



# THE NETWORK

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Honoring Yesterday—Protecting Tomorrow

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## PRESIDENT'S MESSAGE

By Stan Coombs



"We the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defense, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish. . ."

Sound familiar? Of course it does, even with the unfamiliar 18<sup>th</sup> century capitalizations. . . It's the Preamble to the Constitution of the United States, the supreme law of our land, which, if respected and defended, guarantees us the right to decide who will run things, through our collective votes.

Elections are first referenced in Section 2, the second sentence of the Constitution, but the term "vote" isn't mentioned until the 14<sup>th</sup> Amendment, having to do with our sometimes-tortured system of choosing "Electors" who then actually "elect" the President and Vice-President. The word "vote" is then repeated in six amendments, which were added to the original document decades later.

Those six amendments include the 14<sup>th</sup> Amendment, defining citizenship, the 15<sup>th</sup> Amendment, addressing Black suffrage, the 17<sup>th</sup> Amendment requiring direct election of senators by popular vote, the 18<sup>th</sup> Amendment, regarding women's suffrage, the 24<sup>th</sup> Amendment, abolishing poll taxes and the 26<sup>th</sup> Amendment, allowing 18-year-old suffrage.

The Constitution is clear, ours is a republican form of government to be run by those we elect to represent us, but even though the right to vote is a crucial guard against tyranny, only 56% of voting age Americans voted in 2016, according to PEW Research. That's 136.8 million voters out of a voting age population of 245.5 million, leaving about 109 million enfranchised but idled citizens watching from the sidelines. One hopes they have no complaints about the way things turn out.

All this leads to the obvious, that the approaching November 3<sup>rd</sup> 2020 general election is recognized as pivotal by both sides, that the issues are contentious and that it's well worth the time and effort of all eligible citizens. . . and retirees. . . to vote.

By the time this *NETWORK* is delivered to your door by the Postal Service, around October 1<sup>st</sup>, readers will have about 34 days left to prepare to vote, and for many retirees, physically appearing at a designated polling place may be a bridge too far in this coronavirus framed world. So let's review one of the principal voting issues **(Continued on Page 10)**



## AMERICANS SAY SENIORS SHOULD GET NEARLY TOP PRIORITY FOR A CORONAVIRUS VACCINE

Americans are apparently clear on the matter of where future coronavirus vaccine supplies should go, when it becomes available.

Seventy-three percent of 1,399 adult Americans surveyed by The Harris Poll in August said health care workers should receive top priority, followed by 71% prioritizing 55 and older seniors, and then folks with compromised immune systems, essential workers, fire/rescue/police, teachers, and states with worst infection rates, in that descending order. Children under 17 and young adults were rated last in the nine groups listed.

Sixty-nine percent of respondents reportedly said they wanted a priority system for distributing a vaccine, while 31% said they wanted a first-come, first-serve arrangement.

Sixty-six percent said a vaccine shouldn't be available to other countries until all U.S. orders have been filled, if a successful vaccine was developed in the U.S., while 34% say it should also immediately be made available elsewhere. □

### WHAT'S INSIDE?

<b>Pension Facts</b>	<b>2</b>
<b>Virtual Health Fair Via Zoom Conferencing</b>	<b>3</b>
<b>Recent Events</b>	<b>3</b>
<b>Open Enrollment For RESDC Benefit Plans</b>	<b>3</b>
<b>Board of Supervisors Candidate Interviews</b>	<b>4</b>
<b>Welcome New Members</b>	<b>10</b>

## October Calendar of Events

**8—(Thurs.) RESDC Board of Directors Meeting**

Via Zoom Web Conferencing, 9:30 a.m.

**15—(Thurs.) SDCERA Board of Retirement Meeting**

**28—(Wed.) RESDC Virtual Health Fair, 10:00 a.m.**

Via Zoom Web Conferencing, See Page 3



### PENSION FACTS

**Record Stock Market Belies Economic Distress**  
By Chris Heiserman, Director



If you haven't figured it out by now, "normal" is a vague concept barely perceptible in our rear-view mirror. We are conditioned to link good stock market performance with positive employment data; however, in the summer of 2020 we have seen that extraordinary stock gains are not a barometer signaling any sort of overall economic health.

Articles in the Business Section of the *Union Tribune* newspaper near the beginning of September provided insight into the complicated mixed bag that represents our economic condition. Try and make some sense of the following items on the front page of the August 29, 2020 *U-T* Business Section:

- Banner headline "S&P 500 Keeps Winning Streak Alive" – with the sub-head "Rally gives index its fifth straight week of gains; DOW and Nasdaq also up"
- MGM Resorts Laying off 18,000 people, which amount to about a quarter of its U.S. staff
- Lord and Taylor department store chain is going out of business after filing for bankruptcy earlier in August. It will permanently close its remaining 38 stores.
- The stock of Ulta Beauty increased 6.4%, one of the biggest gains in the S&P 500 rally, after the beauty store chain reported a drop in profit for the quarter that wasn't as bad as Wall Street analysts predicted.

The next week on September 3, 2020 this article appeared in the *U-T* Business Section: "Despite Increase in Online Sales, Macy's Posts \$431 million Q2 Loss." Online sales were up 53%, the company said, but its in-store business was down 61% at stores which reopened in June after pandemic closures at malls across the country. Sounds dismal, right; however, at the end of the story we find another kernel of market roulette for Macy's: "Adjusted losses came to 81 cents per share, which was better than the loss of \$1.78 per share Wall Street ana-

lysts expected."

