



T R E N D

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

Volume MMXVII-VI

November & December 2017

www.reokc.org

John De Mario, President

M. L. Bennett, Editor (mlbennett36@sbcglobal.net)



President's Message

JOHN DE MARIO

Our mission is to promote the education and earned benefits of all retirees of Kern County, advocate the safeguarding and continuation of Kern County retiree pension and health benefits, provide avenues of support and information for Kern County retirees and beneficiaries, ensure proper and necessary representation on the Kern County Board of Retirement, and participate as an integral contributor in our Kern County communities' quality of life.

I want to start this article by reminding all REOKC members to attend the KCERA Special Board meeting on November 3, 2017 at 1:30 p.m. at the KCREA building at 11125 River Run Boulevard in Bakersfield. This Special Board meeting was called to discuss the possibility of establishing an SRBR fixed payment amount per month for retirees and/or the possibility of increasing the percentage of the purchasing power benefit. Remember, you get what you deserve. If you believe that you deserve an SRBR increase, you need to attend, if you don't, you will more than likely end up getting nothing.

While I am on the subject of SRBR, I met with the KCERA Administration on October 12, 2017 regarding the possible increases in SRBR benefits. The meeting involved procedural, financial and general SRBR questions. My perception of the meeting was if, (and I do mean if) the KCERA Administration recommends an increase in the SRBR benefits, and if the KCERA Board should approve the recommendation, the amount will be minimal and the change would be a greater benefit to the County of Kern than the retirees. As an example, the KCERA Board adopted a 120% funding reserve for all allocated SRBR Benefits indicating that was a sufficient reserve amount, and that was also the percentage recommended by REOKC, but the KCERA Administration suggested that they would feel more comfortable at a 130-140% funding reserve for all allocated SRBR Benefits. By insisting on the higher funding reserve than the actual level the KCERA Board adopted, they lower the amount

of new benefits that could be allocated to the retirees. In effect they have set themselves up as a gatekeeper for setting benefits in addition to the Board approval required.

The County has announced the new medical insurance rate for policies purchased through the County for 2018. You should have received these new rates by mail by now, but they are reprinted here (page 5) in case you did not receive the information. I am sure that you noticed that the retirees **under 65** have their rates raised between 8-14% with the exception of Kaiser which had no increase in rate. For those retirees **over 65** the rates are much lower with increases between 1-9% with the exception of Anthem Blue Cross Silver which actually decreased their rate by 8%. The County Health Benefits Office will be holding a Health Fair on Wednesday, November 8th starting at 1:00 pm in the County Administration Building. If you need additional information or have any question about medical insurance make sure you attend the fair, all vendors will be available to answer questions and to explain their products. The County has set November 17, 2017 as the last day for open enrollment and changes for all medical plans.

At the November 14th REOKC General meeting, the election for the 2018 REOKC Board will be held. The nominating committee has submitted a slate of candidates and nominations can be accepted from the floor. Please take the time to be involved and come to this meeting and vote.

Very important information about future REOKC luncheon meetings will also be discussed at the November 14th meeting. REOKC will be moving the luncheon meeting to a new location starting with the January 2018 meeting and questions need to be asked of the membership. A notice of the new location and time will be distributed to all members during the November and December meetings. This is just the first notice of the change; there will be many more to come.

Making timely reservations for every luncheon, unless you have the \$4.00 payroll deduction, is necessary to ensure we order enough food from the caterers. Please make every effort to contact the Luncheon Reservation Hostesses (phone numbers are on the Reservation forms on the last page of each TREND) with any changes or late reservations. Serving by table rows begins at 11:30 a.m., followed by our General meeting which starts about 12:00 Noon. Hope to see you on November 14th!



KCERA Retirement Board

By

Phil Franey, KCERA Retiree Trustee

“A retirement system board’s duty to the system’s participants and their beneficiaries shall take precedence over any other duty” (Section 17(b) of Article XVI of the California Constitution).

In the last TREND I discussed the changes of KCERA Administration, with the Executive Director Gloria Dominguez retiring and Chief Investment Officer Peter Tirp resigning. Because of these changes in staffing, the KCERA Board appointed Dominic Brown, Assistant Executive Director, as acting KCERA Executive Director. Dominic will be working with the Board in developing an interim program for staffing and operations. The Board will rely on Verus, KCERA Investment Consultant, in administering the investment program including providing daily oversight of the investments and monthly reporting to the Board.

With the Acting Executive Director, the Board will be reviewing operational and investment functions while considering possible changes to the current administration. As I have stated in past articles, the growing demand to adequately staff operations is still controlled by the County and showing little to no progress. The Board clearly has the fiduciary duty to manage and administer the KCERA fund according to the California Constitution and Statutes. Similar county pension systems have demonstrated their fiduciary responsibility and taken the necessary legal and legislative action to establish needed staff and operations regardless of their County’s political influence. On the other hand, the KCERA Board majority continues to be unwilling to fully perform their fiduciary duties for the benefit of the membership.

