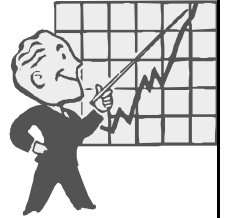




TREND

(Thinking Retired Employees Need Direction)
Retired Employees of Kern County



Volume XXVII

May-June 2003

www.reokc.org

David Merritt, President (661) 589-9119

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President's Corner

By Dave Merritt



The monthly luncheon plan is moving ahead—slower perhaps than I expected. I have asked KCERA to allow for payroll deduction of the luncheon cost if individuals prefer that method of payment.

Your April check reflected the COLA increase for this year. In case you had not noticed, there are two COLA amounts shown on the stub. One is for the 2% and the second is for the 1/2% so it can be accounted for separately since it is paid from SRBR.

The CRCEA Spring Conference was well attended and legislation and medical insurance were widely discussed. Discussion and action do not necessarily go hand-in-hand however. One could say that the variance between medical insurance plans represents something similar to the geographic distances between the 20—1937 Act counties. CRCEA has undertaken the task of attempting to define a model medical insurance plan for retirees eligible for MediCare. Attempting to develop a model for younger retirees between the ages of 50 and 65 represents a completely different scheme and will not be attempted at this time.

There is an item coming up on the Board of Supervisors agenda shortly that I am beginning to get calls about from recent retirees. If I understand it correctly, salary adjustments and/or raises, if adopted, will not be retroactive. No doubt you will hear more about this later.

CRCEA REPORT

By Everett Julkowski—Delegate

The San Diego County Retired Employees Association hosted CRCEA's spring conference March 17-19, 2003 at the Handelry Hotel in San Diego. Gary Cox, Chairman of the San Diego County Board of Supervisors welcomed the group and expressed his appreciation to those who have worked for so many years in public service.

The conference opened on Monday, March 17, 2003 at 1:30 p.m. The Keynote Speaker, a Gerontologist and national motivational speaker, spoke on the subject of "What's Age Got to Do With It?" She introduced her subject by sharing some information she had learned at a recent National Conference on Aging. For the first time in the history of our country, we have an active older adult population whose emphasis has now shifted from the inevitable decline that comes with aging to promoting wellness and health. Her presentation stressed that some of the ways to live a longer, happier life include: optimism, positive attitudes, mobility, staying active, and exercising to maintain daily living health and independence.

The Retirement Members Forum was next on the agenda and featured a panel of experts that spoke on the subject of "What Happens When Retirement Systems Don't Meet Their Assumption Rate (i.e. not enough earnings)? Jay D. Hirsch, Gabriel Roeder, Smith and Co. spoke on how an actuary helps the Retirement Board determine the cost of a retirement plan. He explained that the real cost of a plan is determined by contributions, plus investment earnings, less benefit payments plus expenses. The actuary does not affect the cost of the plan.

Jerry Woodham, Chief Investment Officer, San Diego County Employees Retirement System explained the meaning of "excess earnings" or "excess returns". In the past three years excess returns have not been great.

CRCEA Report....continued on next page

Host/Hostess Program

During the month of March, 33 volunteers worked 101 hours assisting 1,291 visitors, and during the month of April, 33 volunteers worked 101 hours and assisted 1,438 visitors to the County Administrative Building.

To those retirees who volunteer their time,
THANK YOU

Host/Hostess volunteers are needed for 3 to 6 hours a month at the County Administrative Building information booth. If you would like to volunteer contact Allan Choy at 832-2245.

WE WILL ALWAYS REMEMBER

Deceased KCERA Members

Mary Brandt	2/24/03	Sheriff
Richard DeWitt	2/24/03	Kern Mosquito
Harry Hughes	2/21/03	Parks & Rec.
John Kangles	3/01/03	Sheriff
James Maroney	2/27/03	Fire
Dixon McCan	2/13/03	Roads
Lois Shearon	2/22/03	Library
Stanley Gregory	2/28/03	Deferred
Helen Thomas	3/07/03	KMC

Sunshine Committee Information

To contact the Sunshine Committee, call Elinor Wells at 831-0865. Ms. Wells and her committee send Get Well cards, Sympathy cards, And special event cards.

We Are Thinking Of You

To all of our members with loved ones serving in the armed forces in this time of conflict... We especially remember the brave men and women who are on the battlefield with our loving thoughts and prayers.

