



# T R E N D

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

Volume MMXVIII-I

January & February 2018

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.*

As I sit down to write this article I am reminded by Mary Lou Bennett, the editor of the TREND, this issue is to be sent out to all 8,000 retired members of Kern County Employees' Retirement Association (KCERA). So I thought I should try to give all of you some idea of what REOKC did this year on behalf of both REOKC members and those of you who are not yet members.

So, what did REOKC do for you, a retiree of Kern County? Well, were you aware that more than 3,000 bills were introduced into the legislature in Sacramento that includes both the Assembly and the Senate? REOKC had each of those bills read to see if they included any provision that affects retirement in any way. Those bills that affected retirement were then further analyzed to determine which retirement system could be affected, STRS, PERS, or the County Employees Retirement Law (CERL) of 1937, consisting of 20 counties including Kern County. Extra analysis is done on those bills affecting the CERL of 1937 to see if they affect our member's retirement in anyway either now or if it could affect members in the future. If these bills have no immediate effect on KCERA we will still follow the bills to see that they are not amended in a committee to something that would cause a problem for our members. The PERS and STRS

bills are also given a closer look to see what changes are being made to those systems, because we all know that changes in those State systems might filter down to the counties in the CERL of 1937 at sometime in the future. As you can imagine, this is the single most important thing that REOKC can do, being proactive in guarding and preserving your benefits. You must remember there are many different groups and organizations that will do anything they can to restrict, reduce, or completely nullify your retirement. REOKC will always appear before the KCERA Board, Legislative Committees, or any other group to fight for your retirement pension and benefits.

This year, beginning in March 2017, REOKC began working with KCERA Administration (again) to see if the KCERA Board would allocate some of the unallocated Supplemental Retirees Benefit Reserve (SRBR) funds for an increase in your retirement payment. The unallocated amount had reached over 100% of the allocated funds in the SRBR, in simple terms; there is more unallocated dollars in the SRBR fund than there is allocated dollars for benefits. The SRBR fund can only be used for additional benefits for members and cannot be used to support any other purpose. Letting the unallocated amount continue to increase at the same time KCERA members have many unmet needs, makes absolutely no sense and it is the fiduciary duty of the KCERA Board to allocate the funds immediately.

Over the last nine months, REOKC has proposed many scenarios and both KCERA Administration and the KCERA actuary have worked on establishing different scenarios that would allocate additional amounts from \$20 to \$32 dollars per month for retirees and increasing the purchasing power from 80% to 82%. But, the Finance Committee, after three very active meetings, still cannot decide what to do. REOKC will continue to push for the increase in SRBR allocation because it is what the KCERA Board should do and, in the opinion of REOKC, what their fiduciary duty requires.



## 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).***

As this year comes to an end, I hope everyone enjoyed a Happy Thanksgiving and a Merry Christmas. I wish everyone a safe and Happy New Year.

As to KCERA business, Dominic Brown, acting KCERA Executive Director, continues to work with the KCERA Board (Board) in developing an interim program for staffing and operations. The Board continues to review operational and investment functions while considering possible changes to the current administration.

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 REOKC request to KCERA to allocate available SRBR funds. The Finance 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 stated in the preface of this article). Inflation, especially health care, continues to erode a significant amount of retirees’ pension income. After numerous meetings, the SRBR issue continues to be fumbled by the Finance Committee’s inability to reach a consensus for a Board recommendation. A few Committee members have little interest in the allocation of available SRBR funds. This matter may have to be sent to the full Board to seek resolution. Your REOKC Board will be exploring options to press the Board to perform their fiduciary duty.

The November and December Board meetings approved

the consent agenda items (routine and noncontroversial items); heard presentations on issues such as the chief investment officer outsourcing, governance related to outsourcing chief investment officer, securities monitoring and litigation, disability claim processing; heard presentation and approved audited financial statements and comprehensive annual financial report; heard and approved actuarial valuation with contribution rates and related reports for 2018-19; re-elected this year’s chair and vice-chair for 2018; approved to recruit chief investment officer while renewing request for investment positions with Board of Supervisors; heard presentation on 3rd Quarter Investment Performance Review for the period ending September 30, 2017 by Verus; and heard presentation on Portfolio Review by Alborne America LLC for the period ending September 30, 2017.

