



THE INTERCOM

Newsletter of the California Retired
County Employees Association (CRCEA)
January 2017

www.crcea.org

Issue #1-2017



PRESIDENT'S MESSAGE

Well, I missed the last issue, but I had a good excuse. I was traveling to the East Coast to visit my grandkids.

My granddaughter, Alexa, lives in Kissimmee, Florida, and yes, she does work for Disney World. She has been there for over four years and loves her job.

We spent a week there and she was able to get time off to spend a good amount of time with us. We went to various Disney Parks – a perk of her job is free admission for relatives – and she got to be tour guide.

The following photograph is of Grandma (my wife, Sarah), Grandpa (me), and my Granddaughter. As you can see it was a fine day spent together.



We then traveled up the coast to Pennsylvania to visit my freshman grandson, Adam, at college in Latrobe. We got to spend three days with him and watch the college homecoming game (my grandson is on the football team). Yeah, they won! His mom made the trip separately so it was a great weekend.



Our "little guy"
Grandpa and Grandson

But, now it's back to work.

There is plenty of chatter throughout the state on varying issues relating to pensions, pension plans, abuses, lawsuits, etc., etc. CRCEA continues to keep an eye on all these issues during this "down time" and we will respond as appropriate and necessary. With the national elections behind us, maybe, just maybe, some of this rhetoric will settle down and get back to the real issues that impact local government and its delivery of services.

It would be nice to have an opportunity to refocus before we must go back to fighting for the benefits we earned and enjoy and that those coming behind us have worked to be a part of. CRCEA's dedicated members have committed themselves to watch and react as appropriate.

CRCEA continues to reach out for Affiliates. Those are businesses that provide services to retirees or otherwise support public employees and retirees that we can ap-

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proach to be affiliates of CRCEA

I want to welcome our newest Affiliates: Guided Choice, My Senior Health Plans, CruCon, and just recently, Road Scholar. All of our affiliates believe that they have something of benefit for your members, and the local associations will be looking at each of them to evaluate at the local level. You can check on the basic information on each at our website under the Affiliate tab. If you have a question on their service/product do not hesitate to give them a call in order to see if that affiliate can be of benefit to your association. As always, if anyone has any idea or potential affiliate that would be of benefit to CRCEA and its members, give Bill de la Garza, or any Executive Committee member, the information and we will follow up.

I cannot let this message go without a "Well Done" for the Fall Conference in Contra Costa County. Terrific information and enjoyment for our conference attendees. Now we will head to the coast for our Spring Conference in Ventura. There will be interesting topics and speakers for the conference, which should again provide for worthwhile time spent.

CRCEA is the only organization looking out for the retirees of '37 Act counties on the state level. The past few months are generally high retirement months in our counties. If any of you know any retirees who are retiring are not signed up to be members of your local retiree association, talk with them and encourage them to join. Only through numbers do we have strength and only through our strength can we obtain success.

As we enter this holiday season of Thanksgiving, Christmas, Chanukah, (or your preferred belief) let us all remember those who are continuing the fight for our way of life and our ability to think and do the things we each believe is right. So many will not be able to spend the days and evenings with family because of their commitment.

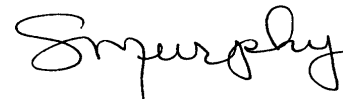
While we always think of our members of the military who are the front line of global oppression and attacks on others, let us not forget our front line "troops" here at home – our law enforcement. It seems there is an attack on them domestically lately.

We should feel safe in the U.S. due to the efforts and sacrifices of our military men

and women. Likewise we should feel safe in our homes and on our streets due to the efforts and sacrifices of our first responders. All of these people deserve our respect, and our gratitude for the noble cause they have taken on, no matter where they "work".

Let me close with a wish each of you healthy and happy holiday period. Enjoy your time. Enjoy family and friends. Yes we have issues to deal with, but with our combined efforts we can overcome the obstacles while still making time for our own mental and physical health.

Until next time.....



SKIP MURPHY, President

Following is a link to the Consumer Financial Protection Bureau which offers a very useful emergency planning document for financial records. It provides a very good reminder of what one should have readily available in case of an emergency, and when there are only minutes to decide what to take from your home, this reference could be invaluable.