What's going on here? Well, it's clear the basic financial interests of Wall Street and Main Street are not aligned; or maybe more simply, the stock market is not the economy. What could be a better example of this than that upside down day in May when the Bureau of Labor Statistics announced the devastating loss of 20.5 million American jobs in April (biggest decline ever); and almost immediately the stock market began to soar.

It seems almost too simple an explanation from Wall Street watchers that market decisions are based on expectations – guessing where stocks will be months or a year down the road. Maybe yes, generally, but logic, common sense and some details of the current discomfoting situation show there are things that make this case unique. In the latest market run-up, tech stocks that had already been on a positive trend before the pandemic hit home took off. Industry leaders like Amazon, Apple, Google, Microsoft and Facebook lifted the market gauges even while the corona virus was wreaking economic havoc on most Americans.

Some of this can be attributed to people staying at home, spending more time online – ordering goods and services, working from home and hanging out for hours on social media. But other big triggers for the stock market surge were the trillions of dollars in cash provided to individuals and businesses to shore up the flagging economy and super-low interest rates to keep investors engaged.

So the market was buoyed by the Fed and Congress flooding the economy with cash and forecasting easy credit and zero interest rates for the foreseeable future. Now these private sector investors are hoping government will turn the money spigot on again since the supplemental unemployment benefits expired and business fiscal support approved in the first corona virus rescue package have run out.

Meanwhile millions remain out of work and most local governments, especially school districts facing substantial new expenses getting children back to school safely, are struggling financially. Our federal leaders can't seem to agree on how to provide more help to American households and businesses coping with the continuing pandemic-fueled economic maelstrom. It doesn't help that Congress and the country itself are paralyzed by partisanship and division leading up to the November elections.

Then there's Wall Street. It's looking for opportunities to profit next year. □

### QUOTE OF THE MONTH

*The secret of getting ahead is getting started.*

▪ Mark Twain





## RESDC VIRTUAL HEALTH FAIR WEDNESDAY, OCTOBER 28 AT 10 A.M.

Due to the COVID-19 pandemic, we will not be hosting our Health Fair Picnic this Fall. But as we "Zoom" into the virtual presentation world, we are excited to be hosting a virtual health fair on October 28<sup>th</sup> at 10 a.m. via Zoom. **For more details on how to access Zoom and to register for this great event, visit us at: [www.resdc.net/events](http://www.resdc.net/events).**

Our first presenter will be Steve Pettee from Pacific Group Agencies who will present 2021 RESDC sponsored group benefit highlights of the annual enrollment period. Steve will provide specific answers to many of the most frequently asked questions. Additionally, the special menu of the other Group Benefit Programs will also be highlighted. For more information on RESDC member benefits, visit us at: [www.resdc.net/member-benefits/](http://www.resdc.net/member-benefits/).



Then Jerry Fafaul, SDCERA Member Communications Manager will highlight the 2021 SDCERA-sponsored Medical and Dental plans that are available for retired members, surviving spouses/registered domestic partners, and eligible dependents.

All plans provide coverage in California service areas. Some plans provide coverage in other states. Plan premiums are per person, per month, and do not include the administrative fee.

Members can enroll in an SDCERA-sponsored Medical and/or Dental plan when they first retire, during Open Enrollment each November, or outside the Open Enrollment period in limited cases. Once enrolled, Members can make changes to their plan selection during Open Enrollment, or within 30 days of a qualifying life event. Qualifying Life Events include: Retirement, becoming eligible for Medicare, addition of a dependent due to marriage, domestic partner registration, birth or adoption, relocation outside your plan's service area, or loss of eligibility for coverage such as conclusion of COBRA or Cal-COBRA.

SDCERA's Open Enrollment period happens in November and is a passive enrollment, meaning that if you are happy with your current plan coverage, you do not need to take any action and your plan will automatically renew for the next plan year.

SDCERA offers both Medicare and Non-Medicare plans.

Although a Member is enrolled in Medicare Part A and Part B, they may still have medical expenses not covered by Medicare; therefore, enrolling in an additional insurance plan such as an SDCERA-sponsored medical plan may help pay for expenses that Medicare does not cover.

SDCERA offers three types of Medicare health plans for Members covered by Medicare Part A and Part B. These plans include comprehensive medical coverage as well as Medicare prescription drug coverage; therefore, if you enroll in an SDCERA-sponsored plan, your drug coverage will be provided through the plan you select. Medicare Supplement plans allow you to keep your Medicare benefits and use any physician or facility that accepts Medicare. Medicare HMO plans coordinate their coverage with Medicare. You may also use your Medicare card to obtain services outside your health plan. Medicare Advantage plans require your Medicare Part A and Part B to be assigned to a health plan. For more information on the SDCERA Health Program, visit: <https://health.sdcera.org/>. □

## RECENT EVENTS

- ❖ **Track Your Ballot Every Step of the Way With "Where's My Ballot?"** The San Diego County Registrar of Voters has launched a new tool that will enable registered voters to track the status of their ballots for the November 3rd election.

