



NETWORK

Newsletter of The Retired Employees of San Diego County Since 1961

Vol. 46, No. 3

Honoring Yesterday—Protecting Tomorrow

March 2015

PRESIDENT'S MESSAGE

By Susan Mallett



The mission of our association is “to advocate for retiree interests and provide pertinent information, social opportunities, and services for its members.” This year we enter into a wonderful new partnership that will directly support those primary goals. In February, the RESDC Board of Directors approved our application to become a recognized partner for the Live Well San Diego

Initiative. We will be joining the County of San Diego and over 80 recognized partners from all sectors of San Diego County, businesses, schools, cities and government, as well as community and faith-based organizations, to support the Live Well San Diego Health and Wellness Strategy. This three part long-term Live Well Initiative cited on their website is as follows:

1. **Building Better Health** calls for improving the health of all residents and supporting healthy choices.
2. **Living Safely** calls for ensuring residents are protected from crime and abuse, neighborhoods are safe and communities are resilient to disasters and emergencies.
3. **Thriving** calls for cultivating opportunities for all people and communities to grow, connect, and enjoy the highest quality of life.

It is not difficult to align the interests of retirees and seniors with the three bold categories above. The 2013-2014 Live Well San Diego Annual Report notes “In 2010, there were over 350,000 residents at least 65 years old in the County. That population is projected to more than double to 725,000 in 2030, with 84,000 aged 85 years and older.” Clearly the efforts to address the Live Well objectives must include services and programs for the growing older adult population.

The “Thriving” objective currently has several active

programs designed for older adults in our communities. For example, the County’s **Fall Prevention Awareness Week**, in September, provides educational materials and fall risk screenings. Additionally, Aging and Independence Services, a division of the County of San Diego’s Health and Human Services Agency, sponsors the San Diego Fall Prevention Task Force that provides both education and resources to older adults to prevent injuries. Another program highlighting the components of this objective is the **Grandparents Raising Grandchildren Initiative** that holds regional events to provide resources as well as peer support for these older adults. Additionally, there are a number of intergenerational programs that provide interaction and connection across generations to enhance the lives of older adults and school age children. These programs include **Intergenerational Games**, **Intergenerational Garden** and **Five & Fit Intergenerational Program**.

You can learn much more about the objectives and programs for seniors and community members in general by visiting the interactive website, www.livewellsd.org.

Our North County general membership meeting, held in late February, featured a presentation by staff from Aging and Independence Services describing programs and events sponsored by this important County department. In the coming months, our newsletter will include periodic articles highlighting the efforts of Live Well San Diego and our role as a recognized partner.

PENSION FACTS AT A GLANCE

13.44%

SDCERA Fund one-year estimated gain net of fees as of June, 2014 - well above the actuarial assumption rate of 7.75%

March Calendar of Events

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

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

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

IS A BIG CHANGE COMING IN SDCERA HEALTH CARE?

By Stan Coombs

San Diego County retirees enjoy a health care advantage that's largely unseen and perhaps unappreciated, an operational and financial advantage.

Our Board of Retirement sponsors retiree health coverage from three optional companies, Kaiser, United Health Care and Health Net. Some retirees arrange coverage from other insurers, and are reimbursed from their retirement health or supplemental benefit, and some waive the benefit altogether.

Each spring, the Board of Retirement Benefit Committee is briefed by the retirement system health consultant – currently AON Hewitt - about the state of the health industry and the prospective premium rates insurance companies want, to insure retirees during the following year. The consultant returns to the Committee in late summer, and eventually to the Board of Retirement in August, recommending new rates negotiated during the intervening months. The new rates become effective the next January.

Did you catch that advantage, or did it slip by? Board of Retirement health consultants study and analyze the state of the industry and the history of county retiree coverages and costs, and use their expertise to negotiate on behalf of retirees, to get the lowest premiums. The consultant is contractually obligated to be “our guy” in the negotiations arena, under the supervision of our own Board of Retirement.

It's not free. Retirees pay for this service through a \$4.50 administrative fee charged against health benefits or pension payments.

While insurance premiums may fluctuate, final rates have generally been a percent or so less than the companies' initial quotes. Without the health consultant's knowledge and expertise, Board of Retirement staff would, arguably, only have been positioned to accept insurer's initial price quotes, and retirees, arguably, would have paid higher premiums.

