



# NETWORK

Newsletter of The Retired Employees of San Diego County Since 1961

Vol. 43, No. 2

Honoring Yesterday—Protecting Tomorrow

February 2012

## RESDC NORTH COUNTY GENERAL MEMBERSHIP MEETING



- When:** Tuesday, February 28, 2012
- Time:** Coffee and pastries will be served at 9:30 a.m.,  
Speaker will begin at 10:00 a.m.
- Place:** Joslyn Senior Center, 210 Park Ave., Escondido
- Topic:** Safety For Seniors, The Sheriff's Department Senior Volunteer Program and YANA (You Are Not Alone) Program. Presented by San Diego County Sheriff's Department Crime Prevention Specialist.

Bring your questions and yourself. This is a great chance to have all questions answered!

Directions: From San Diego: I-15 North to SR 78 East, then right on North Broadway to Park Ave. Turn left to 210 Park Ave. Parking will be available in the lot or on the street.

## PRESIDENT'S MESSAGE

*By Susan Mallett*



On December 14<sup>th</sup>, we capped off our 50<sup>th</sup> anniversary year with the Association's 50<sup>th</sup> Christmas/Holiday Luncheon. The first, held in 1961, at the North Park Recreation Center was a turkey luncheon catered by a nearby restaurant. That annual event continued on as far as we know, via archived newsletters, with the traditional holiday lunch and various forms of member and community entertainment. In 1978, the Holiday Luncheon moved to the Bahia Hotel and has been celebrated in this banquet location continually for the last 33 years. As I shared some of the highlights from those first 50 years, during our annual membership meeting, many in attendance recalled the milestones and the people so instrumental in shaping our pension system and ensuring the participation of retirees in that system. We all owe much gratitude to the hard work and dedication of

the true pioneers of our Association such as Elsie Wiley, Ed Rush, George Liddell, and Avonella Lee.

As he did last year, RESDC Director Christopher Glenn took photos of many luncheon attendees in front of the beautiful Bahia Christmas Tree. These photos can be viewed on the RESDC website, [www.resdc.net](http://www.resdc.net), in the photo gallery and on our facebook page, Retired Employees of San Diego County. Please check them out; you may see a familiar face or two.

The 2012 election year is gearing up with much campaigning and propaganda of all sorts. Today's Union Tribune headline (January 9, 2012) reads, "Pension Election Rhetoric Ready to Ramp Up." The subject of the article was the Comprehensive Pension Reform initiative, asking voters to approve major changes to the San Diego City employee pension system. To be clear, the City's pension system is a completely different system from that of San Diego County. Additionally, San Diego City leaders have made funding decisions over the years that have contributed to the reported pension burdens of today while San Diego County and SDCERA have been far more fiscally responsible with our pension funds. Nevertheless, we will continue to see our pension system, one of the 20 California Counties gov-  
**(Cont'd on Page 4)**

## February Calendar of Events

- 2—(Thurs.) SDCERA Board of Retirement Meeting**  
2275 Rio Bonito Way, Suite 200, 8:30 a.m.
- 9—(Thurs.) RESDC Board of Directors Meeting**  
7860 Mission Center Ct., Suite 209, 9:30 a.m.
- 16—(Thurs.) SDCERA Board of Retirement Meeting**  
2275 Rio Bonito Way, Suite 200, 8:30 a.m.
- 28—(Tues.) RESDC General Membership Meeting**  
**North County, Escondido**  
Joslyn Senior Center, 210 Park Ave., 9:30 a.m.

## GOVERNOR'S RETIREMENT PROPOSAL

*By Stan Coombs, Benefits Committee Chair*

Last October, Governor Brown announced his twelve-point plan to reduce pension and health benefits for government workers. We've seen worse in proposed ballot initiatives, but that's hardly encouraging. At least Brown doesn't ask governments to retreat from previous commitments to retirees. His proposals mostly apply to new hires, and they still have time to plan.

