



THE NETWORK



Newsletter of The Retired Employees of San Diego County

April 2018

Honoring Yesterday—Protecting Tomorrow

Vol. 49, No. 4

PRESIDENT'S MESSAGE

By John J. McTighe



I was pleased to see last month that San Diego County District Attorney **Summer Stephan** along with other local officials have rolled out a strategy to deal with the ever-increasing problem of elder abuse. As we get older, we may become prey for dishonest people trying to make a fast buck off of the unsuspecting elderly, or worse, cause physical or emotional harm. Elder abuse covers a wide range of activities from physical or emotional abuse to financial crimes.

The *San Diego Union-Tribune* reported an alarming 13% increase in violent crimes against seniors in the county from 2015 to 2016, including homicides, sexual assaults, robberies, and aggravated assaults. DA Stephan reported that violent crimes against seniors has increased 37% over the past five years.

The new blueprint brings together police agencies, Sheriff's deputies, and the County's Aging & Independence Services Adult Protective Services in a coordinated approach to handle complaints and investigations of elder abuse. By adhering to a uniform way of investigating alleged abuse cases, the hope is that evidence will be preserved so that DA prosecutors have a better chance of bringing to justice those who prey on the elderly.

(Continued on Page 7)



2018 FLAG DAY LUNCHEON

See page 8 for details and registration form for the annual RESDC Flag Day Luncheon, Thursday, June 14. We're going back to the **Ronald Reagan Community Center in El Cajon!**

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APRIL GENERAL MEMBERSHIP MEETING MEET SDCERA LEADERSHIP!



Strength. Service. Commitment.

When: Tuesday, April 24, 2018
Time: Refreshments Available At 12:30 pm, Program from 1:00 pm—2:00 pm
Location: County Operations Center, Chambers Meeting Room
5520 Overland Ave., San Diego, 92123

RESDC members are cordially invited to join us as we welcome the leadership of San Diego County Employees Retirement Association. This is your opportunity to hear from SDCERA leadership on the State of SDCERA. We hope you join us for this interactive and information session!

RSVP requested but not required: online at <http://www.resdc.net/events> or by calling (619) 688-9229.

See page 4 for more information about this event. □

LONG-TERM CARE INSURANCE, IT SOUNDED SO GOOD

By Stan Coombs, Director



Some of us, those prone to worrying about such things early on, took warnings seriously in the 1970s, about whether we should buy long-term care insurance to cover our declining years.

We were told that 53% of U.S. adults were expected to need nursing home or other care services, and about half that number for as long as five years, with

costs ranging to \$250,000.

We were told that Medicare didn't provide long-term care, and Medicaid would ante-up only after hapless recipients impoverished themselves by spending their life savings. The long-term care insurance premiums seemed doable, about \$1,677 annually in 2000, and we knew they'd become more costly as we aged. Once bought, premiums were supposed to rise only minimally. Some insurers promised no rate increases, and inflation protection.

Insurance benefits would begin when the policyholder couldn't perform two of six basic activities – eating, dressing, walking, bathing, continence, using the toilet or transferring to a wheelchair, or had severe cognitive impairment. Caregivers watching while we bathe, dress and relieve ourselves might be unappealing, but many folks bought coverage anyway just in case they were part of the 53% (!)

For a while the long-term care insurance market was hot, but inconclusive. The National Association of Insurance Commissioners reported there were 7.2 million policies in force in 2014, covering 20% of the over-65 set, with nearly 255,000 claimants receiving benefits. That's far from the 15 million Americans Morningstar says will have high long-term health needs by 2050.

Today about 9% of long-term care spending is by private insurers, according to reports, 43% is by Medicaid, 19% by Medicare and 13% are out-of-pocket patient expenditures. Sixteen percent is reported to be by "Other."

The question remained, however, whether insurance actuaries had figured costs, revenues, and market characteristics well enough to meet company obligations. And, there was a substantial glitch lying in plain sight.