During the December Board Meeting, the Board decided to recruit an inhouse investment officer and related staff functions instead of outsourcing the service. As I have stated in past articles, the growing demand to adequately staff operations will require the County’s cooperation in approving and funding the needed positions and compensation. The Board will continue to consider issues of control, transparency, monitoring performance, cost and conflicts of interest. If the County does not support the necessary investment program positions and compensation, then the Board as a responsible fiduciary will have to revisit the investment program as well as outsourcing.

During the November Board meeting Verus (Investment Consultant) presentation included the fund balance and investment performance (net of fees) for the period ending September 30, 2017 as follows:

- Total Assets - \$4,050,353,080
- 1 Year - 11.2% (returns net of fees)
- 3 Years - 6.0%
- 5 Years - 7.4%
- 10 Years - 3.9%

At the December Board meeting Segal Consulting presentation included the assumption rate, fund balance, and funding ratio as of June 30, 2017.

- Assumption Rate - 7.25% (expected long-term return)
- Fund Balance - \$3,913,073,000 (assets available for benefits)
- Funding Ratio – 63.2% (assets available to pay liabilities)

More detailed information and reporting may be obtained from the KCERA website at [www.kcera.org](http://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](mailto:mlbennett36@sbcglobal.net) with your name, current mailing address and your email address. (Subject: TREND mailing list).

## REOKC SCHOLARSHIP PROGRAM

We are now accepting Applications for the 2018 Scholarship Awards for Graduating High School Seniors



Two scholarship awards of \$1,000 each will be presented at our August 2018 luncheon/meeting. Relatives (children, grandchildren, nieces, nephews) of **REOKC MEMBERS** are eligible to apply.

Scholarship application forms, instructions and relevant information are all available on our website:

[www.reokc.org](http://www.reokc.org)



Applications and required documents must be submitted no later than April 15, 2018

## TRAVEL TIPS

**Thursday, May 17, 2018:** King Tut Exhibit, Cost is \$100—includes roundtrip bus fare, entrance, IMAX Movie and lunch

**January 16th, February 20th & March 20th:** Chukchansi Casino Bus 8:00 a.m. - 7:00 p.m. \$10.00 Includes roundtrip bus & \$10.00 ecash & \$5.00 food voucher (Full bus - No stops!)

**10 Night Alaska Cruise** - From San Francisco, Juneau, Skagway Glacier Bay National Park, Sitka & Victoria, British Columbia—August 14-24, 2018—\$2949 per person for Balcony Cabin

Call **Julie** at **The Cruise Port**, (661 324-6910) with any questions or to make reservations for your travel plans.

## UPCOMING EVENTS

**January 9** REOKC Board Meeting 9:30 am  
**Hodel's, Carriage Room, 5917 Knudsen Dr.**

**January 9** REOKC Lunch 11:30 am—noon  
General Meeting 12:00 noon  
**Hodel's, Kern Room, 5917 Knudsen Dr.**

**January 10** KCERA Board Meeting:  
Investment/Regular Board 8:30 am  
KCERA Office, 11125 River Run Blvd., Bakersfield

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**February 13** REOKC Board Meeting 9:30 am  
**Hodel's, Carriage Room, 5917 Knudsen Dr.**

**February 13** REOKC Lunch 11:30 am—noon  
General Meeting 12:00 noon  
**Hodel's, Kern Room, 5917 Knudsen Dr.**

**February 14** KCERA Board Meeting:  
Investment/Regular Board 8:30 am  
KCERA Office, 11125 River Run Blvd., Bakersfield

## UPCOMING REOKC PROGRAMS

**January 9, 2018:**

**Liliana Fabel**, Voya Representative, will be speaking about Deferred Compensation

**February 13, 2018:**

**Kari Heilman**, Bakersfield Symphony Representative, will be our speaker

## LUNCHEON MENU AT HODEL'S



Selections:

