



NETWORK

Newsletter of The Retired Employees of San Diego County Since 1961

Vol. 45, No. 9

Honoring Yesterday—Protecting Tomorrow September 2014

PRESIDENT'S MESSAGE

By Susan Mallett



On August 7th, the Board of Retirement approved the medical and dental premiums along with the \$4.50 health administrative fee for 2015. As reported in last month's newsletter, medical plan premiums are increasing from 5.9% to 9.1% depending on which plan you choose. There is good news for the 2888 retirees who are insured in the Kaiser Advantage plan as the expected premium increase was renegotiated,

by the Aon Hewitt consultant, resulting in a 3.4% premium decrease of \$9.45 per month for next year.

The Board approved SDCERA's Healthcare Education Plan for retirees that is scheduled to hold the first of five regional presentations in October, in the South Bay. These presentations will be scheduled in convenient locations and geographically located in areas where retirees live within the County. A stated objective is "The Fall 2014 program is intended to be rolled out prior to open enrollment to help educate our members in time to make their selection for the 2015 plan year." Although we don't know the details yet, the RESDC Board supports the plan and believes assisting retirees to make informed decisions in this changing healthcare environment of multiple choices is important. SDCERA Benefits staff will be posting online videos as well for retirees who are comfortable navigating through websites and may not have attended a presentation. Stay tuned for information on these upcoming presentations planned by our retirement system staff. Additionally, RESDC Board members look forward to attending the first regional presentation and will report back in future newsletters.

As noted above, our healthcare environment has seen significant change in recent years. Given these changes, there are many more choices in medical plan coverage for individual retirees, both those under 65 and those over 65 and Medicare eligible. The public health insurance exchanges, for those under age 65, through the Affordable Care Act will be completing their first coverage year and holding open enrollment this Fall for 2015. Much criticism has been logged by the media as well as by national politicians. Nevertheless, over eight million uninsured Ameri-

cans now have medical insurance coverage. That should be a good result for all of us as taxpayers. The evaluations will of course begin and there will be successes as well as failures to report. Recent news reports indicate that the insurers participating in the Covered California exchange will raise premiums on average at 4.2% although the Kaiser plans may see premium decreases on the exchange. It appears that the participating insurance companies agreed to remain in the exchange for a three year period and certainly will be doing their own evaluations of the experience. On the Medicare side, there are a number of private Medicare Insurance Exchanges that have been around for many more years. They currently provide a valuable service to seniors who want to evaluate their options versus attempting to read and understanding the volume of Medicare insurer mailers that fill mailboxes in the fall.

I suspect you will agree that choices are important but when it comes to healthcare, the questions of covered care and medications, co-pay and deductibles, and participating physicians are more of a priority than mere premium costs. We will continue to report on news in healthcare as well as the Healthcare Education Plan roll out by SDCERA. It will benefit us all to become more knowledgeable about healthcare coverage options and how to make informed decisions for ourselves and our families.

PENSION FACTS AT A GLANCE

**70-80% of SDCERA's \$10.1 Billion Fund
is investment earnings.**

This means County and employee contributions make up 20-30% of the funding, and only the county's portion is a true taxpayer pension cost.



**Autumn begins
September 23rd!**

September Calendar of Events

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

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

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

AN INTEMPERATE CAMPAIGN

By Stan Coombs, Benefits Committee Chair

The national campaign to emasculate public retirement continues.

Last January we discussed San Jose Mayor Chuck Reed's proposed state ballot initiative, which, if approved, would have removed constitutional protections for California public pensions. Mayor Reed's initiative was too problematic to fly, but he's expected back next year for another try.

He subsequently joined a San Jose City Council majority in placing a different pension measure on the city ballot.

Ventura County retirees faced a different anti-public retirement proposal, to repeal a 1946 County Ordinance No. 401, which allowed them to operate their retirement system for 68 years under the California Retirement Act of 1937.

Retirees need to pay attention. These are only three examples of a contrived, national anti-public retirement movement, parading as "reform."

An interest group headed by members of the Ventura Taxpayers Association gathered more than 40,000 signatures for a euphemistically entitled "Initiative for Pension Fairness and Sustainability." About 26,000 signatures were needed. Facing that, the Ventura Board of Supervisors held their collective noses and voted four to one to place the initiative on the November 4, 2014 ballot.

Proponents said they expected voter approval, and wanted to repeat the process in all 19 other 1937 Act Counties. San Diego is a 1937 Act County.

From the layman's perspective, Ventura County would no longer have been authorized to operate a 1937 Act retirement system. Arguably, the Ventura Board of Retirement, consisting of appointed citizens and elected representatives of active employees and retirees, would have disappeared. And to make sure it did, the initiative explicitly denied authority to the current Board of Retirement to manage a defined contribution plan. Keep that term in mind.