In the investment function, the Board has few options other than operating with a poorly paid and understaffed \$4 billion investment program or as a responsible fiduciary, outsourcing the needed investment functions. During the October Board Meeting, the Board heard a presentation by Verus describing a scenario for outsourcing the investment officer and related staff functions. Under an investment outsourcing agreement, the Board delegates the fiduciary responsibility for portfolio construction, implementation, manager selection, and daily management to an external team of qualified investment professionals. The Board will still retain control of the investment policy that defines the risk tolerance and return objectives of the investment program. The Board will have to address

possible issues such as loss of control, transparency, monitoring performance, cost and conflicts of interest. Intended benefits for outsourcing are a smooth investment process, more focus on key investment issues, faster decision time-frame, effective management of complex portfolios, better insight and better governance. In the proposed scenario, the implementation process will follow clearly defined and disciplined set of activities. The estimated advisory fees range from \$1.2-\$2 million. Potential savings include investment staff costs, general counsel fees, specialty counsel fees, and active management fees. Hopefully, the Board majority will find the courage to act as a responsible fiduciary under the law and within current circumstances for the benefit of the membership by deciding on investment function outsourcing.

During the August Financial Committee Meeting, Segal Consulting (KCERA Actuary) presented a proposed Supplemental Retiree Benefit Reserve (SRBR) Benefit Improvement. This was the result of another of many REOKC requests to allocate withheld SRBR funding by the Board majority. The committee explored various program enhancements for distribution of available unallocated SRBR funds to members. After discussion, the matter was referred to staff, REOKC representatives, and Segal Consultants to prepare a revised proposal of benefit enhancements to be submitted to the full Board for discussion and action - hopefully implementation. As a reminder and concerning the Board’s fiduciary responsibility, the Board majority has failed for many years to act according to law in authorizing the allocation of SRBR funds. The KCERA Board majority continues to inappropriately follow County direction by hoarding unallocated SRBR funds for more than 15 years. The County has made numerous and various attempts to take the unallocated SRBR funds despite the protections of the California Constitution and Statutes (as clearly state in the preface of this article). Inflation, especially health care, continues to erode a significant amount of retirees’ pension income. Member attendance and support is important for the KCERA Board meeting with the planned presentation and action for the possible enhancement of your SRBR benefits. This matter will be heard on November 3 at 1:30 at KCERA Administration, 11125 River Run Boulevard. Since the meeting date has been changed before, it is advisable to call a day or so before the 3rd to confirm the meeting date and time at www.kcera.org or call at 661-381-7700.

More detailed information and reporting may be obtained from the KCERA website at www.kcera.org. All members are encouraged to attend Retirement Board Meetings on the second Wednesday of each month.

DO YOU HAVE INTERNET ACCESS?

TREND EMAIL LIST CONTINUES TO GROW!

Thanks to all of you who have signed up for membership in the TREND Email list. We are almost up to saving **\$3,475.00 per year** and that's not chump change!

We need to keep this "trend" going. :)
So, if you have internet access, please email Mary Lou Bennett to sign up and help our budget.

To receive the TREND newsletter electronically:
Send an email to mlbennett36@sbcglobal.net with your name, current mailing address and your email address. (Subject: TREND mailing list).

Farewell to the Host/Hostess Project

In 1992 when the Kern County Administrative Center opened its doors, a group of dedicated retirees decided docents/volunteers were needed to offer tours and directions to the public visiting the new building—thus the Host/Hostess Project was born.

For 25 years dedicated Kern County retirees have worked over 30,300 hours and assisted more than 362,600 visitors. However, due to recent changes in security procedures, activity at the Information Desk has been reduced sufficiently enough that the volunteer services of the current retirees are no longer required.

Very few of the original volunteers are still with us but our sincere thanks go out to ALL of the retirees who so faithfully have served the public and their community for so many years.

REOKC Board of Directors

TRAVEL TIPS

Monday, December 4, 2017: Special Departure
Mission Inn Hotel Festival of Lights, Riverside, CA
Depart 1:00 pm, Dinner 6:30 pm (Prime Rib Buffett),
Depart Inn 8:00 pm - \$100 per person

Tuesday, November 21, 2017:
Chukchansi Casino Bus 8:00 a.m. - 7:00 p.m. \$15.00
Includes roundtrip bus & \$10.00 cash & \$5.00 food
voucher (Full bus - No stops!)

March 19—April 3, 2018: 15 Day Hawaii Cruise!
Balcony cabin \$2,909 per person
Call **Julie** at **The Cruise Port**, (661 324-6910) with any
questions or to make reservations for your travel plans.