Welcome New Members

Michael J. Busby	Roads
Michael S. Holmes	Sheriff-Safety
Gael G. Mueller	Deferred
Ray A. Reese	Engineering-Survey
Thomas Richardson	Deferred
Allanah K. Rill	Deferred
Dannie L. Garner	Beneficiary
Ruby McCan	Beneficiary
Milton Thomas	Beneficiary

Application for Membership in REOKC And Authorization for Deduction of Dues

I receive a retirement and/or survivor's allowance from Kern County. I hereby authorize the Kern County Employees Retirement Association to deduct from my monthly retirement benefits, dues of one-dollar (\$1.00) per month for my membership in REOKC, and to pay such deductions monthly to that organization.

Name (print)_____

Address_____

City_____

State_____ Zip_____

Telephone ()_____

SSN_____

Signature_____ Date_____

E-Mail Addresses

All of us are trying to cut costs in our personal finances. So is REOKC.

We would like to send the TREND

to those of you who have e-mail access in an attempt to cut postage and printing costs. If you would like to receive your copy of the TREND

via e-mail, please submit your e-mail address Go to www.REOKC.org

Go to CONTACT

Go to E-MAIL:info@REOKC.org which will take you to Outlook Express. Enter your e-mail address—SEND

**Retired Employees of Kern County
Special Meeting**

April 8, 2003

A special meeting was called April 8, 2003 by the board of directors to implement a by-law amendment made at the general meeting granting honorary membership pursuant to that amended section of the by-laws for individuals whose retirement check is not sufficient to pay the \$1.00 a month dues. The treasurer will determine the validity of that claim with Kern County Employees Retirement Association and instruct the secretary to publish the amendment to the current by laws in December 2003; however, it becomes effective immediately. As a point of order there were substantially more than 25 people present at the general meeting, other than the Board of Directors. The MOTION was CARRIED.

"DO NOT CALL REGISTRY"

Californians will soon have a new tool to stop annoying calls from telemarketers. Beginning Tuesday, April 1, 2003, you can sign up for the national "do not call registry".

Consumers on the list will be able to collect fines directly from telemarketers who call without their permission.

State Attorney General, Bill Lockyer, is warning Californians of scam artists attempting to trick consumers into paying for free services. There are scam artists who ask you to send money to add your name to the registry. This service can be obtained free of charge.

To pre-register, go to the website:
[Http://nocall.doj.state.ca.us/](http://nocall.doj.state.ca.us/)

The national "do not call registry" list will not take effect until October, 2003.

Norm Briggs



TREASURERS REPORT

**For the month ending
March 31, 2003**

**Submitted by
Doris Williams, Treas.**

Revenues:

Dues	\$2,996.00
Luncheon tickets	244.00
KFCU reimbursement	.00
Contributions	6.00
Interest earned	75.16
Other	<u>.00</u>
 Total revenues	 \$3,321.16

Expenditures

Luncheon & mtg. Exp	\$ 81.09
Memorials/Gifts	10.00
Office supplies	37.52
Stipends:	
Programs	100.00
Treasurer	175.00
TREND editor	100.00
TREND postage cost	800.00
TREND printing cost	<u>.00</u>
 Total expenditures	 \$1,303.61

Net Income +\$2,017.55

Summary of cash position

Cash in bank February 28, 2003	\$49,085.58
Net income from current period	<u>2,017.55</u>
 Cash in bank at March 31, 2003	 \$51,103.13

Actual cash in bank at March 31, 2003

Checking account	\$1,158.58
Savings account	2,143.31
Special account	35,668.88
Money market	<u>12,132.36</u>

Total \$51, 103.13

June Luncheon

June 10, 12:00 noon at the Southwest Veterans Hall, 1095 Wilson Road, Bakersfield. If you wish, you may use this form to order tickets for this luncheon. Please send your check, made payable to REOKC, together with a stamped, self-addressed envelope to **Doris Smith, 2500 Drake, Bakersfield, CA 93301**. Deadline for reservations is the Wednesday prior to the luncheon. **Phone reservations are not accepted**. You may cancel your reservations by calling Doris at 321-9344 prior to the deadline. Cancellations after the deadline cannot be refunded.

Member's name (\$5.00) _____ Spouse (\$5.00) _____

Guest (\$7.00) _____ Total tickets _____ Amount enclosed \$ _____

Scheduled Luncheon Entertainment

May 13 meeting—Ken Varley, M.A., Th.D., Teaching Historical Reenactment, One-Man Dramas, Bring History to Life. He will be speaking on Teddy Roosevelt, "What It Means to Be an American."

June 10 meeting—Audrey Cochran, retired nurse with a Master in Nursing will present a program called "Surviving the Emergency Room."