The proposed ballot proposition didn't address the resulting power vacuum except to allow a Defined Contribution Plan Administrator, allow him or her the authority to select a reasonable number of investment choices for future employees, and turn minimal management of same over to the Board of Supervisors. Sounds like a deferred compensation program! Not much help for amateur investors.

Why all this focus on defined contribution when Ventura and all 1937 Act counties operate defined benefit plans?

There's more.

The Ventura initiative would specifically have "phased out" their defined benefit plan and replaced it with a new defined contribution plan for new county employees hired after July 1, 2015. And, there seemed to be only one provision relieving anxieties for previous hires and retirees. The current defined benefit plan was apparently allowed after July 1, 2015 only for eligible employees with the earlier hire date. Considering retiree mortality rates, an effective "phasing out."

The propositions would also have severely limited pensionable compensation used to calculate Ventura pensions, to the base hourly salary, and been applicable to any public entity governed by the Ventura Board of Supervisors or any that participated with the Ventura County retirement program. And, it limited county retirement funding to 4% of compensation for employees participating in Social Security, 11% for safety members not in Social Security and 5% for safety members in Social Security.

The Ventura County retirement system numbers more than 16,000 members, including about 5,900 retirees. Their accounts and pensions must be administered and regularly paid. Total net assets exceed \$3.6 billion, which must be carefully invested and managed to ensure earnings are maximized and employee and taxpayer contributions are minimized. To date they've done a pretty good job. The system is 80% funded, a "strong" position according to the Government Finance Officers Association. Pensions averaged \$34,344 in 2013.

(Continued on Page 4)

2014 RESDC SCHOLARSHIP PRESENTATION

At the June Board of Supervisor's meeting, President Susan Mallett announced the 2014 RESDC Scholarship recipients to the public. In attendance at the presentation were **Estelle Charbonneau-Hawkins**, grandmother of **Joseph Johnson**, **Joan McVeigh**, grandmother of Mckenna Wade, and **Mckenna Wade**. Congratulations to all of our Scholarship recipients!



Photo from left to right: Estelle Charbonneau-Hawkins, RESDC President Susan Mallett, Joan McVeigh, and Mckenna Wade.



ELECTION RESULTS ANNOUNCEMENT 2014

By Chris R Hinshaw, Elections Chairman

Mila Thurber has decided not to run for re-election as a Director of RESDC and her term will end in December. The Board thanks Mila for her dedication to RESDC and her efforts on behalf of the retired employees of San Diego County.

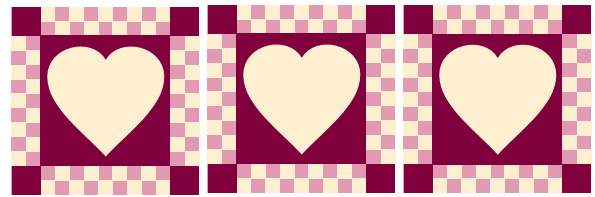
As required in the Bylaws, a request for nominations for First Vice-President, Secretary, Treasurer and four Directors was published in the Network in July and in August. Nominations were officially closed on August 7th. One candidate has responded and been nominated by the Board. Chuck Brown retired in 2012 and has been working with the RESDC Board since 2010. His biography is presented for the membership below.

The incumbent First Vice-President, Secretary, Treasurer, and three Directors have chosen to run for office again and there have been no other nominations.

Article XI, Section 2 of the RESDC Bylaws states, "When only one candidate for a vacancy on the Board of Directors is nominated that nominated candidate will be considered elected by the Board." In accordance with this Section, Chuck Brown, Carlos Gonzalez, Chris Heiserman and Janel Pehau will be elected to the position of Director at the annual meeting in December. Stan Coombs will be elected to First Vice-President, Joan Wright will be elected to Secretary, and Frank Bittner will be elected to Treasurer. Congratulations to all the new Board Members and many thanks for your dedication to the members of the Retired Employees of San Diego County!

Chuck Brown, CCP, MPA

I began working with the RESDC Technology Committee in 2010, about two years before retiring. During that time, I attended meetings and learned more about RESDC and its value to retirees. I became a fully active member of the Committee in 2012, when I retired from the Sheriff's Department. I have 45+ years of I.T. experience, nearly 28 with the County, where I began my career, as a student worker, in 1967. My primary experience is in design of business applications for public, education, and private sector organizations. I have held positions from student worker to I.T. Director. Since 2012, I have worked with the Technology Committee, staff and board members on data/office security, streamlining procedures, the RFP for the new web site design, and the I.T. Strategic Plan. I am currently leading a business requirements project for a new membership management system that will better support our members and streamline office operations for the Executive Director, staff and Board of Directors. If elected, I will continue to offer my business and technical skills for the benefit of RESDC and its members.