The insured are vulnerable. If actuaries err, leaving insufficient funds to cover claims, and premiums increased, the insured remains obligated to keep paying premiums, increased or not, until they file a claim. And, if policyholders can't handle the increased premiums, they have to stop paying and allow their policies to "lapse," losing coverage and all the funds they've previously paid, or try to renegotiate for lesser benefits they can afford.

And, it turns out that many insurance actuaries were wrong!

About 2012, reports of large premium increases surfaced; the story was recently outlined in a long, January 18th *Wall Street Journal* article. CNA Financial Corp was said to increase one couple's insurance bill by 90%, to \$4,831. Even fourfold premium increases were reported. Genworth, a top seller, apparently lost \$2 billion and sold

itself to a Chinese conglomerate. Credit Suisse reported 4,500 insurer rate increase requests nationwide, between 2009 and 2017.

The most notable story may be that of long-term care policies promoted by CalPERS, the huge, 1.9 million member California Public Employee Retirement System. *The Sacramento Bee* indicates that between 1995 and 2004, 150,000 state and local government employees bought CalPERS's long-term convalescent care, assisted living and similar services, with promises of guaranteed, lifetime, inflation-proof coverage, and premiums rates that wouldn't increase.

About 2012, policyholders were advised that coverage would be much more expensive. In July 2015, some \$597 monthly premiums increased to \$813, and on to \$1,220 in 2016, according to reports, a 104% increase. Alternatively, fixed benefit policies were available for \$237 a month. CalPERS has been sued for alleged mismanagement.

What happened? The insurance companies weren't familiar with long-term care coverage, erred with their business model and experienced bad breaks, we're told.

Many insurers seriously underestimated how long policyholders would live and keep their policies and draw benefits, rather than let them lapse, says the *Wall Street Journal*. And, insurers didn't anticipate the popularity of attractive, new assisted living facilities, expecting families to avoid placing their elderly in nursing homes. Finally, extremely low interest rates denied insurers investment earnings they'd expected.

As shoppers learned about the premium increases, they turned from stand-alone long-term care coverage toward hybrid life insurance/long-term care arrangements, which allow benefits to be used for care, and to annuities that provide sizable payouts. Those alternatives led to an imbalance between people paying-in stand-alone premiums, and people utilizing benefits, further stressing industry finances.

Stand-alone sales fell from 372,000 in 2004 to 91,000 in 2016, according to the Life Insurance and Market Research Association, and new premiums, from their \$1.5 million peak in 2003 to about \$400,000 in 2013. New hybrid premiums rose from about \$300,000 to \$2.7 million. Only a dozen or so companies still sell stand-alone policies, according to the *Wall Street Journal*, down from more than a hundred.

Is long-term care insurance still viable? Alternatives can be considered. Hybrid life/long-term care policies are a possibility, and annuities another. Early shoppers might consider increasing investments, instead of insurance coverage, in hopes of generating enough to meet long-term care costs. And, for others, higher premiums for stand-alone, long-term care insurance may be acceptable. It seems a "Buyer Beware" situation at this point. □





PENSION FACTS

Cities' Advocacy Group Analyzes Rising Pension Costs

By Chris Heiserman, Director



California cities are sounding budgetary alarms over the rising cost of public pensions. However, unlike the strident pension critics who aim to erase traditional defined benefit retirements, cities are looking for ways to deal with the challenge of substantial unfunded future pension obligations without seriously

eroding local services.

A report released recently by the League of California Cities said the projected pension tab for municipalities will rise quickly as a percentage of their General Fund budgets over the next seven years. A key finding derived from the study was that "For many cities, pension costs will dramatically increase to unsustainable levels..."

The study was conducted by Bartel Associates LLC, a California actuarial firm serving only public-sector clients. The analysis was based upon actuarial valuation data from the League's member cities and a 2017 City Survey which generated responses from more than 200 cities.

The League's analysis predicted the annual pension cost for the average California city will nearly double as a percentage of General Fund budget from FY 2006-07 to FY 2024-25. In 2006-07 the average city spent 8.3% of its operating budget on pensions; that increased to 11.2% currently in 2017-18 and is anticipated to rise to 15.8% by 2024-25.