The scheduled speakers have been very informative on many interesting and useful subjects. We encourage all members to attend every meeting when possible.

Important Dates to Remember

May 11, **Mother's Day**
May 13, REOKC meeting, 10:00 a.m. brown bag at noon, Wilson Road
May 14, KCERA Board Meeting, 8:00 a.m. County Admin. Bldg
May 17 Armed Forces Day
May 26 Memorial Day observed
June 10, REOKC meeting, 10:00 a.m. luncheon will be served, Wilson Road
June 11, KCERA Board Meeting, 8:00 a.m. County Admin. Bldg.
June 15 **Father's Day**
June 20 **Newsletter Deadline for TREND articles**

Retired Employees of Kern County
P.O. Box 3022
Bakersfield, CA 93385

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May/June 2003
Time Dated Material

Official Newsletter of
The Retired Employees
of Kern County Inc.

CRCEA report....continued from page 1

Sometimes supplemental benefits can be in trouble when excess returns are not adequate to continue funding their costs.

David DeVol, Retirement Board Member, Retired Employees of San Diego County made the following points: The prolonged bear market has brought earning down but the fund has continued to out-perform the market. The county has implemented several significant retirement enhancements which brought the retirement fund down below 100% liability funding.

Recognizing this, the county issued a pension obligation fund, reducing the shortfall by about one-half. The retirement board members feel their sole responsibility is to the active, retired and deferred members and to the prudent maintenance and performance of the fund.

Tuesday is historically the busiest and longest day of the conference. The morning session's first presentation was by Arne Hansen, Retired County Counsel for San Diego County Retired Employees Retirement Association, who spoke on the "1937 Act-What is it? Mr. Hansen began his presentation with a recap of the history and make-up of the 1937 Retirement Act. When enacted in 1937 as chapter 677 of the Statutes of 1937, it was approved by the governor on June 30, 1937 and took effect on August 27, 1937. Originally it was 20 pages long. The current 1937 Act occupies about 42 articles in the government code and occupies 306 pages. Several strange and optional provisions have been made over the years, many were written for only one county. There are special provisions for almost every county which are available to that county to the exclusion of other counties. There are basically two kinds of status in the Retirement area: statutes that enable and statutes that establish. The 1937 Act is called an establishing act.

The next presentation included a panel on "Future of Health Care". Mike Wilson, Mercer Human Resources Consulting LLC; began his remarks by describing the global picture of health care and cited some of the cost pressure of the health care system. There has been a 16.5% increase in costs so far in 2003, and that can be expected again in 2004. The prognostication on health care costs is that there is no end to the increases in sight at this time. Glen Flint, Kaiser Permanente, began his remarks by citing future statistics proving health care costs are

Expected to double in the near future. Medicare covers only 15-55% of the total cost of health care. In dollar amounts of costs by 2005, men would be receiving \$52,000 in care. Women, because they live longer, would be receiving \$92,000. He observed that some of Medicare's challenges include stopping physicians from opting out of Medicare completely; group benefits such as drug costs need a stop-loss provision; protections for low income people need to be strengthened; finance care for the rapidly growing Medicare population. Judy Hughes, Member Services, San Diego County Employees Retirement Assoc., discussed approaches being taken by their association in the area of health care. Some steps that SDCERA took last year to keep cot down were to increase co-payments and implement a tiered prescription drug program. One observation was that the United States is the only industrialized nation without some form of universal health plan.

The Legislative Update was conducted by Tom Branan, CRCEA's Legislative Consultant. He stated that 15 bills that would amend the '37 Act have been introduced this legislative year. He spoke briefly regarding the move to recall Governor Davis that is currently happening in state politics. He described the recall effort as "a long shot but not a joke." He then discussed the 15 bills and their status and effect on county retirees. Space here does not allow complete discussion of each bill; however, if anyone is interested in additional information they can log onto CRCEA's website www.crcea.org, and click on the link "available retiree legislation" and then click on "retiree legislation, March 2003". This will give you a synopsis of each bill currently under consideration.

"What You Should Know About Your Retirement System/Fund" was presented by Brian White, CEO, San Diego County Employees Retirement System, who began his address with a description of early beginnings of pension plans. The first employee retirement system pension plan was established in 1857 in the New York Police Department. The first public retirement system in California was the City of Los Angeles Fire and Police in 1900. Over the last 100 years, the pension emphasis has changed from deferred compensation or savings type plans to defined benefit plans. Mr. White explained the terms "unfunded liability" and "funded ratio".