BITS AND PIECES

Paul Cornell and his wife, Gwen, celebrated their 65th wedding anniversary in August! Paul, now 88 and Gwen, now 83, live in Sun City, Arizona. Paul retired from the Sheriff's office in 1980 after serving for 13 years as a Sheriff's Bailiff. They are members of a Lions Club in Sun City and are involved in several volunteer activities. They have six grandchildren and two great grandchildren.

Retired County Probation Officer, **Harry Dickinson**, and his wife, Tina, celebrated their 67th anniversary in June! Harry was better known as "Mr. D." at Rancho Del Campo in 1970. The couple stayed in the Sierras at Willow Springs for a week and their party was attended by daughter, **Connie Via**, also a retired probation Officer, and her family. Other friends gathered around a campfire to congratulate Harry and Tina on their special day.

Dave Pitts and his wife, Antoinette, celebrated their 50th anniversary in July! They renewed their wedding vows at St. Vincent's Church hall in front of their four children, five grandchildren, and other guests. Dave retired from the Probation Department in March 1989 after 23 years of County service.

Bob Baker retired from the Assessor's Office in 2008 and started college at the University of Alabama on the very same day, which was also his 60th birthday! He graduated in May with a Bachelor of Science in Physics, Magna Cum Laude. Bob is 66 years old now. He had previously received a Bachelor of Philosophy degree in Economics in 1974 and a Law degree in 1977.

Connie Wong Miller recently took a 14 day safari to the Serengeti in Tanzania. Connie traveled with her daughter, **Kim Wong Hyde**, (also a former County employee), and Kim's family. They had a wonderful time and enjoyed the weather that was cooler than here in San Diego County! They saw Zebras, heard lions and hyenas at night, and even spotted a black rhino. There are only 60 black rhinos in Tanzania.



PENSION FACTS

By Chris Heiserman, RESDC Director

A RESDC member called our office recently concerned about her retirement after reading an August NETWORK article highlighting efforts by pension “reform” advocates to seek ballot measures that would replace defined benefit public pensions with 401(k) saving plans for new workers and possibly some current employees.

Let’s be clear about two things:

- 1) Chances that any of the proposals to modify defined benefit plans or reduce benefits will affect retired San Diego County employees are extremely remote – our pensions are financially secure; but,
- 2) We still need to be informed as citizens and taxpayers in the broader national debate over retirement security. Everyone is better off if we live in an America where current and future workers in both the public and private sector can have the ability to earn and save for a decent retirement. That is a tall order when so many people these days are working beyond normal retirement age to make ends meet and relying heavily on a Social Security system facing huge fiscal challenges. Still, our objective as a society should be to allow for many more workers to plan for and achieve an adequate retirement.

The tragedy from a policy perspective is that the same powerful interests whose idea of public pension “reform” is halting defined benefit plans and reducing benefits for new workers are simply exacerbating a national retirement “crisis.” As reported in an earlier article, a national research organization said four out of five working American families have retirement savings of less than one year’s annual income; and the Center for Retirement Research at Boston College has said half of U.S. households won’t be able to maintain their standard of living in retirement.

Instead of joining the constructive conversation bubbling up in legislative and some media circles around more flexible and convenient approaches to saving for retirement, advocates for erasing traditional public pensions continue publishing misleading claims about current retiree benefits. In a recent “watchdog” commentary in the local newspaper, it was stated that “essentially, any” California public sector worker on the job in the last 10 years will become a millionaire with their guaranteed pension. Apparently, this \$1 million math exercise involves adding up annual earnings over some calculation of years in retirement.

Interestingly, since we know that more than 70% of the nearly 16,000 SDCERA members and survivors receive less than \$40,000 in annual benefits, most of these retirees would only gain “millionaire” status if they lived more than 25 years after leaving the work force. Of course, by this definition of wealth, anyone who worked for 25 years in a job paying \$40,000 a year would be a “millionaire,” but most of us would probably label them “blue collar” or “middle class.”

An intemperate Campaign (Continued from Page 2)

On June 13th, Ventura County Counsel Leroy Smith opined that the proposal was illegal. The Ventura defined benefit plan is a creation of state law, he said, and once “accepted” cannot be repealed by the locality. The proposition proposes an administrative act, which can’t be accomplished by initiative, and attempts to regulate non-county entities, conflicting with their powers. Smith found it vague and unworkable because it left current system members without a Board of Retirement in place and tried to regulate collective bargaining, an area preempted by state law. It may also violate the “single subject rule,” he said, which disallows initiatives embracing more than one subject. There were other objections.