Voters can sign up for "Where's My Ballot" at [www.sdvote.com](http://www.sdvote.com) to receive an automatic email, text or call notification on the status of their ballot. "Voting by mail is simple, safer and secure," the Registrar of Voters office said in a statement.

Due to the coronavirus pandemic, every active registered voter in California will receive a ballot in the mail. According to the office, people who want to vote in person will have the opportunity to do so, "but they may run into long lines, both at the polls and the registrar's office." □



## OPEN ENROLLMENT FOR RESDC BENEFIT PLANS Dental, Vision, ID Shield, Legal, Pet, Travel, Accident, And More

The 2021 Open Enrollment is fast approaching. Around the end of October you should receive your 2021 RESDC Benefits Guide. This guide lists the benefit plans available exclusively to RESDC members. Plans available include two extremely high benefit level dental plans, two vision plans including a newly enhanced VSP plan, legal, ID shield, pet, travel, accident, hearing aids, and more.

For RESDC members interested in enrolling, the deadline is Mid-November. Once you receive your benefits packet, please don't delay. The deadline for dental enrollments is strictly enforced. If you are currently enrolled in any of the RESDC sponsored benefit plans, your coverage will automatically continue for 2021. **You do not need to do anything if you are not making changes to your coverage.** □

## PENSION FACTS AT A GLANCE

**\$300 Billion\***

Public pension trust funds pay over \$300 billion annually to retirees and their beneficiaries, benefits that reach virtually every city and town in the nation.

\*U.S. Census Bureau Survey 2018



## BOARD OF SUPERVISORS CANDIDATES DISTRICTS 1, 2, AND 3

Board of Supervisors Candidates running for the First, Second, and Third District seats in the November election were interviewed by RESDC Board members about their views on retirement issues. Their responses to a set of specific questions, and additional comments they offered about their goals for the County, are summarized below. At the time of publication, we were unable to confirm an interview date with district three candidate, Supervisor Kristin Gaspar. We hope to schedule an interview with her at some point in the future.

### BEN HUESO DISTRICT 1



#### **1. Do you have any thoughts about the viability of the County's existing defined benefit retirement plan?**

I think it's viable. I think it needs to be made a priority. In my experience, you're always put in difficult budget making circumstances where first and foremost you have to think about the fiscal soundness of the organization that you're running. My first priority,

of course, is making sure that our pensions are fully funded. Everywhere I've gone whether it was the City of San Diego or SANDAG, or here at the State of California was to make sure we fully fund the pension. If we fully fund the pension, we're going to be in a better position.

Back in the mid-2000s with the crash of the market and the crash of Wall Street, every pension of the United States was underfunded. And they came crashing down because no actuarial analyst could predict that the market would crash that way and that all those stocks would plummet, and the market would lose so much. I call it the biggest rip-off of the middle class in American history. Unfortunately, we're stuck with the remnants of that because pensions have not recovered, the market has not recovered sufficiently to cover those losses. We must make pragmatic decisions about how to run our pensions in a way that we can keep the organization running and paying those obligations. My first obligation would be to fully fund pensions. My second is to fully honor the contracts that have been made with employees in previous years and the third one is to come up with a solution that closely resembles a defined benefit pension as much as possible.

#### **2. What is your view of replacing defined-benefit retirement plans with 401(k) style defined-contribution retirement plans for public employees?**

As I mentioned in my opening comments, I think it's the option of last resort if there is no other solution. Local governments have a very limited if almost no tax making authority, so funding those pensions in the future is going to be a challenge. Really, that's my last option. I'm saddened by the fact that in America pensions are less of a priority. Growing up in a very impoverished neighborhood, I remember having lots of residents living in my block that worked at the cannery in Barrio Logan. My mother-in-law was one of those and she retired with a pension. She didn't retire wealthy, but she retired with

income and my neighbor also lived to be 103 and she was for the rest of her life covered by pension. I think that should be the goal in America. That should be, I think, every American deserves a pension and I think our society, given its wealth, can afford that for its workers. I will work hard to make sure that we can achieve that as much as possible under my leadership. That's something that I really want to achieve for not only state workers and city workers but county workers as well, and all workers as much as possible.

#### **3. What are your views on a potential State constitutional amendment limiting the amount of public employees' retirement benefits?**

I don't support any proposition that doesn't seek to solve a problem. I believe the problems that we're facing from pensions are nationwide. They originate in Washington and the policies that we have there. We need to address those first, but I don't see anyone anywhere in San Diego County pension spiking. What happened in the City of San Diego was not a pension spiking issue. It wasn't a pension underfunding issue. The council didn't engage in anything specifically wrong. They didn't even increase benefits to employees and it was decided that that did not happen. It was all a function of them suffering the same consequences as the rest of the nation because of the deregulation of Wall Street and how people could engage in riskier investment strategies. I don't think there's a problem in San Diego. We do need to be prudent in how we budget. We need to fully fund the pensions. We need to find ways to create a package for our employees that work for the rest of the public as well. We must find that sweet spot that accomplishes doing what we set out to do.

We want the County to operate and serve the people of San Diego, but in doing that we need to attract talent, and workers need to know that when they go to work every day, they're going to get their pension and they're going to get their benefits. That's part of the whole obligation that the County has to the people of San Diego.

