



T R E N D

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

Volume MMXVII-IV

July & August 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.

At our May 9, 2017 meeting the guest speaker was Carola Enriquez from Houchin Community Blood Bank. Ms. Enriquez mentioned that Houchin was short on O- blood type. She also mentioned the need for platelets as well as plasma.

Mary Lou, our treasurer, reported that our membership as of April 30, 2017 totaled 5038. We have now been over the 5000-membership mark for the last three months and it appears that we are continuing to grow at a net rate of 5 to 10 members each month.

At our June 13, 2017 meeting the guest speaker was Scarlet Sabin from Ronald McDonald House. Ms. Sabin talked about the Ronald McDonald House and its local addition in Bakersfield. She also mentioned that all monies donated to the Ronald McDonald house are used for the local Bakersfield House and is not sent out of the County.

To change the subject, I was watching C-SPAN and the CPI was being discussed. After a few minutes I realized how much I didn't know about the CPI. So, after some quick research, this is what I learned:

The Social Security program was initiated in 1935, basic adjustments to security benefits for beneficiaries' purchasing power was made from time to time, but beginning in 1972, Congress enacted a provision that required benefits to be increased annually based on the amount of the consumer price index change from the previous year. The only index at that time was computed

using urban wage earners and clerical workers based on a fixed market basket of goods and services. That index was known as CPI-W and that is what they used.

In 1987 as part of amendments to the Older Americans Act of 1965, Congress directed the Bureau of Labor Statistics to develop an index focused on the elderly. The Bureau of Labor Statistics developed an experimental CPI for Americans 62 years of age and older; this was known as the CPI-E and it was calculated on data dating back to 1982.

The Market Basket of goods and services used in CPI-E includes food and beverages, housing, apparel, recreation, education, transportation, and medical care. Research has shown that spending patterns differ between the elderly and the general population, especially in the healthcare categories. Seniors 65 and older spend twice as much on healthcare and those 75 and older spend nearly 3 times more on healthcare than younger consumers. Not only do healthcare expenses steadily increase with age, but healthcare costs have consistently risen much faster than other market basket categories. Consumer price index (CPI-W) does not take these critical differences in the elderly population into consideration.

There are basically two reasons for the Bureau of Labor Statistics not to use the CPI-E calculation for seniors. The first one is because of the cost to update and expand the sample (the CPI-E uses a much smaller sample than the normal Bureau of Labor Statistics indexes and so it is subject to greater sampling error); that is why it is still classified as experimental. The second reason is because using an index that reflects a more accurate cost of living for seniors would require additional funding for the yearly COLA. That increase would drive down the Social Security trust fund at a much faster rate than is currently projected.

To make things worse for seniors, the Obama administration made a suggestion that a new CPI be created called the "Chained index". The Chained index is based on the assumption that the consumer will go to a cheaper product when that product gets too high (switch to chicken when beef is too expensive). The Chained index would actually lower the COLA below the current CPI-W index, which would be bad news for seniors in that it would lower the current COLA, but it would be good news in that it would extend the life of the Social Security trust because of the lower payouts to seniors.

(President's Message continued on Page 4)



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).

During the May Financial Committee Meeting, Segal Consulting (KCERA’s Actuary) presented the Tri-Annual Experience Study recommending the economic and demographic assumptions for the next three-year period. According to the Segal Consulting: *The use of realistic actuarial assumptions is important in maintaining adequate funding, while paying the promised benefit amounts to participants already retired and to those near retirement. The actuarial assumptions used do not determine the “actual cost” of the plan. The actual cost is determined solely by the benefits and administrative expenses paid out, offset by investment income received. However, it is desirable to estimate as closely as possible what the actual cost will be so as to permit an orderly method for setting aside contributions today to provide benefits in the future, and to maintain equity among generations of participants and taxpayers.*

The Study reviews and recommends economic (inflation, investment return, and salary increases) and demographic (retirement, mortality, termination, and disability rates) actuarial assumptions while comparing the actual experience with that expected under the current assumptions during the three-year experience period from July 1, 2014 through June 30, 2017. Segal Consulting also recommended decreasing the current 7.5% assumption rate to **7.25% assumption rate** for the next three-year period (to become effective in Fiscal Year 2018/19). The assumption rate is an estimate of coming years’ investment income needed to meet pension benefit liabilities over the long-term. Based on Segal Consulting advice, the Finance Committee recommended approval of the 2017 Experience Study to be presented at the July KCERA Board meeting.