November 8 KCERA Board Meeting:
Investment/Regular Board 8:30 am
KCERA Office, 11125 River Run Blvd., Bakersfield

November 14 REOKC Board Meeting 9:30 am
Westchester Bowl, 1819 30th St. Bakersfield

November 14 REOKC Lunch 11:30 am—noon
General Meeting 12:00 noon
Election of the 2018 Board of Directors
Elk's Building, 1616 30th Street, Bakersfield

December 12 REOKC Christmas Luncheon
11:30 am—12:00 noon
Installation of the 2018 REOKC Board of Directors
Elk's Building, 1616 30th Street, Bakersfield

December 13 KCERA Board Meeting:
Investment/Regular Board 8:30 am
KCERA Office, 11125 River Run Blvd., Bakersfield

UPCOMING REOKC PROGRAMS

November 14, 2017:

Sandy Morris will be speaking on "Christmas for Seniors." (Donated items for this project will be greatly appreciated.)

December 12 2017:

The East Bakersfield High School Choir will once again be entertaining us with seasonal songs.

LUNCHEON MENUS

Nov. 14, 2017

Sliced Pork Roast
Red Herb Garlic Potatoes
Mixed Vegetables - Green Salad
Rolls - Pumpkin Pie
Iced Tea, Coffee, Water



Dec. 12, 2017

Holiday Turkey & Ham
Mashed Potatoes w/Gravy
Green Beans - Napa Salad
Stuffing - Rolls - Cheesecake
Iced Tea, Coffee, Water

PAYROLL DEDUCTION FORM

To sign up for (or stop) payroll deduction, check the box(es) below, complete the form, and submit it to REOKC.

- REOKC Luncheon Payment**
By checking this box, I authorize KCERA to deduct \$4.00 per month from my pension benefit as an additional elective payment to REOKC. This deduction shall begin with my next pension payment.

(Sign up for the luncheon payroll deduction and save \$1.00 per meal!)

- REOKC Membership Dues**
By checking this box, I authorize KCERA to deduct \$2.00 per month from my pension benefit as dues for my REOKC membership and to pay that organization. This deduction shall begin with my next pension payment. I understand my authorization and REOKC membership are voluntary and may be revoked by me, in writing, at any time.

Name (print) _____
Address _____
City _____
State _____ Zip _____
Phone _____
Email *(optional)* _____
Social Security # _____
Signature _____
Date _____

Clip out completed form and send to:

REOKC / PO Box 2592 / Bakersfield, CA / 93303

STOP DEDUCTION(S)

- Check box to stop your deduction for the luncheon.
- Check box to stop your deduction for REOKC membership dues.



"WELCOME!"

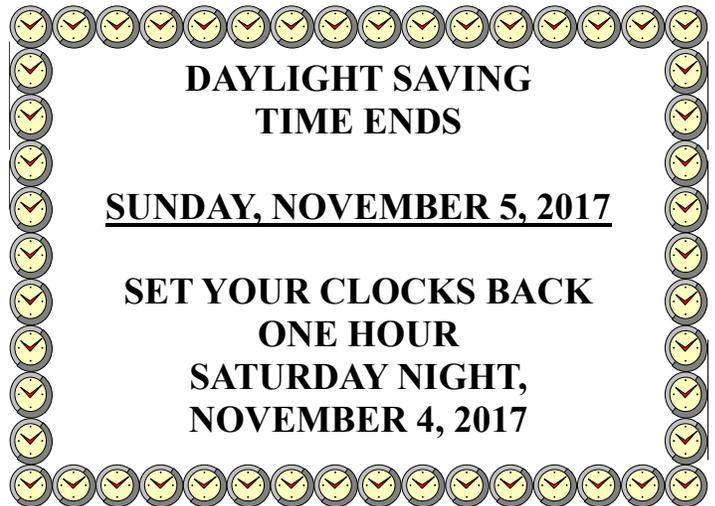
NEW MEMBERS OF THE RETIRED EMPLOYEES OF KERN COUNTY

COMM. & ECON. DEVELOP.: Jesus R. Torres
COUNTY COUNSEL: Thomas G. Morgan
HUMAN SERVICES: Debbie Spears
KERN MEDICAL: Monica Coodey; Susan D. Price
LIBRARY: Gina Haycock
PROBATION: Morris W. Nord; Diana J. Peaker
SUPERIOR COURT: Diane Baumruk



SUNSHINE COMMITTEE NOTICE

If you know of any of our members who could use a get-well or sympathy card, please contact **JOSIE DE LA TORRE** at (661) 348-4222
Thank you!