So in November, the California Legislative Analyst, Elizabeth Hill, published an "Initial Response To The Governor's Proposal" for her bosses in the California Legislature. Hill's comments are as interesting as Brown's proposals. She admits defined benefits are not a bad thing, yet leans with Brown toward reducing costs without regard to future retirement needs. Note the following:

The Governor wants public employees required to pay 50% of the normal costs of defined benefits, to generate "near term savings." Currently, some employers pay part of employees' normal contributions in lieu of negotiated salary increases, and all deficit funding. The former would cease. Brown doesn't address deficit funding. The Legislative Analyst agrees, suggesting employees also pay part of any deficit funding.

The Governor wants future public employees restricted to hybrid retirement plans, wherein a portion of pension benefits would be defined, a portion funded from defined contributions and a portion from Social Security, where applicable. He proposes an additional, unspecified "cap" on pensions of high-earners. The Legislative Analyst also recommends the use of hybrid plans, to reduce risk to public employers and "make public employees more like private-sector workers."

The Governor wants future, non-safety member retirements "targeted" at 67 years, the current Social Security retirement age, and future safety worker retirements "targeted" commensurate with their job requirements. The Legislative Analyst agrees with increasing retirement age for future public employees to avoid risking "a growing, long-term fiscal burden for governments," due to increasing longevity, pensions and health costs.

The Governor wants public pensions calculated on the highest three-year average job compensation rather than the highest single year. The Legislative Analyst agrees in order to "discourage spiking," wherein employees allegedly pursue late salary increases to hike pensions. But, she admits significant cost savings are unlikely to result. San Diego County recently reinstated the three-year average for Tier B's.

The Governor wants pensions calculated without consideration of bonuses, unused vacation time, overtime and other "perks." The Legislative Analyst agrees, calls the inclusion of such compensation in the pension calculation "abuses," and says the change "should help increase public confidence in California's state and local pension systems," but, again, probably won't produce substantial savings.

The Governor wants to limit all retirees to 960 hours (120 days) of post-retirement work annually, and prohibit public retirees from earning retirement benefits for service on public boards and commissions. The Legislative Analyst thinks that's "the right balance," allowing government to utilize experienced, post-retirement workers without paying benefits. San Diego County already enforces that limitation.

The Governor wants public employees who are convicted of a felony while carrying out official duties, seeking elected or appointed office or in connection with obtaining salary or pension benefits, to forfeit pensions and related benefits. The Legislative Analyst believes the requirement could apply to future employees, but is uncertain of the constitutionality if imposed on current and past employees.

**(Continued on Page 5)**

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## DUES INCREASE

*By Susan Mallett, President*

The dues increase, approved at the annual membership meeting of December 2010, will be implemented in April. Members will see the \$5 monthly dues deduction on pension allowance statements issued April 30, 2012.

You will recall, out of concern for retirees who might not be able to afford a dues increase, we allowed an "opt out" period of 60 days following the approval of the dues increase. In order to honor the member requests to "opt out"; those members remaining at the \$2 per month amount will be removed from the monthly dues deduction in the SDCERA pension data system and will be billed separately. Those affected members will receive a letter in February with details of these changes.

**ASSOCIATION OFFICERS**

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

**ASSOCIATION DIRECTORS**

Stan Coombs, Christopher Glenn  
 Carlos Gonzalez, Chris Hinshaw  
 Joe McGuire, La Rue Pierce  
 George Shoemaker, Roma Stronach

Office Staff.....Karen Hazel  
                                   ...Sharon Kay  
                                   ...Anne Schwartz  
 NETWORK Editor...Karen Hazel



San Diego County Credit Union's Internet Branch online banking is more secure than ever! Our enhanced security features significantly reduce the risk of fraud and protects you from identity thieves. SDCCU® goes beyond using the traditional combination of account number/login ID and password to verify your identity. New Internet Branch users are prompted to select and answer security questions during enrollment. When you log into Internet Branch from a computer you don't normally use, you may be prompted to answer one of your security questions to verify your identity. This is just another way we keep your account safe and ensure that your online banking experience continues to remain top notch. For information on all of SDCCU's online services, visit [sdccu.com](http://sdccu.com), call (877) 732-2848 or come into any of our 28 convenient branch locations.