#### **4. The County created a new pension class (Tier C) for new hires based upon a 2012 state law. Those workers earn lower benefits than their "legacy" counterparts in the work force. Tier D is the latest category of lower retirement benefits being offered to most county employees hired after July 1, 2018. What impacts do you think this will have on the recruitment and retention of county employees and the delivery of public services?**

You know, given that it tends to be a trend, I hope the

## NORA VARGAS DISTRICT 1



### 1. Do you have any thoughts about the viability of the County's existing defined benefit retirement plan?

Based on the information that I've seen on the County website, it seems like it's a really healthy fund. I think they have done a good job as long-term investors to project on how they are going to invest their

funds. I think one of the challenges the system had is the transition of a CEO. That can make people nervous. Additionally, I think that there's a lot of implications related to whether or not we're going to be having an economic recession. I think anybody who's managed defined benefit plans in the last four or five years has seen a lot of information about what the political implications of the economy may have on these funds, but it seems to me that the fund is a healthy one and that it's being managed in such a way that they're investing long-term to make sure that people have access to their retirement.

### 2. What is your view of replacing defined-benefit retirement plans with 401(k) style defined-contribution retirement plans for public employees?

That's a really great question. I have the honor of serving on the CalSTERS Board and actually became the first Latino to ever serve on the California Teacher Retirement Board, which is one of the largest pensions in the state of California and in the United States. I was appointed by Governor Brown and have served on the CalSTERS Board since 2015.

I have seen and done a lot of research on the difference between defined benefit retirement plans and the traditional 401(k) style plans. What I can share with you is the research I have seen from CalSTERS, specifically to our teachers, it is very similar to the County because you have employees that are long-term employees and it really does make a difference when you have a defined benefit plan because of the impact you have as institutional investors. It's long term investing and I think it's tough to expect individuals to allocate equities and diversify holdings and assess economic conditions on an individual basis. The power of a pooled fund is investing for the long with professional managers that are looking at this day in, day out and trying to figure out where they're going to be putting their dollars. I am a firm believer that defined benefit plans really are important for our public service employees.

This is something that I will continue to fight for, as it is a way to retain our public employees. In the long term, it is the only way that many public employees are able to really have a good, secure retirement. What I would say is that we have to continue to fund defined benefit retirement plans and make sure that we do this for our communities and that it is a priority for us.

### 3. What are your views on a potential State constitutional amendment limiting the amount of public employees' retirement benefits?

County still stays competitive, but it doesn't appear that those strategies are necessarily intended to attract new talent. We must find a package that is successful at attracting new talent. The County's always been the place where people want to transition because the pay is better, and the pension benefits are better. If you're in law enforcement, you prefer to work for the sheriff's department, I understand that. The organization functions better recruiting talent and we must be able to recruit the best of the best to serve the public and provide them with the best services possible so that will always be my focus. You always go to data and that data tells you where you need to be to be on top and that will be what I look at when helping to formulate my decision.

### 5. The Board of Supervisors has adopted a policy that allocates property tax revenues resulting from increases in assessed valuation beyond the County budget estimates to pay down the pension fund unfunded liability. What are your views on this policy?

Well, at least that's a strategy and paying down the unfunded debt liability is very positive. In San Diego we used the Tobacco Tax and that was very controversial. Although that money wasn't earmarked, it was expected that it would go to something related to health. That was our only funding source to pay down the pension liability and to help our city to a favorable place. Our credit rating was suspended, and our priority was to reactivate our credit rating and we did that successfully. You can't advocate for the people of your community if your government is broken so you have to really find ways to address that. I will do everything possible to really address that issue. Having an excellent credit rating also means getting cheaper money, and that's also less of a burden on taxpayers. You could do more things to build the infrastructure and invest in areas that will help build your economy, help create jobs and to help provide a better quality of life for the people of your County. Ultimately, I'm running because I want to improve the quality of life for the people of San Diego. If they have a cleaner city to live in, a safer city, a healthier city, where they earn more money and get a bigger paycheck, it will mean prosperity for everybody. That's what I'm trying to achieve by running.

### 6. What else would you like the Retired Employees of San Diego County to know about your views?

Generally, I think what they need to know first, I'm a very hard worker and I set out goals and work systematically to achieve them until they are completed. I'm very proud to have built lots of quality, affordable housing for San Diego, as well as parks and libraries, and made improvements in our community that have made neighborhoods safer, and led to increased jobs for the people of my district and that have helped improve the coastline, our watersheds. My intention is to go to the County and work very hard to focus on goals that are good for everybody in San Diego. To make sure that the quality of life in San Diego is protected and that people have opportunities to achieve the American dream.



I think everybody was waiting for that decision from the Supreme Court about the California Rule, especially anybody who had been on a pension board. I understand that there was a lot of discussion about how the rule was adopted in other states and whether through legislation or similar government action that the deferred compensation promised by the employer was a contract or not. But I do believe that in good faith you know counties and workers come together. When you are hired in the County of San Diego, with different levels of tiers, it's a contract and so it's a violation of a contract by employers if we try to change that with a constitutional amendment. It would not be something that I think I would support because I really do believe we need to make sure that all our employees have access to public employee retirement benefits.