But, Affordable Health Care now raises questions. Health insurance exchanges have become available that may offer better-tailored coverage to individual retirees, and while they won't have the advantage of pre-negotiated rates, there are consultants who want to lead

individual retirees through the quagmire health coverage has become.

And, this hasn't been lost on the Board of Retirement or staff. The possibility that our retirement system might one day stop sponsoring specific health plans for retirees, leaving them to make their own way through private health exchanges in search of coverage, has been a subject of casual discussion for some time. And, AON Hewitt is one of the consultants that offer guidance services.

So, what's the latest? At a Board of Retirement Benefit Committee meeting, on January 20th, AON Hewitt provided an hour-long commentary on key findings from a “2014 Retiree Health Care Strategy Survey.” Their main point seemed to be that only 40%, or 6,690 of the County's approximately 16,600 retirees and dependents chose an SDCERA-sponsored medical plan that year, and another 7%, or 1,100, were insured elsewhere and reimbursed the costs.

That leaves 53%, or 8,838 retirees, uninvolved with the SDCERA medical insurance program. Those figures didn't include members with dental coverage.

All that's important to know, we're told, because without large numbers of enrollees, insurance providers are less motivated to provide coverage, and premiums rise, possibly to the point there's no advantage in SDCERA sponsorship.

AON also reported that 73% of all employer sponsored health plans they surveyed have either made changes in their retiree health care benefit strategy or are in the process of evaluating changes. And they say that momentum is in the direction of lessening retiree choices and sponsor involvement, and increasing participant (read that as “retirees”) responsibility to obtain their own coverage.

(Continued on Page 6)



WELCOME NEW MEMBERS

Lorenzo D. Dawson	Health & Human Services
Mark Gonzales	Probation
Paul Libassi	District Attorney
Kenneth E. Nelson	District Attorney
Patricia Zamar	

PENSION FACTS ACCORDING TO A RELIABLE SOURCE?

By Chris Heiserman, Director

So you are diligently reading one of the many articles about public pensions found every month in newspapers, magazines, organization newsletters and journals. Your attention was probably drawn to the item by a scary headline about the retirement "crisis" in America or the pension funding "tsunami" threatening California local and state governments.

Without a doubt many families today face serious challenges trying to save enough for an adequate retirement; and the huge underfunded cost of future retiree benefits promised public workers in many cities, districts and state agencies will require long term action plans, cooperation and compromise.

Difficult problems, certainly; but is the situation so dire that the solution, as suggested by so-called pension "reformers", should be elimination of traditional Defined Benefit pensions for public employees and scaled back benefits to avoid closing libraries and living with potholes? It apparently depends on which source of information you believe.

Every San Diego County resident who reads the major local newspaper has no trouble at all discerning its anti-public pension editorial policy. However, there are many other information sources readily available to us that may not be so transparent in their bias on issues. It is prudent to be skeptical when studies, surveys, and reports by "think tanks" or self-described policy or research organizations are cited in articles on retirement matters. My advice: if you read something that doesn't sound quite right, check the source.

Here's a quick primer on some of the main actors in this drama. First and foremost, be wary of any organization which promotes competition and free markets, or has the word "enterprise" in its name. These are corporate-oriented groups that may have areas of expertise, but unbiased analysis of public pension issues isn't one of them. A couple of examples: The Reason Foundation (reason.org) and the American Enterprise Institute (aei.org).

Some of the most aggressive pension "reform" groups are the California Foundation for Fiscal Responsibility (californiapensionreform.org) and the California Policy Center (californiapolicycenter.org). There are, of course, more "liberal" or "labor-leaning" organizations as well, and there are also decent journalistic sources of information available like Governing Magazine (governing.com) or the classic news media like the New York Times, Wall Street Journal, Reuters, and even Time magazine.

For pretty straightforward information on public pension issues, I suggest the Public Retirement Journal (publicretirementjournal.org), the Center for Retirement Research at Boston College (crr.bc.edu) or the National Association of State Retirement Administrators (nasra.org). Of course, another source of local information on important issues for retirees is this newsletter and RESDC (resdc.net). Be aware and stay informed.



REMINDER: SEE'S CANDY CERTIFICATES INCREASE IN PRICE FOR 2015

See's Candy has increased the retail price of their candy commencing January 5, 2015 to **\$18.50** per pound.