- 1 Beef Entrée
- 1 Chicken Entrée
- 5 Different Salads
- 3 Different Desserts

Coffee, Tea & Water will be on each table



## 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**

**AGING & ADULT SERVICES:** Melody Batelaan

**BOARD OF SUPERVISORS:** Belen C. Maben

**CHILD SUPPORT:** Shannon Poe; Mellissa Sanders

**COUNTY COUNSEL:** Pamela Ann Schoelen

**LIBRARY:** Lorie Barker

**PUBLIC HEALTH:** Nsele M. Nsuangani

**PUBLIC WORKS:** Tanya F. Kanavalov

**SHERIFF:** Jo Anne Edmondson; Bentura Herrera Jr.;  
Peggy Montgomery

**PRESIDENT'S MESSAGE** concluded from Page 1

I hope that all of you had a very Merry Christmas and that all your new year's resolutions come to fruition. If you are not a member of REOKC, please consider joining the other 5,000 plus members and help us present a united front in insisting that the KCERA Board soon vote on the increase in SRBR benefits.

As a reminder to our members, the monthly luncheon/business meeting has moved to Hodel's Country Dining at 5917 Knudsen Drive in Bakersfield, effective January 09, 2018, in the Kern Building. Lunch tickets for REOKC members and their spouses are still only \$5.00 each! Lunch is served at 11:30 a.m. with the business meeting starting about 12:30 p.m. and adjournment about 1:30 p.m. Looking forward to seeing you all there!

### **SMILES**

There's a monastery that's in financial trouble and in order to increase revenue, it decides to go into the fish and chips business. One night a customer raps on the door and a monk answers. The customer says, 'Are you the fish friar?' 'No,' the robed figure replies, 'I'm the chip monk.'

\*\*\*\*\*

'Hey,' says one musician to another, 'who was that piccolo I saw you out with last night?' 'That was no piccolo,' is the reply, 'that was my fife.'

## HISTORY



### TUBERCULOSIS SANITARIUM & THE UFW

By Walter Stewart

Many people, especially the younger generation, don't know there was a Kern County tuberculosis sanitarium nestled in the hills near Keene. The sanitarium was in the vicinity of the historic Tehachapi railroad loop.

The facility was an essential entity dedicated to caring for and healing tuberculosis patients. When the sanitarium was put up for sale and to be vacated, I was a Kern County General Services employee. One of my responsibilities was to oversee the property and guards when the sanitarium closed. Four guards lived at the facility on alternating shifts.

Before the sanitarium closed, location of some underground utility lines became unknown. Exploratory excavation was required to find and maintain the lines. When the sanitarium was abandoned, pots, pans and other utensils were left in the kitchen and obsolete instruments were left in the infirmary. Most people don't know there was a morgue in the sanitarium.

The old tuberculosis sanitarium was deeded to the United Farm Workers (UFW). Labor leader Cesar Chavez established his headquarters in one of the many buildings. Chavez died in 1993. Bobby Kennedy, a Catholic Cardinal and other dignitaries attended his funeral. Chavez is interred in the beautiful Memorial Garden dedicated to his accomplishments for agricultural laborers. Chavez's gravesite, at the historic sanitarium, is a National Monument.

### Change of Address Form

If your address has changed, in order to receive the TREND newsletter and other important notices from REOKC, you must complete this form and send it to REOKC, PO Box 2592, Bakersfield, CA 93303:

Name \_\_\_\_\_

(print)

NEW Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

OLD Address \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Signature \_\_\_\_\_

## REOKC USEFUL CONTACTS

### **KCERA Administration 661-381-7700**

**www.KCERA.org**

- Retirement Check
- Withholding Forms
- Beneficiary Change
- Address Change (& REOKC) \*
- Retirement Board Meetings

### **Retiree Health Benefits 661-868-3182**

- County – Health Insurance Div.

### **REOKC Endorsed Insurance and Other Supplemental Benefits**

- Pacific Group Agencies, Inc.  
1-800-817-8838  
1-800-511-9065

### **REOKC Other Related Services**

- **TREND Editor**
- **Membership**
- **Address/Email Change \***
- **Scholarship Program**

Mary Lou Bennett 661-871-5270

[mlbennett36@sbcglobal.net](mailto:mlbennett36@sbcglobal.net)

### • **Luncheon Reservations**

Brenda Preston 661-204-4386

### • **Sunshine (Cards of Expression)**

Josie De La Torre 661-348-4222

### **KCERA Board Retiree Member**

- Phil Franey –  
franeyp@bak.rr.com
- Alternate—John Mattly  
jmattly@bak.rr.com

### **Kern County District Attorney's Office**

- **Elder Abuse:** 661 868-2400

## BAKERSFIELD HOMELESS CENTER

On December 13, 2017, REOKC contributed **\$339.00** to the Bakersfield Homeless Center. Thanks to all our members who donated to this charity at our regular monthly luncheons throughout the 2017 year!