**4. The County created a new pension class (Tier C) for new hires based upon a 2012 state law. Those workers earn lower benefits than their "legacy" counterparts in the work force. Tier D is the latest category of lower retirement benefits being offered to most county employees hired after July 1, 2018. What impacts do you think this will have on the recruitment and retention of county employees and the delivery of public services?**

I think if we see the examples of what has happened in other cities like the city of San Diego, it really does create a challenge for retention. If you think about what's happening right now with the pandemic and the amount of work employees are putting in as many of them are sacrificing their lives to be able to do their first responder work, there should be compensation and offering of a retirement plan that is going to ensure you have an opportunity to have a good quality of life in your retirement, which is critical and important.

I think one of the big challenges with the different tiers, based on what I've read, is it doesn't seem to me that it was necessarily an economic necessity. If it wasn't absolutely critical why not make sure there is an equitable playing field for everyone? Perhaps there is a way of changing the amount of money contributed into the pension for a short amount of time and then allow people to come back to Tier C. I think just changing the whole pension class really impacts the recruitment and the retention of employees at the County.

I think there's a lot of work to be done around this. Otherwise, the County is going to suffer like some of our neighboring cities have suffered. You must be competitive if you want the best of the best, then you have to treat your employees the same way.

**5. The Board of Supervisors has adopted a policy that allocates property tax revenues resulting from increases in assessed valuation beyond the County budget estimates to pay down the pension fund unfunded liability. What are your views on this policy?**

It's hard when you don't have actual information in front of you as to how and why they made this decision, but I would say from my experience as a board member is that having a mixed asset allocation for your portfolio and guiding principles about your investments is key.

At CalSTRS, we did that. We had investment beliefs and

policies which are important to constituency groups like yourselves. It helps create a very clear understanding of the "whys" of decision-making. I think for now, allocating property taxes to address the unfunded liability is a short-term solution.

**6. What else would you like the Retired Employees of San Diego County to know about your views?**

Strong public pensions are an issue that's really important to me. If elected, I would love to be able to serve on the pension board because retirement is such an important piece and makes a difference for working class families. While I never had access to a pension, my uncles and my grandparents did. Because of that they were able to have a good quality of life.

It is important because it's part of financial planning. It's part of looking long term about what our quality of life is going to be. If we are going to change things around, in South County in particular, we must make sure that people have access to these retirement opportunities.

When I am sitting at CalSTERS and having the power to look and weigh in on issues like how our members were treated, what benefits were they receiving, looking at bereavement as being paid. All these things that people who have put their life and soul to working for an organization for so long should be able access. These employees paid into them. It's their money.

**JOEL ANDERSON DISTRICT 2**



**1. Do you have any thoughts about the viability of the County's existing defined benefit retirement plan?**

So, I have not done any research on it. I've read the newspaper and I've gotten input from that, but when I got elected to the Legislature, I thought I knew stuff because I read the newspaper. Turns out newspapers,

like the internet, are not always true. When I got there, I learned a lot more, and until I get seated as a supervisor, I'm not going to be privy to the information necessary to make a qualified decision, and even then I expect I'm going to need help going through it. I'll share a quick story.

Everyone talks about the over two thousand boards and commissions at the state and how it is such a waste of money. So, I ran a bill. I was a freshman legislator. I ran a bill to eliminate those boards and commissions. Come to find out that dentists pay extra dues to pay for the dental board because they don't want a CPA overseeing dental work. The CPAs pay for their board because they don't want dentists overseeing their work. Turns out there's only 13 boards not funded by the industry that they oversee, and those 13 boards are boards that taxpayers of course want to pay for like parks and other items like that. So, while the newspapers report for decades about how this was an excess and worthless, when you get there, you find out they're just writing headlines. They don't know what they're talking about, and so I ended up getting my bill that only eliminated

three boards total, and that was marginal. I don't want to make that same mistake that I did as freshman legislator. I don't want to get so blocked in thinking that I know things before I'm privy to the real information.

**2. What is your view of replacing defined-benefit retirement plans with 401(k) style defined-contribution retirement plans for public employees?**

I'm open to looking at everything, but not committed to any of it because I don't know all the facts. One of the things I learned as a vice chair of public safety, was the cost of training an employee was about \$25,000. We had a turnstile because we decided to cut the benefits to our employees and so we had people there for less than a year. Average service time was three years and then they would jump ship to another place. All we were doing is training people and when you added the factor of the training cost, we were paying significantly more than what others were paying because they had no training costs, they just accepted ours. I think you must look at it in full. You can't just piece meal it out and say I'm for this until you get all the facts and figures.

I think that we have a commitment to people who retired and to fulfill our obligation to them. And we need to do it by looking at every way possible to make it work, but it must make sense. It can't be a headline, it must work.

**3. What are your views on a potential State constitutional amendment limiting the amount of public employees' retirement benefits?**

Well, I already took a position on the Senate floor. We had a pension bill that went through the legislature that put a cap on pensions and I was the lone no vote. I spoke against it. This is a huge state, which includes 58 counties. What works in one county doesn't necessarily work in the next county. I believe that these are local choices and if a jurisdiction wants to overpay or underpay, that's entirely up to them. But to turn around and say that we're going to cap things from the state level, when the cost of living in San Francisco, San Diego and Los Angeles is nowhere close to Fresno. You must have the ability in those communities to make these decisions locally. I've never been a big fan of anything statewide when it comes to this.