The study pointed out that under current law cities have two basic choices to cover expenses that exceed normal budget dollars – increase revenue or reduce services. Of course, an obvious alternative option would be to utilize labor negotiations to get workers to increase their share of benefit costs, or to accept reduced benefits. As anyone who follows local and state government activities knows, lowering public employee benefits, particularly for retirement, is an issue of great controversy and concern. It has generated a continuing stream of media articles, Op-Ed pieces and editorial board positions in California and across the nation questioning the fiscal viability of public retirement systems.

The League report is intended as a clarion call and red flag warning that basic public services are in jeopardy if escalating pension costs consume greater shares of available resources. Specific steps offered up

to make ends meet included raising taxes, creating special funds to pay down pension liabilities ahead of schedule, cutting current service levels or bargaining with labor to obtain changes in pay or benefits.

Modifying public retirement benefits is a matter currently front and center in California. Court rulings challenging a long-standing tradition of contractual rights for retiring public workers to pension calculations in place when they were hired are headed to the state Supreme Court. The Supreme Court could weaken the "California Rule" and open the door to substantial pension modifications for current employees, or it could rule narrowly and minimize the impact on workers' vested rights.

The bottom line for the League report is it provides data and analysis to serve as background for discussions with labor organizations and citizens about the impact of pension costs on future city budgets. Their goal is to find solutions allowing city leaders to both meet retirement promises made to employees and continue to provide quality services for their residents. The League's stance on pension reform is decidedly skewed toward fiscal management and enabling modification of employee benefits; however, the organization deserves credit for assembling detailed information and teeing up important issues for public debate.

The complete February 1 report can be found here:

<https://www.cacities.org/pensions>. □



WELCOME NEW MEMBERS

Phillip Adamski	Library
Safa K. Arabo*	Library
William R. Bailey	Health & Human Services
Jerald A. Coleman*	Environmental Services
Laura A. Costello*	Environmental Health
Dennis I. Floyd*	County Counsel
RaeAnn Herrera	Superior Court
Theresa A. Liget*	Medical Examiner
Modesta M. Mantes	Health & Human Services
Carolyn Matinez-Kidd*	Health & Human Services
Esther L. Pedraza	County Counsel
Mishelle M. Shaffer*	Auditor/Controller
Gail E. Whatley	Superior Court
B. Winterbottom-Whitney*	Human Resources

*Associate Member

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

April Calendar of Events

- 10—(Tues.) RESDC Roundup Social Mixer**
Black Angus Steakhouse, 10370 Friars Rd.,
San Diego, 92120, 3:30 pm
- 12—(Thurs.) RESDC Board of Directors Meeting**
8825 Aero Drive, Suite 205, 9:30 am
- 19—(Thurs.) SDCERA Board of Retirement Meeting**
2275 Rio Bonito Way, Suite 200, 9:00 am
- 24—(Tues.) RESDC General Membership Meeting**
SDCERA Chambers, County Operations Center
5520 Overland Ave., San Diego, 92123, 12:30 pm



GENERAL MEMBERSHIP MEETING MEET SDCERA LEADERSHIP! TUESDAY, APRIL 24

WHEN: Tuesday, April 24, 2018

TIME: Beverages and light refreshments will be available at 12:30 p.m.
Program from 1:00 p.m. — 2:00 p.m.

PLACE: County Operations Center
Chambers Meeting Room
5520 Overland Ave, San Diego, CA 92123

RESDC members and any other interested parties are cordially invited to join RESDC as they proudly welcome the leadership of San Diego County Employees Retirement Association (SDCERA).

Our guests will include:

- David Wescoe, Chief Executive Officer
- Steve Sexauer, Chief Investment Officer
- Greg Bych, Chief Financial Officer
- Jim Lery, Chief Benefits Officer
- Mary Montgomery, Public Communications Manager
- Jerry Fafaul, Communications Manager

This casual meet and greet is your opportunity to hear directly from and interact with SDCERA's leadership. You will learn more about current activities and future priorities of the organization and the Board of Retirement. We hope you join us for this interactive and information session!

