investment issues that have been raised, and, today, for revisiting some of the complicated subjects you studied while developing the current investment strategy. Thank you for your commitment.

That said, one "omission" in recent board discussions concern us.

There's been almost no discussion about investment management fees and administrative operations, currently eliminated and provided under the \$8 million Salient contract. During early discussions about Salient services, that operational change was

expected to save amounts ranging from \$22 million early on, to a lesser \$10 million later. We understand those savings are realized.

Would a return to a \$250,000/year internal investment strategist, as recently suggested, require reinstatement of those functions and costs in-house, causing total investment costs to soar again?

In the interest of transparency, we ask that your discussions during this retreat, and in subsequent meetings, bring this situation into clear focus for all SDCERA members."

In essence, it costs money to make money. No one individual or one individual group is responsible for the actual investment of the monies in our retirement system invested funds. The large amounts of monies invested across the sophisticated array of investment categories are handled by many professional investment specialists who all will ultimately be paid management fees. As noted earlier, we have been told that the Salient group absorbed some of the outside management tasks and related management fees through the provisions of the existing contract.

It must be made clear to all, BOR trustees and SDCERA members, what the actual cost will be as a result of "top to bottom" changes to our investment management approach. SDCERA will hire an executive recruitment firm to assist in the process of selecting an internal chief investment officer. It is anticipated that this important task can be accomplished by April 2015. You will be kept apprised of developments through this newsletter and as always, you can either attend BOR meetings or view them via the connection on the system website, www.SDCERA.org. Additionally, we are pleased to have a guest column this month written by our BOR retiree representative, Skip Murphy. For his perspective on recent BOR actions and plans for the near future, read his article on [page 2](#).

PENSION FACTS AT A GLANCE

SDCERA Membership thru 10/27/14

Total Active Members 17,739

Total Retired Members 16,685

January Calendar of Events

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

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

WHAT'S HAPPENING AT SDCERA?

By Skip Murphy,

Retiree Board of Retirement Representative

This article, while probably long overdue, is my direct comments to you relative to the ongoing issues that are transpiring at the Board of Retirement (BOR). Your RESDC Benefits Chair, Stan Coombs, has done a terrific job in keeping you current on many items and I generally found no need to expand on his reports.

First, let me state that there should only be a single focus for any member of the BOR; the on-going protection and growth of the retirement fund in order to provide the earned benefits of our retirees over their lifetime.

Several issues have risen to the surface in the past six months or so that have generated considerable inches of media space. As a direct result, there has been some strong and divisive action on the BOR relative to the operation of SDCERA. Having said that, I will not point fingers or make accusatory comments, except to state that it appears that some BOR members seem to have an agenda that is significantly different from the thoughts of others on the board.

Even within our own membership there seems to have been a difference of opinion on whether the hiring of Salient Partners as our Portfolio Strategist to oversee and direct the investments of SDCERA was the correct thing to do. There are some who sought out the immediate termination of Salient Partners following some less than accurate (in my opinion) articles that appeared in the media. Obviously had that action occurred it would have had a devastating impact on the entire fund itself. In my opinion, Salient has been a good portfolio manager and without question has brought considerable assets into the fund enhancing its funded status and thus ensuring stability of benefits to members as well as costs to both the employees and the employer.

Let me pause and state that RESDC saw the danger of such action and without taking sides in the fray, the association took the correct position of asking the BOR to slow down and take a deliberate and calculated approach to looking into the underlying issue of investing and how to accomplish that task.

Over the past several months the BOR has gotten additional "education" on different aspects, including types of investments, asset allocation and most importantly governance; such as: what is the best practice of operation for SDCERA, its structure and the responsibilities of the different positions.

While there are clearly two different sides on this issue,

there are also some Board members that are honestly trying to analyze and evaluate all the issues in front of us with the hope that all, or at least a significant majority of the Board can come together in resolving the issues before us and then continuing down the road for the long term benefit of the fund and its members.

It will not be an easy task and the acrimony that exists among some Board members could very well take a long time to heal. Politics and personal agendas along with personal attitudes sometimes drive people down a road that is not necessarily the smoothest road or the most expeditious way to get to the destination; but it may seem to them to be the route that provides for the most "cover" in the storm.

In the months ahead there will be some decisions made that very well may continue to divide the Board. The first step is to try to find a Chief Investment Officer who would work directly for SDCERA as an employee are in the works. Without knowing if a qualified candidate can be located who's willing to work for SDCERA for the salary the County has allowed, it will be a learning experience to find out what the "market place" is for this type of position.