If San Francisco is in such a box that they have to change what they're doing, I don't want them handcuffed that they can't change it, and I don't want Fresno who may be limited in their ability to attract talent to be handcuffed. Things must be put in the proper perspective. You must be reasonable and look at balancing the benefit in return for everyone.

**4. The County created a new pension class (Tier C) for new hires based upon a 2012 state law. Those workers earn lower benefits than their "legacy" counterparts in the work force. Tier D is the latest category of lower retirement benefits being offered to most county employees hired after July 1, 2018. What impacts do you think this will have on the recruitment and retention of county employees and the delivery of public services?**

I think that we need to go back in another year and look and see if it's hurt us in our recruitment. If we have a lot of vacancies, we need to rethink it. If we don't have a lot

of vacancies, it's hard to make the argument that it was a bad move. I'm not sure I would have voted for it initially because I think that there are going to be some difficulties in recruitment. But since it has been done, we need to look at the empirical evidence of where it's taken us.

I did a lot of reform bills in the Legislature and all the information and all the bill ideas came from state employees. You know people are working hard. They're doing a good job and they see just absolute waste and abuse. And yet their supervisors may not care about it, because they're just coasting. And so, they would call my office and tell me about it. And I make inquiries and we try to try to fix it. Waste is not helpful to anyone, whether you're retired or whether you're actively working. You know, we had five supervisors. They're great people. They've been there for over 20 years and sometimes people get complacent and they don't think about all the things that they could be doing to ensure that that the money is going to the highest use.

**5. The Board of Supervisors has adopted a policy that allocates property tax revenues resulting from increases in assessed valuation beyond the County budget estimates to pay down the pension fund unfunded liability. What are your views on this policy?**

I think it's a great idea. I wish the state did it. The state created new programs when budget was 86 billion. Now it's over 200 billion. And that's just in a decade. With that kind of growth, we shouldn't have pension issues. We shouldn't have other issues in the state. Instead, we've expanded spending programs as opposed to taking care of home first. I think that it's important that we pay our bills and stay ahead of it. Trying to pay it down and balance the budget.

**6. What else would you like the Retired Employees of San Diego County to know about your views?**

I have a track record and I have an open-door policy. I did 68 coffees every year throughout my district and all the communities. Then I'd have an annual open house where we had over 5,500 people show up. Constituent service is huge to me, making sure that my constituents have a voice at the County is going to be huge and in order for me to be effective and to do a great job, I need input from all sides, you know. I think that most people would be surprised that I did so many bills with Democrats. Yes, I'm a conservative. Yes, I'm a Republican, but that isn't a limit on doing good things, and no party has a monopoly on good ideas. You just must be open to looking for those opportunities and to work across the aisle and get good things done. I look at the homeless situation. I did a bill with Jim Bell that brought 200 million dollars in a pilot program for mental health to San Diego County. San Diego County only used three million of it.

Here we have this homeless issue and we're not triaging the homeless. We're not doing all the things that we could be doing. I think that people are afraid of change and so afraid of trying and attempting to fix problems. We sent a man to the moon years ago and yet we can't do anything. I mean this. We're all tied up in knots over the simplest and easiest of decisions. It makes no sense.

## STEVE VAUS DISTRICT 2



### **1. Do you have any thoughts about the viability of the County's existing defined benefit retirement plan?**

Well, let me just say first, my overarching philosophy is that we've made a profoundly important pledge to County employees that we're going to provide specific benefits. That's a

commitment I will never take lightly. Having said that, there's kind of good news and bad news. The good news is, like my city, Poway, the County is in pretty good shape. The funded ratio, I think is around 76%, maybe 76.3, and the County has always paid its required contribution, sometimes more. I think you know the move to Tier D could potentially help long term, but you know, even in a best case it's going to take years to realize those savings. Additionally, I have some concerns about recruitment or retention becoming a challenge because of Tier D, but we will talk about that later. The bad news, even though we're 76% or so funded but the unfunded liability is now over 4 billion dollars. That's a staggering number. The County's pension contribution is over 500 million this year, and if you add the pension obligation bonds the contribution this year is over 700 million dollars, and certainly that's going to increase for the foreseeable future. All of that to me underscores the importance of protecting the County's fiscal health and making sure that we're always in a position to meet our obligations.

### **2. What is your view of replacing defined-benefit retirement plans with 401(k) style defined-contribution retirement plans for public employees?**

As long as we stay on top of retirement costs and the health of the fund, a defined benefit plan is going to work. That's what I always want to see happen. I just don't see any reason to consider anything but that at this juncture.

### **3. What are your views on a potential State constitutional amendment limiting the amount of public employees' retirement benefits?**

I looked back and I think it was 2010, there was an effort to amend the constitution to limit retirement benefits. I recall it never really got off the ground, never made it to the ballot. I'll go back to what I said at the outset. We've pledged that we're going to provide retirement benefits. We have to honor that pledge. I'd be opposed to any effort to undermine that pledge.