CRCEA report.....continued on next page

CRCEA report....continued from page 2

He described the way needs of retirement funds are calculated. He finished his presentation by stating that the '37 Act does not require that medical benefits be paid to retirees, but does however provide for certain ancillary benefits like medical and STAR COLA. The Board of Retirement has the discretion, in some limited situations to provide for ancillary benefits which are paid from excess earnings.

"Terrorism—How Does It Affect Us And What Should We Do?" was presented by David Bejarano, Chief of Police, City of San Diego who began by stating that the San Diego Police Dept. has an excellent office to population ratio. They truly practice the policy of neighborhood policing. Law enforcement is at a critical crossroads as throughout the nation was see an increase in crime while at the same time being challenged by shrinking resources. He stated that a special program in place today is the Joint Terrorism Task Force (JTTF) made up of representatives from federal, state and local agencies whose members have top level security clearances to receive incoming classified intelligence information, and must go through intensive background checks. In California, there is also the California Anti-Terrorism Information Center in Sacramento which is connected to state and federal agencies throughout the state. What can ordinary citizens do: 1) continue with your routines, your normal course of what you do on a daily basis; 2) take some precautions which is wise not only for terrorism incidents, but other threats such as earth quakes and floods; 3) maintain supplies of water, canned and paper good, keep a battery operated radio ready for us, have a system to contact relatives; 4) if you are traveling, allow more time at the airport to go through security restrictions, screening, and parking; 5) report any unusual or suspicious activity. The Chief concluded his remarks with a description of law enforcement volunteer opportunities in the San Diego area and indicated most areas had similar opportunities for anyone wanting to help the police department.

The Fall Conference will be held in Santa Rosa on October 20-23, 2003. This will be hosted by the combined Sonoma/Mendocino County Retired Employees Associations.

Everett Julkowski

CRCEA Legislative Update

By Everett Julkowski—Delegate

Fifteen bills that would amend the 37 Act have been introduced this legislative year. Following is a short synopsis of each bill:

1. AB55(Correa)-Sponsored by SACRS (State Association of County Retirement Systems). Would allow active public retirement system members to buy up to five years of service credit for time not linked to actual service performed.
2. AB80(Bogh)-Sponsored by California Professional Firefighters. Extend the benefit of purchasing time for previous service in other public service employee.
3. AB144(Correa)-Sponsored by Orange County Employees Assoc. Would eliminate the ineligibility of welfare fraud investigators and administrators to receive safety retirement.
4. AB204(Goldberg)-Would enact the California Domestic Partners Rights and Responsibilities Act of 2003 by extending the rights and duties of marriage to people registered as domestic partners.
5. AB264(Mullin)-Sponsored by AFSCME (American Federation of County and Municipal Employees). A single county bill for San Mateo County.
6. AB266(Mullin)-Sponsored by San Mateo County. Would allow Board of Supervisors of San Mateo County to provide survivor benefits to the domestic partner of a retirement system member.
7. AB285(Negrete,McLeod)-Sponsored by SEIU (Service Employees International Union). Eliminates 180 day lapse limitation between different jobs in different systems to qualify the member for reciprocal retirement.
8. AB374(Chan)-Sponsored by SACRS. Removes capital expenditure being calculated as part of the ceiling (18/100 of 1%) on retirement system administrative costs.
9. AB398(Mullin)-Sponsored by San Mateo County. A spot bill with no real content but is introduced to meet the new bill deadline and hold a spot which can be amended once agreement is reached on just what the bill would eventually do.
10. AB681(Dutton)-Sponsored by San Bernardino County-A legislative intent bill which does not actually change the law but calls attention to a problem and states intent of the legislature to fix it.
11. AB1585(Committee Bill)-Sponsored by SACRS. A bill meant to correct non-controversial issues which committee members can support on a non partisan basis.
12. AB1587(Committee Bill)-Jointly sponsored by SEIU and CRCEA. Provides that after January 1, 2004, no retirement benefit can be put in place for some, but not all general members of the county unless the Board of Supervisors or the governing body of a district, vote to do so pursuant an MOU. Also clarifies language in SB362 of last year.
13. SB85(Torlakson)-Sponsored by California Independent Public Employees Council. Makes death survivor benefits available to domestic partners in all 37 Act counties.
14. SB274(Soto)-Jointly sponsored by L.A. County Professional Officers Association and Retired Employees. Out-growth of the CRCEA bill to allow qualified retiree organizations to be notified when health benefit changes are to be considered by the county.
15. SB629(Soto)-Sponsored by California Independent Public Employee Legislative Counsel. Would extend the blood borne infectious disease disability presumption to licensed health care professionals with at least () years of service and with a documented exposure to human blood

More Legislation

By Everett J. Julkowski

Federal Legislation Government pension offset/windfall elimination program

Two bills have been introduced in Congress in both the House of Representatives and the Senate that would repeal both the GPO and the WEP.