**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.

**IN MEMORIAM**

Everett H. Anderson	General Services
Lieselotte Ashkins	Surviving Spouse
Maxine G. Basom	Health & Human Services
Arnold V. Bauer	General Services
Kathryn Bemis	Surviving Spouse
Jack O. Benham	Assessor
Yvonne E. Birch	Assessor
Rose S. Bryan	Municipal Court
Charles R. Bubb	Marshal
Margarita L. Cayabyab*	Treasurer Tax Collector
Paul Chavet	Surviving Spouse
James D. Ciardi	Surviving Spouse
Catherine Clapper	Surviving Spouse
Lacy Clark	Public Works
Robert Conyers	Surviving Spouse
Joseph V. Dzajic	Revenue & Recovery
Harold L. Early	District Attorney
Marilyn G. Flaherty	Sheriff
John M. Gallo	Human Resources
Gloria Q. Garcia	
Shirley K. Garcia	District Attorney
Gregory Gardner*	Superior Court
John Harmon Jr.	Surviving Spouse
Charles R. Hass	Health & Human Services
Donald H. Kelsen	Public Works
Ruth B. Lampard	Surviving Spouse
Lillian E. Meyer	Sheriff
Dorothy E. Miller	Coroner
Charles H. Nettles	Sheriff
Nga T. Nguyen	Municipal Court
Lamberto A. Porciuncula	Health & Human Services
Robert L. Price	County Clerk
Barbara J. Riley	Health & Human Services
Betty Rupp	Surviving Spouse
Elizabeth C. Russell	Surviving Spouse
Jose G. Sandoval Jr.	Sheriff
Thomas Schnebly	Health & Human Services
Michael Sgobba	Marshal
Josephine V. Toone	Surviving Spouse
Carlos Valenzuela	Health & Human Services
Barbara Walrod	Health & Human Services
Mary E. Wendorf	Health & Human Services

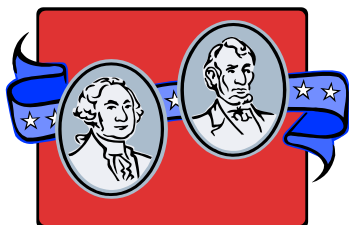
\*Active

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

The surviving spouse of a member is eligible for RESDC membership. For enrollment assistance, call 866-688-9229.

## WELCOME NEW MEMBERS

Carole Cox Wallace	Welfare
Kathy L. Dobbins	Sheriff
Barbara J. Early	
Marie A. Ferguson	Superior Court
Paulette Glynn	Judicial Secretary
Dolores Iverson	
Michael R. Kaszuba	Air Pollution Control
Mary Ann Kelsen	Probation
John R. Manning	
Rosemary McClary	
William F. Miller	Probation
Linda J. Mitchell	Health & Human Services
June Oto	
Edilma Overell	Public Works
Barbara Wolter	



**Presidents' Day  
February 20**



**SEE'S CANDY  
CERTIFICATES  
INCREASE IN PRICE**



See's Candy has increased the retail price of their candy commencing January 1, 2012 to \$16.90 per pound if you buy it at one of their stores.

If you really want to save, you can purchase candy at See's Discount Store, 3751 Rosecrans Street in San Diego, but you must show your RESDC Membership Card. Their price for a pre-packed one pound box is now \$13.10 and \$14.20 for certificates.

**Our office will mail See's Candy Certificates to you for the price of \$14.25 for each 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, 7860 Mission Center Court, Suite 209, San Diego, CA 92108-1329. For more than five certificates please affix 65 cents postage on the return envelope.

## President's Message Cont'd from Page 1

erned by the 1937 Act Retirement Law, scrutinized by the media and public pension watchdog groups.