There is also then the need to build out several other job positions that will be needed and then satisfactory to a vast majority of the Board. As one member of the Board has stated (but I paraphrase), if the Board cannot agree "by a large majority" and not by some "4 to 5 decision" on some of these issues, there are bigger problems.....

Every member of the Board is entitled to bring their own knowledge and education to the meeting when making decisions. It is hopeful that they also bring an open mind in reviewing the facts and not pay attention to bias, opinions and innuendo or other outside influences. Only then will the true responsibility of the Board be accomplished – to work for the benefit of the members and their beneficiaries by ensuring the strength of the fund and the smooth operation of SDCERA.

As always, I am willing to discuss the issues of the BOR with any member.

SAVE THE DATE! JANUARY 26, 2015

We're happy to announce a special General Membership meeting on January 26 with **Board of Retirement member Skip Murphy**.

This special meeting will be held at 9:30 a.m. in the **Julie Benedict Community Room** located at 3910 University Ave., San Diego, 92015 on the third floor.

We'll follow up with more details of this meeting in an e-mail to all members.

ASSOCIATION OFFICERS

President.....Susan Mallett
 1st Vice Pres.....Stan Coombs
 2nd Vice Pres.....Merrilyn Carpenter
 Secretary.....Joan Wright
 Treasurer....Frank Bittner

ASSOCIATION DIRECTORS

Chuck Brown, Carlos Gonzalez,
 Janice Graham Heather, Chris Heiserman
 Joe McGuire, John McTighe,
 Janel Pehau, George Shoemaker

EXECUTIVE DIRECTOR

Mark Nanzer

OFFICE STAFF.....Karen Hazel
Benjamin Hemmings

NETWORK EDITOR...Karen Hazel



Martin Luther King Jr. Day January 19th

The RESDC Office will be closed in
 observance of the holiday.

CHANGE OF ADDRESS?

If you have moved recently or are planning to move, be sure to provide RESDC with your new address and any changes to your e-mail address. We want to make sure you continue to receive your monthly NETWORK and all important e-mail announcements from us.

Call the RESDC office at (866) 688-9229 or e-mail us at resdc@resdc.net if you have any new changes to your addresses. Let us know also if you have changed your name or telephone number.

IN MEMORIAM

Jesus F. Almanza	Sheriff
Arthur G. Bedore	Assessor/Recorder
Thomas Brown	Probation
Mary K. Buck	Information Services
Rosemary Buman	Surviving Spouse
Cecelia V. Carter	Surviving Spouse
Rebecca Dato-On	Human Resources
Chris N. Dela Cruz	Environmental Health
Maria L. Fain	Health & Human Services
John R. Gregory	District Attorney
Pat A. Harrington	Health & Human Services
John A. Hewicker	District Attorney
Dorothy M. Jantsch	Surviving Spouse
William S. Jehlen	Coroner
Dorothy J. Kanagy	Surviving Spouse
Jaswant S. Kooner	Public Works
Leella S. Lowrey	Superior Court
Bernabe Martinez	Health & Human Services
Jeral Matthew	Probation
William R. Mundt	Probation
Dan W. Nielsen	Probation
Jose A. Quinsa	Sheriff
Francisco R. Ramirez	Health & Human Services
Kenneth L. Ross	Informational Services
Robert A. Russell	Public Works
Richard E. Sandberg	Sheriff
Barbara Shockley	General Services
George Skurla	Probation
Cecile Spears	Probation
Maryanne Tierney	Registrar of Voters
Betty L. Walker	Municipal Court
Deborah A. Wander*	Health & Human Services
Thomas Whittington	Sheriff
Walter G. Young	General Services
Joal Zelechowski	Sheriff
Arnold Zimmermann	Social Services

*Active

**Gone from our sight, but never our memories.
 Gone from our touch, but never our hearts.**

The surviving spouse of a member is eligible for RESDC membership. For enrollment assistance, call (619) 688-9229.

MEMBER PRIVACY

Any retiree or surviving spouse who does not 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.



2015 SCHOLARSHIPS

*By Carlos Gonzalez,
Scholarship Committee Chair*

RESDC will again offer five \$2,000 scholarships to graduating high school seniors who are immediate family members of a RESDC member. An immediate family member is defined as a child, grandchild, step child, or step grandchild.

Applications are available at our office at 8825 Aero Dr., Suite 205, San Diego, CA 92123 or by calling the office toll free (866) 688-9229. Also, you may use the RESDC e-mail address to request an application: resdc@resdc.net.