The Government Pension Offset (GPO) affects Social Security Benefits you receive as spouse or widow(er). The Windfall Elimination Provision (WEP) affects how your retirement or disability benefits are figured if you receive a pension from work NOT COVERED by Social Security.

In addition, CRCEA has sent a resolution to all California Congressional Legislators supporting House bill HR594 and Senate bill S349. CRCEA is also asking each retiree to write to your congress person and ask them to support passage of these two bills. A copy of the resolution is printed elsewhere in this newsletter.

CRCEA is also interested in how many of our county retirees are affected by these provisions and is conducting a survey by asking our members to respond to the following questions, and to let REOKC know. 1) If you are affected, and 2) To what extent Social Security is being reduced.

- Are you presently working in or retired from a federal, state, or local government job NOT COVERED by Social Security?
- Is your spouse working in or retired from a job that IS COVERED by Social Security?
- Have you ever worked in or retired from a job that WAS COVERED by Social Security?

If you answer 'yes' to any of these questions, you may be subject to the GPO/WEP provisions and may be having your Social Security benefits reduced or eliminated. If you think these provisions are affecting you, you can call the Social Security office and ask for:

- The reduction of your benefits due to GPO amt. \$_____
- The reduction of your benefits due to WEP amt. \$_____
- The month and year you began receiving Social Security.

Once this information is gathered and tabulated, CRCEA can determine the total affect these provisions have on CRCEA members. Please e-mail your response www.reokc.org or mail it to REOKC, P.O. Box 3022, Bakersfield, CA 93385.

ATE LEGISLATION

It is time to start the letter writing campaign again for support of our legislative program. As you all know, our legislative program was highly successful the last two years because each of you took the time to write the necessary letters. It really makes a big difference when the legislators see that so many associations and people they represent, are in support of a bill, so each of your letters are very important. There are four bills of concern:

SB270(Soto)-This bill would require a Retirement Board to provide organizations that are recognized by the board as representing the retired employees of the county or district with notice and an opportunity to comment on any proposed changes to the system's retirement benefits or the use of any excess funds of the system. This is an extension of last years AB111 that provided for changes to health care benefits only. This is a further step in getting us at the table to be a part of the decisions affecting retirees and is co-sponsored by CRCEA.

Write letters of support for passage to: Senator Nell Soto, Chair, Senate Public Employment and Retirement Committee, Room B-31, State Capitol Building, Sacramento, CA 95814.

AB1587(Negrete-McLeon)-We are concerned about Section 3 of this bill. This is a clean up bill to provide clarification for a bill passed two years ago which authorized the election of an alternate retirement member. This bill will change the definition of a retiree organization from "organization consisting solely of retired members" to "organization in which the majority of its members are retired members of the system".

Write letters of support for passage to: Assembly member Gloria McLeod, Chair, Committee on Public Employees, Retirement and Social Security, 1020 N Street, Room 153, Sacramento, CA 95814.

The next two bills are SACRS bills, which we voted to support at the March Conference in San Diego.

AB374(Chan)-This bill would exclude capital expenditures from the ceiling amount (.18 of 1%) of the total assets of the retirement system. The need for this bill has become apparent at this time when many systems have found that they need to replace and/or overhaul their computer systems to address new benefits passed by the legislature and efforts to improve service to members. We have been assured that the definition of capital expenditures would be better clarified as to what could be excluded.

Write letter of support for passage to: Assembly Member Gloria Negrete-McLeod, chair, Committee on Public Employees, Retirement and Social Security, Legislative Office Building, 1020 N Street, Sacramento, CA 95814.

AB1585(Committee Bill)-This new section 4 would provide that a Board of Retirement or a Board of Investments may pledge a portion of its assets as security to obtain a loan if the following conditions are found exist:

1. An emergency exists affecting the national banking system or financial markets.
 2. That emergency prevents the retirement system from readily accessing its funds.
 3. The loan is necessary to promptly deliver benefits due.
- This bill was found to be needed after 9/11.

Write letters in support of passage to: Assembly member Gloria Negrete-McLeod, chair, committee on Public Employees, 1020 N Street, Sacramento, CA 95814.