DAYLIGHT SAVING TIME ENDS

SUNDAY, NOVEMBER 5, 2017

**SET YOUR CLOCKS BACK
ONE HOUR
SATURDAY NIGHT,
NOVEMBER 4, 2017**

SMILE

- Doctor: "While I don't say that all lawyers are crooks, you'll have to admit that your profession doesn't make angels out of men."
- Lawyer: "No. you doctors have us there."

- Many political speeches are like the horns on a steer - a point here and a point there with a lot of bull in between.



Kern County Human Resources

2018 Retiree Medical and Dental Plan Premiums
Open Enrollment Ends November 17, 2017

		2018	Increase/ (Decrease)	Prior Year 2017
UNDER 65 Medical Plan Premiums				
Kern Legacy Health Plan "Network Plus" Under 65 EPO with Plus	Single	\$789.00	\$97.00	\$692.00
	Two-party	\$1,524.00	\$189.00	\$1,335.00
	Family	\$2,354.00	\$292.00	\$2,062.00
Kaiser Permanente Under 65 HMO	Single	\$931.52	\$0.00	\$931.52
	Two-party	\$1,863.04	\$0.00	\$1,863.04
	Family	\$2,636.55	\$0.00	\$2,636.55
Health Net Under 65 HMO	Single	\$1,170.87	\$102.63	\$1,068.24
	Two-party	\$2,341.65	\$205.25	\$2,136.40
	Family	\$2,827.70	\$248.92	\$2,578.78
County of Kern EPO plan Under 65 EPO	Single	\$860.00	\$66.00	\$794.00
	Two-party	\$1,656.00	\$131.00	\$1,525.00
	Family	\$2,640.00	\$212.00	\$2,428.00
County of Kern POS plan Under 65 POS	Single	\$1,492.00	\$178.00	\$1,314.00
	Two-party	\$2,747.00	\$335.00	\$2,412.00
	Family	\$4,003.00	\$495.00	\$3,508.00
OVER 65 Retiree Medical Plan Premiums				
Kaiser Permanente Senior Advantage HMO	Single	\$218.12	\$17.89	\$200.23
	Two-party	\$436.24	\$35.78	\$400.46
Blue Cross Senior Secure HMO	Single	\$611.57	\$11.93	\$599.64
	Two-party	\$1,223.14	\$23.86	\$1,199.28
Blue Shield 65 Plus HMO	Single	\$210.82	\$13.43	\$197.39
	Two-party	\$421.64	\$26.86	\$394.78
Health Net Seniority Plus HMO	Single	\$264.98	\$12.52	\$252.46
	Two-party	\$529.96	\$25.04	\$504.92
Health Net COB POS	Single	\$783.58	\$67.29	\$716.29
	Two-party	\$1,567.16	\$134.58	\$1,432.58
Anthem Blue Cross Gold (with Rx)	Single	\$892.62	\$4.19	\$888.43
	Two-party	\$1,785.37	\$8.51	\$1,776.86
Anthem Blue Cross Silver (no Rx)	Single	\$184.05	(\$17.88)	\$201.93
	Two-party	\$369.34	(\$34.52)	\$403.86
Dental Plan Premiums				
LIBERTY Dental ~ CA40-R Plus	Single	\$20.00	\$0.00	\$20.00
	Two-party	\$34.00	\$0.00	\$34.00
	Family	\$50.00	\$0.00	\$50.00

** Rates are all subject to final approval by CMS and the California Department of Managed Care

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**Nov. & Dec. 2017
Time Dated Material**

**Official Newsletter of
The Retired Employees of Kern County Inc.**

November Luncheon Reservation

November 14, 2017—11:30 to noon, **Elk's Building, 1616 30th Street, 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 **REOKC, PO Box 40801, Bakersfield, CA 93384-0801**. Deadline for reservations is the Wednesday prior to the luncheon (11/08/17). Phone reservations are not accepted. You may cancel your reservations by calling Brenda Preston at (661) 204-4386 or Mary Thorp at (661) 832-5578 prior to the deadline. Cancellations after the deadline cannot be refunded.

Member's name(\$5.00)_____ Spouse(\$5.00)_____
Member's Phone No. (required) _____ Email _____
Guest (\$8.00)_____ Total tickets_____ Amount enclosed \$ _____

December Luncheon Reservation

December 12, 2017—11:30 to noon, **Elk's Building, 1616 30th Street, 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 **REOKC, PO Box 40801, Bakersfield, CA 93384-0801**. Deadline for reservations is the Wednesday prior to the luncheon (12/06/17). Phone reservations are not accepted. You may cancel your reservations by calling Brenda Preston at (661) 204-4386 or Mary Thorp at (661) 832-5578 prior to the deadline. Cancellations after the deadline cannot be refunded.

Member's name (\$10.00)_____ Spouse (\$10.00)_____
Member's Phone No. (required)_____ Email _____
No Guests Please Total tickets_____ Amount enclosed \$ _____