The May Finance Committee also heard the KCERA 2017-18 budget presentation by Gloria Dominguez, Executive Director. The \$5.7 million budget provides services for more than 18,000 members and almost \$4 billion in assets. The Finance Committee recommended approval of the 2017-18 budget to KCERA Board for the June meeting.

Unfortunately, the growing demand to adequately staff operations is controlled by the County and showing little to no progress. KCERA clearly has the fiduciary duty to manage and administer the KCERA fund according to the California Constitution and Statutes. Unlike similar county pension systems who have taken legal and legislative action to establish the necessary positions with competitive salaries and benefits, the KCERA Board is unable to avoid County influence and perform its fiduciary duties for the benefit of the membership.

The May and June KCERA Board meetings approved the consent agenda items (routine and noncontroversial items); heard presentations on the 1st Quarter Investment Performance Review for the period ending March 31, 2017 by Verus; heard presentation for the 1st Quarter Portfolio Hedge Fund Performance by Alborne America LLC; heard and approved amendment to Alborne Agreement; heard request by Board of Supervisors for changes to KCERA’s Actuarial Valuation with no action, heard presentation by staff on Staff Disability Application Group; heard staff response concerning disability retirement application process; heard staff presentation on KCERA Mobile Document Management; heard staff presentation and approved FY 2017-18 Budget; and heard staff presentation on Public Employees’ Reform Act (PEPRA) Retiree Return-to-Work Provisions.

During the KCERA May meeting the Verus presentation included the fund balance and investment performance (net of fees) for the period ending March 31, 2017 as follows:

- Total Assets - \$3,996,758,290 (Net of Fees)
- 1 Year – 10.6%
- 3 Years – 4.6%
- 5 Years – 6.7%
- 10 Years – 3.8%

According to the Pension & Investment February 6, 2017 publication, Kern County Employees Retirement Association ranks 435 of the 1,000 largest retirement funds nationally. 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.

THE WEEKEND GOLFER

I have two tickets to the final round of the US Open Golf Tourney, but just realized I’m getting married that day and can’t go.

If you’re interested in going in my place it’s at St. Paul’s church and her name is Emily.

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).

Host/Hostess Project

During the month of April 2017,
25 volunteers worked 75 hours assisting 575 visitors at the County Administrative Building.

During the month of May 2017,
30 volunteers worked 90 hours assisting 306 visitors at the County Administrative Building.

Since 1992 our volunteers have worked over 30,000 hours assisting more than 361,600 visitors to the County Administrative Center at 1115 Truxtun Ave.!

There is always a need for volunteers; please contact Barbara Goodlow at 304-0677 if interested.

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!

TRAVEL TIPS

Thursday, July 20, 2017: Bowers Museum - Frank Lloyd Wright Exhibit \$80.00 8:00AM to 6:00 PM

Thursday, August 24, 2017: Hearst Castle - 2 Tours - Upstairs Suite Tour & Cottages & Kitchen Tour \$80.00

July 18, 2017 - August 15, 2017 - September 19, 2017: Chukchansi Casino Bus 8:00 a.m. - 7:00 p.m. \$15.00

Great Promotions for Alaska 2017!

Princess Cruise line Promotion Sip & Sail!

Call **Julie** at **The Cruise Port**, (661) 324-6910 with any questions or for help with **Passport Renewals**.

UPCOMING EVENTS

July 11 REOKC Health Fair 10:00 am - 1:30 pm
Elk's Building, 1616 30th Street, Bakersfield

REOKC FREE LUNCHEON - Tickets Required
(For Members and Spouses Only)

Elk's Building, 1616 30th Street, Bakersfield
Lunch served from 11:30 am to 12:00 noon

July 12 KCERA Board Meeting:
Investment/Regular Board 8:30 am
KCERA Office, 11125 River Run Blvd., Bakersfield

August 8 REOKC Board Meeting 9:30 am
Westchester Bowl, 1819 30th Street, Bkfld.

August 8 REOKC Lunch 11:30 am—noon
General Meeting 12:00 noon
Elk's Building, 1616 30th Street, Bakersfield

August 9 KCERA Board Meeting:
Investment/Regular Board 8:30 am
KCERA Office, 11125 River Run Blvd., Bakersfield

UPCOMING REOKC PROGRAMS

July 11, 2017:

Jerry Hobbs, the singing cowboy, will be performing during our luncheon.

August 8, 2017:

Gloria Dominguez, Executive Director of the Kern County Employees' Retirement Association (KCERA), will be our speaker.