The deadline this year is **Friday, March 6, 2015**. We are unable to accept applications postmarked after that date.

We suggest you start this process early and coordinate your references. In the past, we have had to disqualify applications for lack of references.

We strongly urge all students applying for the RESDC Scholarships to also apply for the Yakel Scholarships, which are available at the San Diego Foundation. Applications are available at www.sdfoundation.org. A document verifying that the sponsor is a RESDC member must be attached to the Yakel Scholarship application. Please call the RESDC office to obtain this signed document. The foundation will not accept an application without this signed document. The filing period for the Yakel Scholarship closes on **February 4, 2015 at 1:00 p.m.**

BOARD OF DIRECTOR SELECTION

RESDC Board Director Chris Hinshaw submitted his resignation this Fall. In addition to board duties, he served as our election committee chair. We thank him for his three year service to our association. The Board has approved the selection of retiree Janice Graham Heather to fill the remaining one year of this two year Director term. Janice's introduction to the RESDC membership is below. Please join me in welcoming Janice to our Board of Directors.

"I retired from County service in 2012, after working 30 years in four departments that included the Board of Supervisors, Department of Public Works, Communications Office and the Chief Administrative Office. During those years, I had the opportunity to work with many dedicated and talented people. Serving on the RESDC board is an opportunity to continue working with former colleagues to protect the benefits we've earned and to help develop programs that enhance retirees' lives once they leave the workforce."

PENSION FACTS FREE SPEECH AND THE RETIREMENT BOARD

By Chris Heiserman, RESDC Director

The San Diego County Employees Retirement Association (SDCERA) adopted a Media Communication Policy in 2012. The local newspaper and some retirement board members thought the policy sought to prohibit them from talking to reporters. Not so.

The stated purpose of the policy "is to provide the rules for handling requests from the media." A list of "rules" basically says the SDCERA Board President and CEO are the organization's official spokespersons and members should direct media inquiries about SDCERA business to them. It provides further guidance to staff and vendors saying media contacts should be directed to the CEO, Communications Manager and Public Relations.

The policy makes no mention of individual board member's interaction with reporters. In a lively discussion at the December 4th SDCERA meeting, some members claimed the policy discouraged them from speaking to the media. Other trustees pointed out that there was nothing in the policy that prevented them from publicly expressing their personal opinion as individuals. Ironically, everyone agreed there was no enforcement mechanism in the policy and it was essentially a guide for efficiently handling SDCERA media contacts regarding official business.

One board member suggested the policy should be abandoned entirely since the guidelines for handling official positions and media communications were universally understood. She said it was just a matter of common sense and "good boardmanship." Another trustee thought she said "sportsmanship" and the often contentious group mustered a collective laugh at the comparison.

In the end, a revised version of the Media Communication Policy was approved attempting to avoid any confusion about individual trustees stating personal opinions. Perhaps the sports metaphor is apropos in this matter. We can hope SDCERA board members can evolve into a better team working together on behalf of all of those they serve.

NEW MEMBERS NEEDED

RESDC is asking help from the membership in recruiting new members in 2015.

If you know a retired County employee who is not a member of RESDC or someone planning to retire soon, urge them to join our association. RESDC is the voice for retirees before the Board of Supervisors and the County Retirement Board.

Call the RESDC office at (866) 688-9229 for membership packets, and let's start recruiting new members. Thank you.

FROM THE DESK OF THE EXECUTIVE DIRECTOR



Dear Members:

Happy New Year! I hope everyone had a safe and happy holiday season.

I wanted to take a moment to provide an update as to the progress made towards the County of San Diego Alzheimer's Project. You may recall, in her 2014 State of the County speech, Chairwoman Dianne Jacob called for the creation of The Alzheimer's Project, an unprecedented initiative to develop a regional roadmap to address the disease.

In December, the Board of Supervisors unanimously approved a series of actions designed to combat Alzheimer's disease. The Alzheimer's Project brought together local elected officials, researchers, caregivers and other experts. Numerous recommendations were developed, including:

- Launching a multimillion-dollar, San Diego-based fund drive called 'Part the Clouds' to spur research innovation and drug discovery.
- Developing for the first time countywide standards for the screening, diagnosis and disease management of Alzheimer's and other dementia diseases.
- Increasing awareness of and recruiting volunteers for clinical trials and exploring the development of a regional registry that would connect patients and physicians with researchers for trials.
- Boosting training for those who work with Alzheimer's patients and expanding services, respite care, and support for families.
- Enhancing the Sheriff Department's Take Me Home program and increasing access to use of GPS to curb wandering and use of the Silver Alert when appropriate.