<http://publications.usa.gov/pdfs/pdf6140.pdf>

**NCPERS
2016 PUBLIC PENSION
FUNDING FORUM
by Lou Scarpino**

As the battle for the future of public pensions moves more prominently into the national arena, the *National Coalition of Public Employers Retirement Systems* (NCPERS) has become an increasingly important resource for its members that include CRCEA and REAOC. In response to increased traction pension opponents are enjoying, as well as further threats expected to materialize now that the presidential elections are over, the annual NCPERS Public Pension Funding Forum, with its emphasis on new research, funding concepts and advocacy efforts, is especially critical. The Forum featured prominent national economists, funding experts and pension advocates. The smaller group of approximately 150 attendees afforded a unique opportunity to interface substantively and at length with this distinguished group

Having recently been asked to serve on NCPERS' Research Director Dr. Michael Kahn's *Research Advisory Panel*, and consistent with my role on the CRCEA Retirement Security Committee, the REAOC Board felt it im-

portant to expand our capabilities by sending Frank Eley and me to attend this year's expanded Funding Forum. Frank, who will also be serving on the REAOC Board, brings to the table a wealth of experience on pension funding and practices. He served as the Employee Representative on the OCERS Board since 1999 and was just reelected as the Retiree Representative.

Given the expected ramp up of anti-pension forces, as well as the many open questions on funding issues Frank, OCERS and all other retirement fund boards face on an ongoing basis, we approached the forum with three major strategic goals in mind. For the sake of brevity, I will spare the reader a full discussion of supporting arguments in favor of simply stating these goals and the main takeaway conclusions Frank and I reached as follows.

Goal 1: Establish a firmer footing and enhanced relationships to influence research topics and efforts that better support our own state and local advocacy.

Conclusion: Economists have the expertise and op-

portunity to provide the key to enlightened retirement security public policy that can produce traction in policy circles – especially important at the national level and are open to research topic recommendations. However, current status of work completed is still not adequate to sway policy makers, leaving those policy makers no choice but to parrot populist solutions too often consistent with their chosen ideologies and, mostly, not supported by stringent academic research.

Economists, who are also not initially immune from ideological influences, can benefit immensely from challenges we local level policy advocates can provide. Such challenges should and can help call out missing research elements needed to fuel both compelling policy setting and advocacy arguments. Further, economists doing work across the political spectrum should be encouraged and supported to address the broader question of the value of workable retirement security polices and systems to the future and ongoing healthy economy. Note that concepts I had previously pitched and then discussed at the Forum are now under active consideration.

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One critical note of caution – Absent compelling evidence and bipartisan agreement that retirement security at functional and sustainable levels is critical and essential to a healthy ongoing economy, opening up the national policy issue would most likely be counterproductive. And, it is worth noting that the outcome of the November 8, 2016 election may well result in the issue coming to the forefront prematurely.

Goal 2: Determine if there is a sense that the Economy will continue to support pension commitments and funding assumptions, with particular focus on promising associated new or favored funding concepts.

Conclusion: How to fund the pension gap has been the key question since the economic downturn of 2007. Some elements discussed were encouraging, especially pegging the real gap at just 0.2% of GDP over 20 years, a far less dramatic characterization than pension opponents typically portray. On balance, options discussed, though helpful, did not come across as definitive, but rather just potential and partial solutions.

It is also clear that economic studies are not fully addressing the question of the econ-

omy's ability to support pension commitments. Nor have they addressed what would happen to the economy if the \$3.5 trillion of public pension working capital invested in the economy went away as some opponents advocate. Studies to date tend to focus, understandably, on more easily managed segment studies such as the damaging effects of income inequality to individuals and the community and general economy. Studies on the long-term effects of alternate retirement security policies, including no retirement security for major segments of the population, simply are not being tackled. This leaves public pension advocates weakly armed.

Concepts discussed like pension fund stress testing and utilization of fund projections would be helpful both on the advocacy side and on the operational side. Likewise, linking existing pension fund dollars, already paid out by taxpayers, to fund a major policy goal – specifically rebuilding aging local, state and federal infrastructure, would be a good match for use of pension funds, as well as a plus in the advocacy arena. But, it would not be without detractors and would need specific

and smart legislation to avoid problems. The pitfalls exemplified in Phil Angelides "Invest in California" must be analyzed and re-learned so that good money is not sent into weak investments by ignoring the economic facts. All other fixes proposed appear incremental at best.