RESDC members are entitled to a group discount at the See's Discount Store at 3751 Rosecrans Street in San Diego. You must show them your RESDC Membership Card. Their discount price for one pound gift certificates is \$15.70.

Our office will mail See's Candy Certificates to our members for the price of \$15.50 for each one pound gift certificate.

Please send a check payable to RESDC for the number of certificates you want to purchase with a business-sized (#10) stamped self-addressed envelope (the certificates won't fit in a small envelope) to RESDC, 8825 Aero Dr., Suite 205, San Diego, CA 92123. For more than five certificates please affix .70 cents postage on the return envelope.



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 personal credit report at least once or twice 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.

FROM THE DESK OF THE EXECUTIVE DIRECTOR

Dear Members:

I wanted to thank those of you who were able to attend our Special General Membership Meeting on January 26th. RESDC was pleased to host the meeting, which provided an opportunity for members to receive a status update on SDCERA's Investment Portfolio re-assessment process, discuss the anticipated next steps, and allow time for questions posed by attendees related to the Pension Fund and the Board of Retirement (BOR).

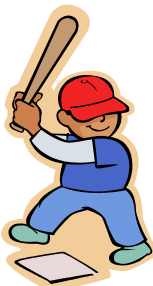
Our presenters for the meeting were SDCERA BOR Chair **Skip Murphy**, SDCERA's general investment consultant and, **Scott Whalen**, a Senior Consultant with Wurts & Associates.

Skip and Scott did an excellent job of providing background on the SDCERA Portfolio. They answered member questions on a range of topics including the use of leverage in the portfolio, Risk Parity strategies, the history of the Salient Partners contract and perspectives on recent media scrutiny of SDCERA and Salient Partners.

The RESDC Board of Directors and Benefits Committee felt the meeting was both necessary and timely. It is important that RESDC provides a venue for members to learn more about the current controversy surrounding Salient Partners and the critical fiduciary role the BOR has in overseeing the pension fund on behalf of County of San Diego active and retired employees.

RESDC leadership will continue to monitor all BOR meetings and provide updates to you through the NETWORK and via email. True to our organizational mission, we will also offer meetings like this one to ensure we are advocating for retiree interests and providing pertinent information, social opportunities, and service for its members. Thanks so much for your ongoing support.

Mark Nanzer
Executive Director



**First Day
of Spring!
March 20th**



2015 SCHOLARSHIPS

By Carlos Gonzalez, Scholarship Chair

This year, RESDC is celebrating the 20th anniversary of our Scholarship Program. In 1995, George Liddell, one of RESDC's founders, had the vision to create a program that would reward the efforts of a younger generation eager to prepare themselves professionally for life's challenges. That first year, there were only three scholarships, at \$750 each. Our efforts have come a long way; we aim for greater achievements. We salute **George Liddell** for his forward thinking, and wish for continued success of our program.

This is "the last call" for the 2015 scholarship application season, for this year's five \$2,000 RESDC Scholarship awards. The deadline for filing is Friday, March 6th. All applications must be delivered to our office at 8825 Aero Dr., Suite 205, San Diego, CA 92123 or in the mail postmarked no later than March 6th. Be sure to check with your references that they have sent their letters to meet the March 6th deadline. In fairness to all participants, late applications or reference letters cannot be accepted after the established deadline.

The filing date for the Yakel Scholarships at the San Diego Foundation closed February 4th. It is our expectation, that all applicants filing for the RESDC Scholarships also filed for the Yakel Scholarships. Together they are significantly helpful in defraying the ever-increasing cost of college tuition, fees, and books.

Many, many thanks to **Evelyn and Theo Yakel** for establishing this Scholarship Program at the San Diego Foundation for the benefit of immediate family members of the RESDC membership. Many thanks also to **Mrs. Joan Liddell** who continues to make generous contributions to the RESDC Scholarship Fund in memory of her husband, the late **George Liddell**.

Good luck to this year's participant's, may your faithful pursuit of a higher education be rewarded.

ASSOCIATION OFFICERS

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

ASSOCIATION DIRECTORS

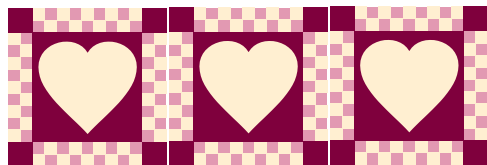
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 Janel Pehau, George Shoemaker

EXECUTIVE DIRECTOR

Mark Nanzer

OFFICE STAFF....Karen Hazel

.....Benjamin Hemmings
Diana Levario

NETWORK EDITOR...Karen Hazel**BITS AND PIECES**

Editor's Note: We would like to continue printing some Bits and Pieces items in this newsletter about our members.