Directions to the County Operations Center:

From the North or South:

From **163**, exit onto Clairemont Mesa Blvd. Eastbound, turn Left (North) onto Overland Ave.

From **I-15**, exit onto Clairemont Mesa Blvd. Westbound, Turn Right (North) onto Overland Ave.

To access parking structure from Overland, turn right onto Farnham St. Parking structure is on the left.

From the East or West

From **52**, exit onto Ruffin Rd. Southbound. Turn right (North) onto Hazard Way, turn left into parking structure.
Or

Turn Right (West) onto Farnham St. Turn Right into parking structure.

This is a free event. To RSVP, visit:

<http://www.resdc.net/events> or call 619-688-9229. □



JOIN THE RESDC ROUNDUP SOCIAL MIXER!

In response to member suggestions for more social activities, we are launching **The RESDC Roundup!** Mark your calendars for our first outing – **Tuesday, April 10 from 3:30 pm to 5:00 pm.**

We'd like you to join us in the bar at the **Black Angus Steakhouse, 10370 Friars Rd.** (Mission Valley). No reservations required (no host bar) for you to meet with old friends and make some new ones.

Future events are planned for July and September, and we'll locate them in various parts of the county. If you have a favorite happy hour place, let us know – It could be the location of a **RESDC Roundup!** □

Spring is here!



RECENT EVENTS

❖ Center for Retirement Research at Boston College releases new *Issue in Brief*: “How Medicaid Helps Older Americans”

The brief’s key findings include:

- Medicaid provides low-income retirees with critical health benefits by offering insurance directly, covering Medicare costs, or paying for long-term care;
- Recently, the Medicaid expansion has also helped reduce the uninsured rate among workers nearing retirement;
- But older Americans are only a small part of Medicaid, so their future depends on the outcome of the broader debate over the program’s size and scope.

This *Brief* is available at: <http://crr.bc.edu/>.

❖ California’s 2018 State Budget Overview

On January 10, Governor Jerry Brown submitted his proposed 2018–19 budget to the legislature.

Areas of focus include:

- K–12 schools and community colleges receive significant funding increases;
- Health and human services remain high priorities;
- The proposal includes substantial new spending for road repairs and carbon reduction;
- Bond funding would support natural resources, housing, and educational facilities.

For further details, visit: www.lao.ca.gov/Budget.

QUOTE OF THE MONTH

Try to be a rainbow in someone’s cloud.

▪ *Maya Angelou*



JOE MCGUIRE RESIGNS FROM RESDC BOARD OF DIRECTORS

Joe McGuire has recently resigned from the RESDC Board of Directors. He has been a dedicated member of the RESDC Board since January 2000 and he will be missed.

Joe retired from the Department of Public Works in 1999 after 38 years of County service. He also worked for the Planning Department in Building Inspection.

Joe was an elected member of the San Diego County Employees Retirement Association (SDCERA) Board for seven years, ending in 1999.

Everyone here at RESDC thanks Joe for his long tenure and dedication to the members of The Retired Employees of San Diego County. We wish him well in his future activities. □

PENSION FACTS AT A GLANCE

Nearly 80%

of the spending by a typical elderly household covers five “basic” needs: housing, health care, food, clothing, and transportation.



**RESDC DAY AT THE PADRES
TUESDAY, JULY 31, 2018, 1:10 PM
TICKETS NOW AVAILABLE!
SAN DIEGO PADRES VS. SAN FRANCISCO GIANTS
By Mark Nanzer, Executive Director**

Greetings RESDC Members!

The month of April puts me in a good mood. Why, you may ask? Well, it's the start of baseball season of course! As a lifelong baseball fan, I have 162 reasons (number of games in a season!) why I love this game. Here are but a few:

- The smells: Hot dogs, warm summer air, freshly cut grass, kettle corn, the grill, etc.
- Fans making amazing catches
- The first pitch
- The fan cam
- Keeping score (yes, I still do that!)
- Home Runs



And one of my favorites...