One of the more frustrating elements of the conference we noted was the almost herd like acceptance that there will be significantly lower returns over the next five years. Frank Eley expressed his discomfort with this approach noting that he had experienced this same attitude among the investment consultants in 2001 and 2009. Yet for every one of the seven previous major declines of the US markets (defined as a loss of 25% from the previous high), there has been a subset of asset allocation categories that, if identified at the time, could have pulled the entire fund back to the funded level before the drop in less than three years.

Frank further noted that, while drops will occur, the fiduciary's duty is to attack the problem with the understanding that each drop represents investment opportunities for long-term investors like public pen-

sion funds. So, the answer is out there, it is up to the fiduciaries to recognize it and hold firm.

Having said that, it is not clear the extent to which the investment community culture puts their own earnings goals ahead of their role of supporting pension fiduciaries' responsibilities. This is becoming an increasing subject of discussion in both the fiduciary and investment financial communities.

Goal 3: Determine the state of Advocacy efforts and identify new resources.

Conclusion: New more resourced networking partners from around the nations are clearly available and willing to share and potentially work with us and other California public pension advocates. They come with models, in some cases, and shareholder information that we potentially can use both locally and through our state organizations and partnerships, such as that between CRCEA and RPEA. With increasing and now more politically empowered and homogenous opposition to counter, these resources should prove valuable to the extent we can connect with and utilize them.

As we expected, the event itself did provide the opportu-

nity to network and discuss the issues at length and substantively with presenters and attendees including economists Dr. Michael Kahn, Dr. Teresa Ghilarducci, and Dr. Stephen Kay, and advocate Claire Barnett, as well as various funding experts. This form of networking enhances the capabilities of REAOC and CRCEA for the benefit of all we serve.

CRCEA 2017 Spring Conference

Come one come all to the CRCEA Spring Conference April 24-26, 2017 at the beautiful Crowne Plaza Ventura Beach Hotel and Pier Into Your Future!

The Retired Employees Association of Ventura County (REAVC) looks forward to treating you to another exceptional CRCEA Conference in our beautiful city by the sea. Guests will find their accommodations lead them directly to a walk along the Pacific Ocean just out the hotel entrance, to the historic downtown, and historic Ventura City Pier. Hence the theme for our conference is 'Pier Into Your Future'.

We look forward to providing speakers and presenta-

tions that will be of interest including, How to Make Your Retirement Funds Last with Jerry Yen, Travel and Global Pathogens to MRSA with County Health Officer Dr. Robert Levin, Preventing Falls with Dr. Thomas Duncan, and a special presentation by the National Parks Service on the Channel Islands National Park among many others. In addition, the Downtown Historic City of Ventura is just a block away with numerous excellent restaurants, shopping, the San Buenaventura Mission and beautiful Ventura City Hall. Some may be interested in taking a trip to the Ronald Reagan Library and others may be interested in a Whale Watching Tour.

Hotel accommodations may be made through a link on the CRCEA website. We look forward to seeing you there!

Nancy Settle, President REAVC



Butterscotch Refrigerator Cookies

Beat until soft:

½ cup soft butter

Add gradually and blend until creamy:

1¼ cups packed brown sugar

Mix in:

1 beaten egg

1 tsp vanilla

Sift before measuring:

1¼ to 1½ cups all purpose flour

Resift with:

¼ tsp salt

1½ tsp double-acting baking powder

Mix the sifted ingredients into the butter mixture.

You may also add:

½ cup chopped nuts

After mixing the dough, form into a 2" diameter roll on a piece of wax paper, and wrap securely. Chill at least four hours, or overnight.

Slice ¼" thick cookies, and place on greased cookie sheet. Bake 400° for 8-9 minutes.

Let cool on sheet one minute, and then remove to cool completely on wax paper.

Makes approximately 3 dozen. May easily be doubled.

Enjoy!

*Merry
Christmas*



Upcoming CRCEA Conferences

Spring 2017
Ventura (REAVC)

Fall 2017
Alameda (REAC)

Spring 2018
Santa Barbara (RESBC)

Fall 2018
Marin (MCARE)

Spring 2019
San Diego (RESDC)

Fall 2019
Sonoma/Mendocino
(SCARE/AMCRE)

Spring 2020
Tulare (TCREA)

Fall 2020
Stanislaus/Merced
(RESCO/REMCO)

**WE HOPE YOU WILL BE
ABLE TO JOIN US FOR
GREAT INFORMATION,
NETWORKING, AND, OF
COURSE, FUN!**



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The Intercom is published
quarterly, and distributed
via e-mail.

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