LUNCHEON MENUS

July 11, 2017

Hamburgers & Hot Dogs
Cowboy Beans - Potato Salad
Coleslaw - Brownies
Iced Tea, Coffee, Water



August 8, 2017

Chicken Teriyaki - Rice Pilaf
Green Beans - Napa Salad
Rolls—Lemon Cake
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.



AGING & ADULT SERVICES: Lewis K. McBratney;
John Reyes

AGRICULTURE: Nancy Finzel

CHILD SUPPORT: Donnell Haub

COUNTY COUNSEL: Stephanie Romero

DISTRICT ATTORNEY: Hector Avila; Scott Carvel;
Katie S. Claborn; Janet Harwell; Ronald V. Taylor, Jr

ENVIRONMENTAL HEALTH: Jose E. Canas

FIRE: Robert Powers; John Silliman, Jr

GENERAL SERVICES: Paul D. Bullock

HUMAN SERVICES: Debra J. Arvizu; Irene Buendia;
Linda G. Gonzales; Mary Lou Herrera; Alice Hubbard;
Nolberta Ornelas; Linda Pinales; Diane Rosso;

Brenda Treneer; Graciela Vasquez

KERN MEDICAL: Janice Brown

MENTAL HEALTH: Carolann Banks;
Valerie Touchstone

PARKS & RECREATION: Robert Lerude

PROBATION: Sean D. Sanders

PUBLIC DEFENDER: Mary Rachel Clark

PUBLIC HEALTH: Carrie L. Smith

PUBLIC WORKS: Brian Klatt; Jeanne Y Snider

ROADS: Kay A. Adkins; Fortunato P. Castillo

SHERIFF: Moses Adame; Alfred De La Rosa;

Richard Garcia; Lance Grimes; Daniel Hjertstedt;

Mitchell B. Robison; Rhonda Turnbaugh

Dana J. Wieghorst-Albro; Madge Young

TREASURER/TAX COLLECTOR: Colin Corcoran

President's Message - concluded from page 1

This is something that you need to follow, and if you get to ask your congressman or senator where they stand on the CPI-W versus CPI-E, please let all of us know, as we are interested in the answer as it affects all seniors and their Social Security CPI.

Just a few facts for you to understand a little more on why Social Security COLA has not kept up with your cost of living as seniors.

Don't forget our BBQ and Health Fair luncheon will be on July 11 with serving by table rows beginning at 11:30 a.m. The Health Fair will run from 10:00 a.m. to 1:30 p.m. Hope to see you all there!

John De Mario

HISTORY



YOU ARE SYNONYMOUS WITH HISTORY

By **WALTER E. STEWART**

We think of history as something that transpired in the past. Every person is part of history that occurred during their lifetime. Let's go back 90 years to when I was born and look at a pittance of historical events that occurred during our lifetimes.

Al Jolson premiered in the Jazz Singer, the first sound motion picture, October 6, 1927.

Charles A. Lindbergh took off from Roosevelt Field, N.J., May 20, 1927 in his airplane named The Spirit of St. Louis and flew across the Atlantic Ocean to Le Bourget near Paris. Lindbergh was the first person to fly solo across the Atlantic.

Amelia Earhart was the first woman to fly across the Atlantic from Newfoundland to Wales, June 17 - 18, 1928.

The stock market crashed October 29, 1929 setting in motion the Great Depression. Millions of shares changed hands and banks failed.

Charles A. Lindbergh's 20 month-old son was kidnapped March 1, 1932. His body was found May 12, 1932.

Clyde Barrow and Bonnie Parker were gunned down on May 23, 1934 along a road in Bienville Parish, Louisiana.

John Dillinger was shot to death July 22, 1934.

The Social Security Act became law August 14, 1935 establishing a national system of social insurance including old age pensions.

The German dirigible Hindenburg was destroyed by fire May 6, 1937 at Lakehurst in Manchester Township, N.J.

Amelia Earhart vanished on a flight over the Pacific Ocean July 2, 1937. Her remains were never found.

Japan bombed Pearl Harbor December 7, 1941.

General James H. Doolittle led sixteen B-25 bombers on April 18, 1942, that took off from the aircraft carrier Hornet and bombed Tokyo and other Japanese cities. They landed in China.

A B-29 bomber named Enola Gay took off August 6, 1945 from Tinian Island in the Marianas and dropped an atomic bomb on Hiroshima. Three days later another B-29 dropped an atomic bomb on Nagasaki.