Hanging with RESDC members at the Day at the Padres event! I'm excited to announce that tickets are now available for purchase for this year's outing. Petco Park is one of the greatest ballparks in the league. From the Tony Gwynn statue, to the Park at the Park, to watching batting practice from left field, this gem is a San Diego landmark.

We will be back in the scenic Skyline Patio, which features box-style ballpark seats, a semi-private group area overlooking third base, and gorgeous views of downtown San Diego.

Tickets include a pre-game buffet with standard ballpark fare, served one hour before first pitch until one hour after first pitch, and soft drinks served from one hour before first pitch through the seventh inning.

Ticket price is **\$48.00** per person. Petco Park is located at 100 Park Blvd., San Diego, 92101.

Registration: Registration forms and payment must be received in the RESDC office by **Thursday, July 26. Tickets will be mailed closer to the event date.**

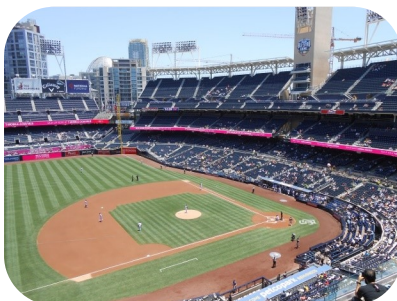
Register by Mail: Fill out the registration form below, make a check payable to RESDC for \$48 per person and mail both to RESDC, 8825 Aero Dr., Suite 205, San Diego, CA 92123.

Register Online: Go to www.resdc.net/events, click on the green "Register" button, and follow the steps. You will need to use the email associated with your member account. Click "Add guest" to add additional registrants for \$48 each. To pay for yourself and guests, click "Pay Online" and pay with credit card.

Register by Phone: Call the RESDC Office at (619) 688-9229 during our hours of 9 am – 2 pm Mon-Fri.

For questions or assistance registering, contact us at (619) 688-9229 or resdc@resdc.net. □

RESDC "Day at the Padres Game" Registration Form	July 31, 2018, 1:10 pm
Name of Member: _____	Phone #: _____
Email Address: _____	
Department: _____	Year Retired: _____
Name of Guest(s): _____	
# of Reservations: _____ x \$48.00 each = \$ _____ (Total Enclosed)	



President's Message (Continued from page 1)

It's important that we all take precautions to keep from becoming victims of elder abuse. The National Committee for the Prevention of Elder Abuse published a report titled **Preventing Elder Abuse**. The report provides the following tips to help avoid becoming a victim of elder abuse:

- Avoid isolation, which can lead to loneliness, sadness, and depression and increase the possibility of abuse or neglect, even self-neglect.
- Keep in touch with family members.
- Stay social and stay active. Keep in touch with old friends and make new ones.
- Consider volunteering in the community or becoming a surrogate grandparent or mentor to a child.
- Participate in religious and/or community activities.
- Don't live with a person who has a history of violent or abusive behavior.
- Beware of family members or caregivers who might have a need for financial assistance or who have substance abuse issues.
- Be cautious in making financial decisions and monitor your financial affairs.
- Discuss any significant financial decisions or changes to legal documents with someone you trust completely before taking action.
- Beware of people who ask you to change your will or add their names to your bank accounts or titles on property.
- Keep your legal and financial documents in a safe place. Consider executing legal documents such as a will, living will, and a durable power of attorney for finances and health care.
- Beware of telephone solicitations and internet or mail scams. Avoid individuals who want you to make immediate purchase decisions.
- Safeguard your personal information and passwords.
- If you have concerns that you have been a victim of any type of abuse, including financial exploitation, do not be afraid to discuss your concerns with someone you trust such as a family member, close friend, attorney, bank manager etc. or to call Adult Protective Services.* It is important to address any concerns as soon as possible.

The District Attorney's office has a **Don't Get Hooked** program that provides tips on how to avoid scams directed at older adults. For more information about this and other elder abuse prevention tips, go to: <http://www.sdcdca.org/helping/elder-abuse.html>.

The bottom line is, avoid being a victim, but if you should become one, immediately report it to Adult Protective Services or your local law enforcement agency. If a situation appears to be life threatening or a crime is in progress, **call 9-1-1** or your local law enforcement agency. If you believe elder abuse has occurred, call Adult Protective Services at the numbers below.