If you have reached an 80th (or more) birthday, or 50th (or more) wedding anniversary, please call Karen Hazel at (866) 688-9229 or write RESDC, 8825 Aero Dr., Suite 205, San Diego, CA 92123. If you have taken an interesting or unusual trip or have had an interesting event happen recently, please let us know so that we can share your story with our other members.

You may also send your information to us by e-mail at resdc@resdc.net.

IN MEMORIAM

Alphonso X. Agraz	Health & Human Services
Gail Atinson	Superior Court
Ann R. Beebe	Public Works
Elizabeth Cannon	Health & Human Services
Raymond Coleman	Air Pollution
Mildred V. Day	Health & Human Services
Maryellen Diedolf	Superior Court
Betty Elwell	Superior Court
Norman E. Feigel	Public Works
Charles A. Feland	Probation
James M. Flake	Sheriff
Montea Y. Fox	Assessor
Thomas H. Gattis	Sheriff
William Hamilton Jr.	Health & Human Services
Maeve Hanley	Parks & Recreation
Martin P. Heil	Sheriff
Elizabeth L. Hildreth	County Clerk
Leslie O. Hood	Public Works
Theresia R. Huck	Surviving Spouse
Rosemary G. Kelly	Environmental Health
Christine L. Kerbstat	County Library
Barbara A. LaGrace	Surviving Spouse
Aenid Lane	Health & Human Services
Carmen N. Lee	Health & Human Services
Jack P. Limber	County Counsel
Mary McCambridge	Surviving Spouse
Mary L. Michael	Registrar of Voters
Paul Nickerson	Purchasing & Contracts
Maxine H. Nordin	Health & Human Services
George D. Opel	Agricultural Commissioner
Loren Palmer	Assessor
Janice Pelot	Sheriff
Bruce Rademacher	Chief Technology Officer
Esther E. Rains	Health & Human Services
Sara L. Renfro	Health & Human Services
Martha Shields	Health & Human Services
John Siemienczuk	Health & Human Services
Elizabeth Sproul	Health & Human Services
Margaret A. Thomas	Health & Human Services
Helen O. Tracy	Public Works
John R. Walker	Health & Human Services
Gerald B. Wilson	Public Works
Robert H. Wilson	Assessor

The surviving spouse of a member is eligible for RESDC membership. For enrollment assistance, please 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.



Office Hours: 9 a.m. to 2 p.m. Monday through Friday.
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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
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IS A BIG CHANGE COMING IN SDCERA HEALTH CARE? (Continued from page 2)

AON termed this the "New Efficient Frontier of Retiree Health Care Strategy," and suggested that retirees "will win" due to broader vendor and plan choices, and lower cost options, and that it reduces overall health care costs through higher federal subsidies, choice, competition, care management and favorable community pricing.

SDCERA management has been quite open about evaluating this possibility, but emphasizes there are no plans to change, as yet. Regardless of AON's onslaught, staff withheld comment on January 20th, except for one late recommendation.

Following AON's presentation and departure, staff presented the results of their solicitation for bids from health consultant firms, due to the completion of AON's five-year contract in August. Staff recommended the Benefit Committee support the replacement of AON Hewitt, with Mercer, Inc., for a new three-year consultant contract period, commencing March 1, 2015, with two, optional, one-year extensions. The Benefit Committee approved the staff recommendation unanimously.

San Diego County retirement net assets decreased \$76.6 million during December, bringing fiscal-year-to-date net asset gains to \$93.6 million, and total net assets to \$10.3 billion.

CESAR CHAVEZ DAY TUESDAY, MARCH 31

Cesar Chavez Day is a State holiday in California. The day is commemorated to promote service to the community in honor of Cesar Chavez's life and work. The RESDC office will be closed on Tuesday, March 31 in honor of Cesar Chavez Day.



Happy 
St. Patrick's Day

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.

HAVE YOU CHANGED YOUR NAME, ADDRESS, OR E-MAIL ADDRESS?

Call the RESDC office at (866) 688-9229 or e-mail us at resdc@resdc.net if you have any new changes to your name, address, or e-mail 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.