On August 16, 1948, baseball superstar Babe Ruth died at age 53 in New York City.

On October 23, 1950, Al Jolson died at age 64 in San Francisco.

History and our lives are parallel. It would take a thick book, perhaps volumes, to record all the historical events that occurred in our lifetimes. How many of these historical incidents do you remember?

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**
- **Host/Hostess - Volunteer Program**
- **Membership**
- **Address/Email Change ***
- **Scholarship Program**

Mary Lou Bennett 661-871-5270

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

SRBR - IMPORTANT TO RETIREES?

Most retirees have heard of **SRBR**, but do they know how it came to be, what it provides and how important it is to Kern County retirees?

Perhaps the information provided here will enable REOKC members to better understand the importance of **SRBR** and its value to all our retirees both current and future:

Under the standard provisions of the County Employees Retirement Law of 1937 (CERL), any excess earnings (earnings in excess of the Retirement Fund's actuarial assumption rate) that are realized by the primary pension fund for a county are controlled 100% by the Board of Retirement. In 1984 an alternative financial provision was adopted to put in place a statutory Supplemental Retirement Benefit Reserve (**SRBR**) formula. This formula mandates that any excess earnings be equally divided, with 50% of the total to the basic benefit fund accounts (to be processed by the County and other minority entities) and 50% to fund the **SRBR** account to be allocated by the Board of Retirement for future benefits.

The following are supplemental retiree benefits currently provided by **SRBR**:

- Tier 1 - \$35.50 per month payable to retirees who were hired on or before July 1, 1994.
- Tier 2 - Three additional monthly stipends payable to retirees:
 - a. \$1.372 per year of service for Members who retired prior to 1985. This was granted July 1, 1994.
 - b. \$5.470 per year of service for Members who retired prior to 1985. This was granted July 1, 1996.
 - c. \$10.276 per year of service for Members retired prior to 1981. This was granted July 1, 1997.
- Tier 3 - Additional benefits to maintain 80% purchasing power protection.
- Death Benefit - A one-time payment of \$5,000 to a Member's beneficiary is made upon the death of the Member.
- The Retirement Board has set aside a portion of the **SRBR** to help pay for an additional 0.5% COLA adopted under the Ventura Settlement.

For those of you interested in additional **SRBR** information, visit our website - reokc.org.

THOUGHTS TO PONDER

- ~ If you're ever robbed of virtue, you'll find it was an inside job.
- ~ The difference between a cat and a comma is that a cat has claws at the end of paws, and a comma has a pause at the end of a clause.
- ~ Apologizing for a nasty remark is like trying to unscramble an egg.



WE WILL ALWAYS REMEMBER OUR DECEASED REOKC MEMBERS:

Jesse Acebedo—Sheriff
Robert E. Bryant—Comm. & Econ. Development
James V. Cook—Health Systems
Joseph Eckert—Sheriff
Jacquelyn Hannum—Child Support
Joe Herrera—Public Defender
Emery M. Hubbard—Human Services
Carolyn Mack—Child Support
Linda Nickel—Substance Abuse Program
Irene S. Porter—Probation
Ronald Ruettgers—Roads
Robert Voyles—Roads
Charlotte Welling—Board of Supervisors
Virginia Yancey—Human Services

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

Author unknown

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.



It's time to
IMPROVE

HOME EQUITY LOAN

Borrow up to **133%** of the value of your home*



*Applicant may be eligible to borrow up to 133% of the value of the home for qualified home improvement projects. Kern FCU reserves the right to distribute payments to approved licensed contractors on behalf of the borrower. The interest on the portion of the credit extension that is greater than the fair market value of the dwelling is not tax deductible for federal income tax purposes; please consult a tax advisor. Federally insured by NCUA.

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

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July & August 2017
Time Dated Material

Official Newsletter of
The Retired Employees of Kern County Inc.

FREE July Luncheon Reservation—Members & Spouses Only (TICKETS REQUIRED)
July 11, 2017—Lunch served from 11:30 am to 12:00 noon
Elk's Building, 1616 30th Street, Bakersfield



If you wish to attend, please complete this reservation form to request your tickets and send it with a stamped, self-addressed envelope to **REOKC, PO Box 40801, Bakersfield, CA 93384-0801** before July 5, 2017.

** (Tickets are not required for members enrolled in luncheon payroll deductions.) **

Member's name _____ Spouse _____

Member's Phone No. _____ Total tickets _____ (This is not a valid ticket)

August Luncheon Reservation

August 8, 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 (08/02/17). 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 \$ _____