As noted in Stan Coombs' article, "Governor's Retirement Proposal", last October, Governor Brown introduced his 12 point pension reform plan for state employees but he recommends local governments review the proposed changes as well. On the RESDC website, [www.resdc.net](http://www.resdc.net) under the NewsFlash tab, you can find some detailed discussion of the Governor's plan, with CalPERS staff analysis of legal issues and potential impact of each of the 12 recommendations. A statewide initiative for the November ballot is proposed by a familiar group, (CFFR) California Foundation for Fiscal Responsibility. The initiative makes several recommendations including hybrid pension plans combining 401 (k) contributions, Social Security with reduced traditional defined benefit pensions.

**Retirees can be assured that their pensions are protected by state and federal laws and as such are vested.** In the event that significant proposed changes are approved, future employee contributions into the retirement fund could be effected. RESDC will continue to monitor activities related to public pensions, as they evolve over the coming months, and will provide information to members through this newsletter, on our website and at general membership meetings. Additionally, the SDCERA website, [www.sdcera.org](http://www.sdcera.org), has a wealth of information regarding our pension and benefits as well as current issues. I urge you all to be informed of the facts related to our pension system so that you, your family and friends might be better informed voters on pension initiatives.

## 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, 7860 Mission Center Court, Suite 209, San Diego, CA 92108. Or if you have taken an interesting or unusual trip or have had an interesting event happen, please let us know so that we can share your story with our other members.





**2012 SCHOLARSHIPS**  
*By La Rue Pierce, Chairman*  
*Scholarship Committee*

RESDC will again this year award five \$2,000 scholarships to graduating high school seniors who are immediate family members of a RESDC member. An immediate family member is defined as children, grandchildren; step-children and step grandchildren are included.

All eligible high school seniors are encouraged to apply.

Applications may be obtained at our office, 7860 Mission Center Court, Suite 209, San Diego, CA 92108 or by calling the office at toll free (866) 688-9229. Also you may use our e-mail address to request an application: [resdc@resdc.net](mailto:resdc@resdc.net).

The deadline this year is **Friday, March 9 2012**. We are not able to accept applications postmarked after that date.

We suggest you start this process early and check with your references to be sure they have met the deadline. In the past, we have had to disqualify applications because reference letters were missing.

Also available to the children, grandchildren, and great grandchildren of a RESDC member are scholarships from the Evelyn and Theo Yakel Scholarship Fund at the San Diego Foundation.

Please go to [www.sdfoundation.org](http://www.sdfoundation.org) to download the Theo Yakel Scholarship in Common Scholarships. The Yakel Scholarship is part of the Common Scholarships applications. Call (619) 814-1307 for any questions.

To be eligible for the Yakel Scholarship the applicant must be a child, grandchild, or great grandchild of a RESDC member. The applicant must also be an American citizen and must plan to attend a two year or four year college in the United States. The scholarship must be used for tuition, books, or fees. The deadline for the Yakel Scholarship is **February 9, 2012**.

Call our office at (866) 688-9229 to get the document required to be filed with the application verifying that the sponsor is a RESDC member.

All eligible graduating high school seniors are urged to file both the RESDC and the Yakel applications. Nothing prohibits an applicant from winning both. Good Luck!

**(Governor's Retirement Proposal, Cont'd from page 2)**

The Governor would ban future retroactive pension increases for all public employees. The Legislative Analyst agrees, stating that such increases often create unfunded liabilities, provide no beneficial incentive for new employees, and valued career employees are "incentivized" to retire earlier because of higher pensions.

The Governor would prohibit all public employers from suspending annual employer and employee retirement contributions, regardless whether high fund earnings exceed that year's revenue needs. The Legislative Analyst suggests employers be "sharply limited" in their ability to suspend regular contributions, preferring a recent proposal to allow zero contributions only when there's a surplus equal to 30 full-years of normal costs. SDCERA policy disallows suspending annual contributions.