### **4. The County created a new pension class (Tier C) for new hires based upon a 2012 state law. Those workers earn lower benefits than their "legacy" counterparts in the work force. Tier D is the latest category of lower retirement benefits being offered to most County employees hired after July 1, 2018. What impacts do you think this will have on the recruitment and retention of County employees and the delivery of public services?**

Well, thus far I haven't heard about any mass exodus of County employees. You know the current deal secured

with the labor unions wasn't stingy when it came to pay increases, and I'm sure that's helped some with employee retention, but I'm concerned about the long term impact, particularly with Tier D. I look specifically at law enforcement and should mention that I am endorsed by the Deputy Sheriff's Association. We saw what the City of San Diego went through and now how they're having to claw back out of that hole. We spend approximately \$200,000 to train up a law enforcement officer and if we're not competitive, we're going to train them and they're going to leave. I think we should always aim to be in a position to attract and even more importantly, retain the best and the brightest. Whether it's law enforcement or SEIU folks, we want to attract and retain them. That's what makes the County special.

### **5. The Board of Supervisors has adopted a policy that allocates property tax revenues resulting from increases in assessed valuation beyond the County budget estimates to pay down the pension fund unfunded liability. What are your views on this policy?**

Absolutely support it. We do something very similar here in Poway. Are we ever going to get to 100% funded? No, and the current pension liability as I mentioned before, it really dwarfs all the restricted and unrestricted County reserves. The County is in a negative cash position if you factor in pension liability. It always fascinates me that the County gets dinged for having two billion dollars give or take and restricted and unrestricted reserves, but you can't ignore that four billion dollar pension liability. We've got to keep our eye on the ball and that takes discipline. Another thing we've done in Poway is we've created a safety net of sorts for ourselves by creating a section 115 trust to help us have more control over our own destiny when it comes to the investment so we can ensure the funds that we need are going to be there when we need them and continuing to pay it down at every opportunity.

### **6. What else would you like the Retired Employees of San Diego County to know about your views?**

I'm really proud of how we take care of business in Poway. We take a conservative fiscal approach to everything we do, but still providing high quality public services to our residents. In many ways we're the envy of other cities in the County. When you get to Poway, you don't need a road sign to tell you you're here. Our roads are in great shape. Right now, we're building a brand-new Community Center, spending about \$11,000,000 and will pay in cash. Another example is parks and open space. In the last two years we've been in a position to add 500 acres of open space to our already generous holdings. We have as a percentage of our landmass, more parks and open space than any other jurisdiction in the County. I'm proud of how we take care of business here.

As far as this race goes, I'm going to win. I'm delighted to be endorsed by four of the five current supervisors, by Sheriff Gore, by every law enforcement agency in a district majority of mayors in the County, a majority of mayors and councilmembers in the district. I think I've proven my ability to work with everyone as the chair of SANDAG. I was the first unanimously elected chair at SANDAG in many years because people know I'm always going to take the time to make sure everybody



gets a hearing. Everybody's input is respected.

Generally speaking, except when I'm in the Zoom interviews, I listen more than I speak. I think my overarching philosophy is, we're all elected to be public servants. I focus on the servant part. There's an awful lot of people in elected office that love the public part. I had that in spades earlier in my career. I'm not looking to make a name for myself. This is going to be my last office. I'd love to focus on the servant part and that includes serving those who have worked and retired and deserve to enjoy the fruits of their labor and their golden years. I look forward to serving at the County Board of Supervisors.

### TERRA LAWSON-REMER DISTRICT 3



#### 1. Do you have any thoughts about the viability of the County's existing defined benefit retirement plan?

Yes. I think that we are actually in quite good shape. It is pretty well funded, particularly compared to other plans. Additionally, it doesn't need to be 100% funded because, you're counting on existing contributions and

interest and returns from the market. But in terms of what's recommended and being fiscally responsible, I think we're actually in good shape.

#### 2. What is your view of replacing defined-benefit retirement plans with 401(k) style defined-contribution retirement plans for public employees?

I think in general most people wouldn't want that, and it probably wouldn't be in the best interest of County employees. If the County employees asked for it, I wouldn't be against that as an option, but I would imagine most folks would not want to move in that direction and I would want to honor the interests and the preferences of our County employees to make sure that they are getting the best compensation package possible. I think the fundamental point is that the private sector has higher wage compensation, right? So, you basically have to raise wages pretty significantly to compensate if you wanted to move in that direction. It's not like they are comparable plans. I think it's not a very good parallel.

#### 3. What are your views on a potential State constitutional amendment limiting the amount of public employees' retirement benefits?

To be honest, I don't think I know enough about the topic to have a very informed opinion. My basic take is when you sign and you do a job, you do it with an expectation of a certain kind of compensation that is yours, and that's what you're entitled to. It cannot sort of be taken away after the fact. That is not right. But I don't know enough about the specific details of the topic to have a more nuanced view.

#### 4. The County created a new pension class (Tier C) for new hires based upon a 2012 state law. Those workers earn lower benefits than their "legacy" counterparts in the work force. Tier D is the latest category of lower retirement benefits being offered

#### to most county employees hired after July 1, 2018. What impacts do you think this will have on the recruitment and retention of county employees and the delivery of public services?

Tier D is really a bad idea. I mean, I think straight up. We deserve in San Diego to have the best folks doing the work and it's really hard to get the best folks if you are paying way below market. So, I think tier D is part of that. You know, an important part of a compensation package is to have a good pension and Tier D is just not. I think we need to look again at Tier D. I'd love to do an equity study where we look at other counties across California, or even in other states, to see what's really working in terms of pensions and compensation to attract the best talent and make sure that people are being paid fairly for their work.