Membership in RESDC helps county retirees stay connected and active. In addition, as a RESDC member you have access to discount legal services to draft a will, living trust, and durable power of attorney. See our website, www.resdc.net for additional information.

*In San Diego County, **Adult Protective Services** serves adults 65 and older. They maintain a 24 hour a day, seven day a week phone reporting service at **800-510-2020** (within San Diego County) or **800-339-4661** (outside the County). □

ASSOCIATION OFFICERS

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1st Vice Pres.....Stan Coombs
2nd Vice Pres....Chris Heiserman
Secretary.....Carlos Gonzalez
Treasurer.....Frank Bittner

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Chuck Brown, Janel Pehau,
Merrill Roach, George Shoemaker,
Carl Silva

EXECUTIVE DIRECTOR

Mark Nanzer

OFFICE STAFFMarge Elmendorf
.....Karen Hazel
.....Liz Silverman

NETWORK EDITOR....Karen Hazel

RESDC Office Email Address:

resdc@resdc.net



In a big bank trap? Eligible SDCCU® cardholders can transfer their high-rate credit cards to a low-rate SDCCU Visa®! Transferring is easier than ever with the new SDCCU Easy Balance Transfer mobile app. Simply take a picture of the credit card payment stub you want to transfer and the app will collect the required information. It's as easy as Balance. Snap. Transfer.SM The app is available from either iTunes® or Google Play®, search for SDCCU.

Start saving today. You can make your balance transfer request by using the SDCCU Easy Balance Transfer mobile app, calling us at (877) 732-2848 or by visiting one of our more than 30 convenient branch locations. □



Office Hours: 9 a.m. to 2 p.m. Monday through Friday.

Telephone: (866) 688-9229 Toll Free

Fax: (619) 688-0766

Email: resdc@resdc.net

Website: www.resdc.net

The **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.
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San Diego, CA 92123

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FLAG DAY LUNCHEON 2018

Thursday, June 14, 11:00 am
Ronald Reagan Community Center

We are pleased to invite you to our annual Flag Day Luncheon on June 14, 2018. This year we are returning to the newly renovated Ronald Reagan Community Center in El Cajon.

Our Flag Day Luncheon is a festive celebration commemorating the adoption of the flag of the United States. The event will kick off at 11:00 am with a social half-hour, followed by a brief program led by RESDC President John McTighe. Entertainment will be provided by the California Note Catchers, a nonprofit women's barbershop harmony chorus. We'll enjoy a buffet style lunch with ham, roast turkey, and assorted sides; the full menu will be announced in the May and June NETWORKs. This is an indoor event with ample free parking on both sides of the center.

When: Thursday, June 14, 2018, 11:00 am

Where: Ronald Reagan Community Center,
195 E Douglas Ave, El Cajon, CA 92020

Cost: \$12 per person

Registration: Registration forms and payment must be received in the RESDC office by **Friday, June 8**. Name badges and opportunity drawing tickets should be picked up at the check-in table at the luncheon. They will not be mailed.

Register by Mail: Fill out the registration form below, make a check payable to RESDC for \$12 per person and mail both to RESDC, 8825 Aero Dr., Suite 205, San Diego, CA 92123.

Register Online: Go to www.resdc.net/events, click on the green "Register" button, and follow the steps. You will need to use the email associated with your member account. Click "Add guest" to add additional registrants for \$12 each. To pay for yourself and guests, click "Pay Online" and pay with credit card.

Register by Phone: Call the RESDC Office at (619) 688-9229 during our hours of 9 am – 2 pm Mon-Fri.

For questions or assistance registering, contact us at (619) 688-9229 or resdc@resdc.net. □



Flag Day Luncheon—General Membership Meeting

June 14, 2018, 11:00am

Name of Member: _____ Phone #: _____

Email Address: _____

Department: _____ Year Retired: _____

Name of Guest(s): _____

of Reservations: _____ x \$12.00 each = \$ _____ (Total Enclosed)