## ADVANTAGES OF REOKC MEMBERSHIP

All persons who are retired from the County of Kern or any of the special districts that are members of the Kern County Employees' Retirement Association (KCERA) are eligible for membership in REOKC.

REOKC is a non-profit organization established back in 1964 by a group of former Kern County employees who were interested in preserving and promoting the general welfare of current and future retired employees of Kern County.

No matter where you live, as a Kern County retiree, you must be concerned about maintaining and protecting your pension.

REOKC membership dues are only \$2.00 per month, deducted from your pension payment. Besides having an organization that is the watchdog for your pension benefits, what else do you get for your \$2.00?

1. REOKC members are able to take advantage of the Supplemental Insurance Plans offered by Pacific Group Agencies (PGA) who offer quality group insurance benefit plans at discounted rates, i.e., dental, vision, pet, legal, travel and many more.
2. REOKC's Scholarship Program each year offers two \$1,000 scholarships to high school seniors who are relatives of REOKC members.
3. REOKC maintains a website, [reokc.org](http://reokc.org) to let everyone know who they are and what they do, as well as keep its members updated on current issues. It also provides information and forms for the scholarship program.
4. Also in an effort to keep its members informed, the REOKC newsletter, the TREND, is sent out bimonthly by mail and email.
5. REOKC has also joined forces with other employee and retiree organizations who strive to promote and protect **your** retirement benefits.

To join REOKC, just complete the Payroll Deduction Form on page 4 and send it to the address listed there. These are your benefits, help REOKC help you!



### WE WILL ALWAYS REMEMBER OUR DECEASED REOKC MEMBERS:

Elaine Ainsworth—Human Services  
Brenda Bassham—Kern Medical  
Jacquita Chambers—Building Inspection  
Joseph De Silva—District Attorney  
Patricia Gregg—Probation  
Jesus Hernandez—Sheriff  
Helen Leyendecker—Auditor  
Laura Martinez—Kern Medical  
Clifford McGregor—Parks & Recreation  
Carolyn Poulton—Human Services  
Donald Shankle—Fire  
Bruce Simpson—Probation  
Jean Smith—Superior Court  
Charles Weese—Fire  
Malinda White—Kern Medical  
Herbert Williams—Fire  
Charles Wilson—Superior Court

*“A Life well-lived leaves behind  
a beautiful bouquet of memories.”*

*Author unknown*



#### 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!

**Reminder:** The surviving spouse of a retired Kern County Employee is eligible for REOKC membership. Just complete the Payroll Deduction Form on Page 4 and mail to:

**REOKC, PO Box 2592, Bakersfield, CA 93303**

**NOTICE:** All views and opinions expressed in the TREND are solely the representation of each writer. REOKC's only intention is to fairly inform our membership. The information presented in the TREND is believed to be from reliable sources. REOKC does not sell or disclose information about our members to third parties.

*Happy New Year*



**FROM ALL OF US AT  
KERN FEDERAL CREDIT UNION**

**Retired Employees of Kern County  
P.O. Box 2592  
Bakersfield, CA 93303**

**PRSRT-STD  
U.S. POSTAGE  
PAID  
BAKERSFIELD, CA  
PERMIT NO. 349**

**Jan. & Feb. 2018  
Time Dated Material**

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

**January Luncheon Reservation**

**January 9, 2018**—11:30, **Hodel's, Kern Room, 5917 Knudsen Dr., 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 (01/03/18). 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 \$ \_\_\_\_\_

**February Luncheon Reservation**

**February 13, 2018**—11:30, **Hodel's, Kern Room, 5917 Knudsen Dr., 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 (02/07/18). 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 \$ \_\_\_\_\_