#### 5. The Board of Supervisors has adopted a policy that allocates property tax revenues resulting from increases in assessed valuation beyond the County budget estimates to pay down the pension fund unfunded liability. What are your views on this policy?

I think that we are in a different world now in terms of how to allocate resources, especially with COVID-19. If I'm looking at what to do, given the fact that we have massive revenue shortfalls now, that's not going to be my priority, especially not in the next year or two. We must not cut jobs and not cut services. We need to keep our county running, and like I said, I think our pension is in pretty good shape, especially compared to many and I would rather invest that money in delivering services for San Diego residents right now.

#### 6. What else would you like the Retired Employees of San Diego County to know about your views?

I think for me one of the reasons I got in this race in the first place is because I got to know a number of County employees and I got to hear a lot about the struggles they were having getting the support that they needed to do their jobs. Specifically, in terms of staffing and resources and just basically feeling like they just were not getting the support they needed to do the jobs that they had signed up to do.

For me, one of the biggest priorities is just making sure that the folks that are on the front lines doing the work are able to do their work and are able to do their job and that you know that means a lot of different things in a lot of different contexts, but some of it's about staffing. Some is about compensation and even about having avenues to make things run more effectively when they feel like they have a bunch of rules that don't make sense that are preventing them from doing their jobs. So, I have a huge respect for our County employees. I'd love to make sure it's a great place to work, but also that folks have the resources they need to do the jobs they signed up to do.

Lastly, this has been great, I really appreciate you taking the time to educate me on your work and what you do and the fact that you exist and are out there advocating. □



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**THE NETWORK** is the official monthly newsletter of the Retired Employees of San Diego County, Inc. (RESDC), a private non-profit organization.

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### President's Message (Continued from Page 1)

this year, whether we will be able to vote by mail in our particular state of residence. Perhaps tedious due to the several listings of states, the detail is nevertheless important because each state runs its own elections and rules vary.

According to an extensive August 14<sup>th</sup> *New York Times* study, "Where Americans can vote by Mail in the 2020 Election," and U.S. Department of State – Bureau of Consular Affairs notices, all 50 states allow voting by mail. Generally speaking, eligible voters include U.S. citizens of at least 18 years of age with no felony convictions, not mentally incapacitated, and registered to vote. However, felony and mental incapacitation definitions vary, as do deadlines for receipt of completed ballots.

Nine states automatically mail ballots to all registered voters before the election, California, Oregon, Washington, Nevada, Utah, Colorado, Hawaii, New Jersey, Vermont, and the District of Columbia.

Nine states automatically mail application forms for requesting absentee ballots to all registered voters before the election, New Mexico, Wisconsin, Iowa, Illinois, Ohio, Maryland, Delaware, Connecticut, and Massachusetts.

Twenty-five states require voters to act on their own to obtain applications for absentee ballots, Montana, Idaho, Wyoming, Arizona, North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Minnesota, Missouri, Arkansas, Michigan, Kentucky, Pennsylvania, West Virginia, Virginia, North Carolina, Alabama, Georgia, Florida, Maine, New Hampshire, Rhode Island and Alaska.

Thirty-five states reportedly allow the coronavirus Pandemic to be cited as a reason to vote absentee, or allow an absentee votes without an excuse, Montana, Idaho, Wyoming, Arizona, New Mexico, North Dakota, South Dakota, Nebraska, Kansas, Oklahoma, Minnesota, Iowa, Missouri, Arkansas, Wisconsin, Illinois, Michigan, Ohio, Kentucky, Alabama, Pennsylvania, West Virginia, Virginia, Maryland, North Carolina, Alabama, Georgia, Florida, Maine, New Hampshire, Massachusetts, Connecticut, Rhode Island Delaware and Alaska.

And seven states require an excuse, other than the coronavirus pandemic, to vote by mail, New York, South Carolina, Indiana, Tennessee, Mississippi, Louisiana and Texas.

Eligible U.S. citizens living outside the U.S. must annually register with local election officials in their states of residence, and request an absentee ballot using a Federal Post Card Application (FPCA) form, FPCA's are reportedly available at all U.S. embassies and consulates. Applicants who don't receive a blank ballot 30 days before the election may use a Federal Write-In Absentee Ballot to vote.

Voting is a privilege of democracy. Vote! □



### WELCOME NEW MEMBERS

Connie M. Anguiano	HHSA
Pamela F. Besaw	HHSA
Linda H. Burke	
Rebecca Campbell	Superior Court
Deanna J. Cline	Superior Court
Sean Cole	Probation
William A. Dunford	Sheriff
Elaine Eaton-Overman	Env. Health
Walter M. Escobar	District Attorney
Mary Estevez Hayes	HHSA
Keirnan L. Foster	Superior Court
Boyce D. Geer	Child Welfare Serv
Editha M. Gordo	Superior Court
Michael Hamerschlag	Sheriff
Marilyn Hawley	
Salvador C. Ignacio	Treas/Tax Collector
James C. Intia	Sheriff
Allison E. Isabelo	
Mark G. Lindstrom	Ag/Wts/Meas
Maricela Macias	HHSA
Leila R. Manalo	Probation
Cynthia A. Mitchell	Sheriff
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Deborah A. Terrell	HHSA
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#### \* Associate Member

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