The Governor proposes banning public employees from buying additional service credit for years not actually worked. The Legislative Analyst recommends approval, due to the difficulty of accurately pricing such "airtime," which, she says, frequently leads to unfunded liability and taxpayer costs.

The Governor suggests adding two public members with financial expertise to the CalPERS Board, and replacing the sitting member of the State Personnel Board with the State Director of Finance, and wants similar changes on other public pension boards. The Legislative Analyst concurs, although votes of the electors of many affected jurisdictions would be required.

The Governor wants all future state employees to work 15 years before eligible for retirement health benefits, and 25 years for maximum health benefits, and to reduce maximum health benefits to 80% of average premium costs rather than the current 100%. The Legislative Analyst thinks the Legislature should consider basing future retiree health benefits on Medicare supplemental plan costs rather than active employees' average premium costs, and change all or part of retirement health benefits to defined contribution health plans. SDCERA minimums are 10 and 20 years.

There are other serious concerns about these proposals the Legislative Analyst hasn't addressed. The San Diego County Board of Retirement will be briefed on the technical impacts of these proposals on the County system by their actuary, The Segal Company, at a February 16 and 17, 2012 board retreat. Expect more to follow.

During November, San Diego County retirement plan assets decreased by \$80.6 million, decreasing fiscal-year-to-date earnings to a loss of \$117.4 million, and bringing the total fund to \$8.1 billion.



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

**Business and Inquiries:** Business matters and address changes may be recorded on the office voice mail at any time, call (866) 688-9229. Please spell your last name so the correct member record can be located.

The information printed in the NETWORK is believed to be from reliable sources. However, no responsibility is assumed by the NETWORK for inaccuracies contained herein. Circulation: 7200

**Retired Employees of San Diego County, Inc.**  
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 San Diego, CA 92108-1329

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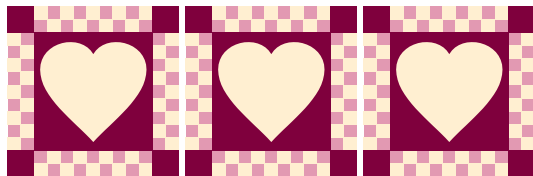
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## NEW MEMBERS NEEDED

RESDC is asking help from the membership in recruiting new members in 2012. 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.

Every County retiree should belong to RESDC. RESDC is the voice for retirees before the Board of Supervisors and the County Retirement Board.

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



## BITS AND PIECES

**Vern Froehlich** retired from Real Property in 1980. He worked for the County for 20 years and moved to Sonora, CA after his retirement. Vern recently celebrated his 84th birthday and he and his wife, Jo, reached their 60th wedding anniversary in December. They enjoy traveling and spending time with family and friends.

**Adolph Lopez** worked for 37 years as an engineer in General Services. He retired in 1991. Adolph and his wife, Virginia, celebrated their 50th wedding anniversary last fall at the Bonita Golf Course Country Club. The night began with a renewal of their wedding vows and then a dinner party with family, friends, and dancing followed.

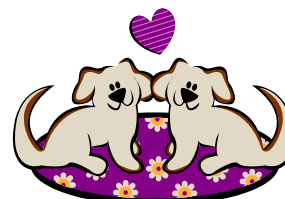
**John P. Williamson** will be 90 years old this month. He retired as an Assistant Marshal. John still lives in San Diego and used to like to travel, but hasn't traveled much recently due to a stroke.

**Jennie Arellano** turned 96 years old last July. She worked for Social Services and retired in 1979. Jennie was born in Old Town San Diego and attended kindergarten at the Whaley House. She lives in San Diego and loves Barona Casino and the Padres. She was a season ticket holder for many years. Now she says it gets too cold at the stadium and she watches the games on TV.

## MAILING DATES FOR 2012 WARRANTS

### Electronic Deposit Date

January	31
February	29
March	30
April	30
May	31
June	29
July	31
August	31
September	28
October	31
November	30
December	31



Happy Valentines Day!