Why are we discussing this in the past tense? Ventura retirees sued to remove the proposition from the ballot, and given the potentialities of the case RESDC joined the San Diego County Board of Retirement in an amicus brief in support of the suit. On August 4th Ventura Judge Kellebrew ordered the initiative removed from the ballot, citing the necessity of state legislation to exit the 1937 Act system, and agreed that it violated the single-subject rule.

There will be more anti-retiree initiatives. Stay informed, and let family members, friends and your elected representatives know how important defined benefit pensions are to the elderly who earn them.

June San Diego County retirement fund earnings are not yet available due to fiscal year-ending accounting studies underway. Preliminary figures indicate 2013-14 earnings of 13.82%, exceeding the 7.75% goal.

WELCOME NEW MEMBERS

Margarita Parra Fitzgerald	Marshals Department
Corle Huffman	
Krista Kerns	District Attorney
David W. Lamott	
Janie Lee Ryan	Superior Court



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 you do not 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 at least once a year for free at www.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 for identity protection.

ASSOCIATION OFFICERS

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

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Carlos Gonzalez, Chris Heiserman
 Chris Hinshaw, Joe McGuire
 John McTighe, Janel Pehau,
 George Shoemaker, Mila Thurber

EXECUTIVE DIRECTOR

Mark Nanzer

OFFICE STAFF.....

Karen Hazel
Benjamin Hemmings

NETWORK EDITOR...Karen Hazel

IN MEMORIAM

Daniel Alvarado	Public Works
Amos R. Bailey	Assessors
Charlotte K. Baker	Assessor/Recorder/Co Clerk
Frances A. Beeler	Sheriff
Donald J. Bennett	Public Works
Sally T. Carlin	Surviving Spouse
Valerie A. Crowell	Probation
Lucilia M. Donoho	Surviving Spouse
Linda Foust	Surviving Spouse
Betty J. Fryman	County Clerk
Robert Grandell	Assessor/Recorder/Co Clerk
Christine Greene	Social Services
Marjorie J. Guise	Health & Human Services
June F. Hass	Social Services
Ruth Hnatko	Health & Human Services
Kathreen M. Hulbert	Surviving Spouse
Daphne E. Lampson	Municipal Court
Ruben C. Laserna	Auditor & Controller
Milton "Jim" Leahy	Sheriff
Jack Lyall	Honor Camps
Patricia Mitchell	Social Services
Dolores Mondlehane	Health & Human Services
Clayne E. Munk	Planning
Raymond L. Pe	Surviving Spouse
Patricia Peterson	Social Services
June Phillips	Health & Human Services
Marie Porter	Health & Human Services
Betty M. Shackley	Library
Nancy F. Shallies	Health & Human Services
Douglas Short	Sheriff
Judith Stubbs	County Clerk
Terrie D. Viera	Health & Human Services
Paul E. Wesely	Assessor/Recorder/Co Clerk
Catherine Whitmore	District Attorney
Grace Williams	Surviving Spouse

***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.

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.



**June 4th, 2014
 RESDC Flag Day
 Luncheon**

Photos by:
Carlos Gonzalez,
 RESDC Director





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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.

ANNUAL HEALTH FAIR PICNIC



Sponsored by: Ameritas Dental, CIGNA Dental, Delta Dental, Health Net, Kaiser Permanente, Pacific Group Agencies, Inc., San Diego County Credit Union, And United HealthCare

- Date:** Wednesday, October 8, 2014, 10 am - 2 pm
- Location:** Admiral Baker Field. Driving directions will appear in the October issue of the NETWORK.

All members, spouses and/or guests are requested to pay \$5.00 each. The member's picnic fee will be refunded/returned at the registration desk upon checking in, thus making the member attending the picnic **free of charge**.

The menu will be barbecued beef, barbecued beans, coleslaw, rolls and butter, soda pop, water and dessert. **Lunch is served until 12:30 p.m.**

To make reservations for the picnic, please complete the form below, indicating the names of those attending and include payment for each attendee. Make your check payable to RESDC, enclose it with reservation form and mail to RESDC, 8825 Aero Drive, Suite 205, San Diego, CA 92123. Reservation forms and payment must be received in the RESDC office by **Friday, October 3**. Badge and raffle ticket packets should be picked up at the registration table at the picnic. They will not be mailed. **Cancellations must be received in the RESDC office by October 3**. No refunds can be made after that date.

CUT HERE

CUT HERE

HEALTH FAIR/PICNIC RESERVATION FORM

We need your reservation in advance to know how much food to order and to prepare envelopes with name tag(s) and raffle ticket(s). Picnic cost for members, spouses and/or guests is \$5.00 each. **Members' fee will be returned if he/she attends.**

Member Name(s) _____ Telephone _____

Name of Spouse or Guest(s) _____

Member, Spouse or Guests(s) at \$5.00 each _____ Total Enclosed _____

E-mail Address _____ Department and Year Retired _____