I applaud the leadership of the County of San Diego for developing a comprehensive strategy that both combats what is the third leading cause of death in our region and assists caregivers.

Mark Nanzer
Executive Director

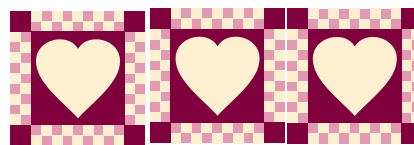
Protect your valuables and keep them safe. Important papers, such as birth certificates, insurance papers and loan documents, as well as special family heirlooms, can be hard to replace, or even irreplaceable.

To have peace of mind, keep them secure in a Safe Deposit Box at San Diego County Credit Union. Safe Deposit Boxes are available to rent at most SDCCU® branch locations and are offered in a variety of sizes to fit your needs.

Ask for details at your local branch or call us at **(877) 732-2848**.

WELCOME NEW MEMBERS

Ernesto Alvarez	Planning & Development
Nancy Ashe	Health & Human Services
Kathleen Astor	Health & Human Services
Blesilda A. Castillo	Superior Court
Sherry Ceccanese	Health & Human Services
Jeffrey Edgren	Public Works
Alma Barbara Ewing	Superior Court
Diana Francis	Health & Human Services
Mitchell E. Hayes	District Attorney
Kaye Hobson	Community Services
Julie Ann Hoyt	
Robert Dean Keirseay	Sheriff
Frank Landerville	Housing & Community Develop.
Terry Myers	Probation
James E. Roberts	Sheriff
Doreen Rowell	Superior Court
Arlene Smith	District Attorney
Cathleen M. Sneed	Health & Human Services
Wanda Starman	
Gregory Thompson	Sheriff
Patricia Ueland	Mental Health
Lei-Chala Wilson	Public Defender



BITS AND PIECES

Teresa Sheehey's daughter, Christine, is an adoptee from Mexico. This past summer, they were notified by an adoption registry that they had located her younger brother and sister living in Colorado. They all connected on facebook and later met the family when they came to San Diego on vacation. Before this, Teresa had no knowledge of the siblings at all! Teresa retired in 2008 from the County Library.



Have a fun and
safe winter!





Office Hours: 9 a.m. to 2 p.m., Monday through Friday
TELEPHONE: (866) 688-9229 Toll Free
FAX: (619) 688-0766
E-MAIL: resdc@resdc.net
WEB-SITE: www.resdc.net
NETWORK is the official monthly newsletter of the Retired Employees of San Diego County, Inc. (RESDC), a private non-profit organization.

Business and Inquiries: 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.

Retired Employees of San Diego County, Inc.
 8825 Aero Drive, Suite 205
 San Diego, CA 92123

NON-PROFIT
 ORG.
 U.S. POSTAGE
 PAID
 SAN DIEGO, CA
 Permit No. 885

Address Service Requested



**Happy
 New Year
 2015!**

**SPONSORS OF
 THE 2014 RESDC HOLIDAY LUNCHEON**

A big thank you to the people and businesses who donated door prizes to RESDC for our Holiday Luncheon. This year we were fortunate to receive nearly 200 door prizes for 350 attendees.

Thank you also to Lee Partridge, SDCERA Portfolio Strategist and CIO of Salient Partners, for his generous donation of the wine for the luncheon.

- Association of San Diego County Employees
- Barbecue Pit
- Chick-fil-A Sports Arena
- The Container Store
- Event Outfitters
- Filippi's Pizza Grotto Santee
- Home Town Buffet Santee
- Islands Kearny Mesa
- J.J. Davis & Associates
- Olive Garden Santee
- Pacific Group Agencies, (Steve Pettee, Agent, our supplemental benefit plans administrator)
- P.F. Chang's
- San Diego Chargers
- San Diego County Credit Union
- San Diego Padres
- Anne Schwartz
- See's Candies
- Superior Direct, Kim Ehler (our printing service)
- Sycuan Casino
- Western Group Agencies
- Eric Wong

**MAILING DATES FOR
 2014 WARRANTS**

Electronic Deposit Date

January	30
February	27
March	31
April	30
May	29
June	30
July	31
August	31
September	30
October	30
November	30
December	31

To each and every one of these donors, we extend our heart-felt thanks and gratitude. We are sure these businesses would appreciate your patronage.



Retain this calendar for quick reference for the dates you will receive your electronic deposits.