



# THE INTERCOM

Newsletter of the California Retired  
County Employees Association (CRCEA)

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www.crcea.org

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## PRESIDENT'S MESSAGE

President Skip Murphy is currently on vacation on the East Coast. While there is no message for this issue, he is encouraging participation in the Fall Conference, where many different topics will be discussed.

## CHALLENGES OF HOSTING A CRCEA CONFERENCE

by Mike Sloan  
Vice President

### NOTE: THIS ISSUE WILL BE THE SUBJECT OF ROUNDTABLE DISCUS- SIONS AT THE FALL CON- FERENCE

During the last several years that I have been the CRCEA Conference Chair, I have been approached by representatives of several of our member associations, both

large and small, regarding challenges presented when planning to host a conference.

Previously, the answer for most of the questions about this subject could be answered by reading the Conference Manual. Unfortunately, there have been so many changes in the hotel industry regarding occupancy rates, which directly affect costs, that many questions asked today were not relevant five years ago. Consequently, they are not covered in the manual.

The occupancy rate will directly affect the hotel prices, and with the California economy going through a resurgence in the last few years, hotels have an almost 90% occupancy rate. This translates into hotels not needing to offer special incentives to fill their rooms, hence the ever increasing rates. While the room rates do not affect the cost of the conference, since these costs are covered by the attendees or their associations, they will definitely affect attendance. With budget limitations for

conference spending, higher room rates translate into associations sending fewer people.

Subsequently, the fewer people attending each conference will definitely have an effect on covering the cost of a conference, which leads to many associations' biggest concern, "Can our association afford to host a conference?"

Unfortunately, this is not an easy question to answer. There are no specific formulas that can be pointed to which will predict the success or failure of a particular endeavor. It goes without saying that the larger associations, with their larger budgets and income stream, will have little problem hosting one of these events. However, many of our smaller associations are barely scraping by with just their day to day expenses. Some have even questioned whether they will be able to continue as a viable organization.

That being said, some of our smaller associations have

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recently hosted conferences on a shoestring budget, and the result was outstanding. The most recent example is Kern County. They worked very hard to solicit donations from the community, and our CRCEA Affiliates, and they did not even ask CRCEA for the usual donation. So, it can be done, but it does take hard work and diligence on the part of the hosting committee.

**Concerns stated:** At least two counties (one is the 7<sup>th</sup> largest in CRCEA) have voiced concerns that they cannot afford to host a conference. One county is requesting to raise the conference attendee fee from \$45 to \$60. One county is asking, if they have any losses, will CRCEA cover those losses.

In an attempt to address some of these concerns, and possibly offer suggestions to alleviate those concerns, our focus at the Roundtable Discussions planned for the Fall Conference in October, will be the issue of conference funding and potential alternatives to the current conference schedule.

The first point of discussion would seem to be, do we need to have two conferences each year? If the answer is yes, then funding al-

ternatives need to be researched to assist the smaller associations with their hosting responsibilities.

One alternative that has been suggested is having a pool of funds for the northern half of the state and a pool for the southern half. In this manner, each association would contribute to the fund based on their financial ability. This fund would then be transferred to the hosting county prior to their assigned time. With this system, even the smallest counties, i.e., Imperial and Mendocino, should be able to host a conference without an overwhelming financial burden.

A second alternative to funding would be to increase the membership dues paid to CRCEA, and have the increase set aside for funding future conferences. Currently, the CRCEA budget would not allow much more in the way of funding than is now offered. A slight increase would be possible, but it would not be sufficient to make enough of a difference for the smaller counties.

A third option would be to have two or more counties work together to present a joint conference for their area, instead of just one specific county. This has worked

successfully in the past with Mendocino and Sonoma counties joining forces. Or, one or two counties at each end of the state could host all the conferences with other counties in the group providing manpower and solicitation of donations. While this might seem a little daunting to try to host each year, once a program has been established, it can be quite simple.

This option would most likely require a new CRCEA Conference Committee, which would oversee the logistics of this type of plan. This would also be the time to find a hotel chain that would offer a 3 to 5 year contract which could greatly reduce costs.

A fourth option would be to only hold the conference once per year, instead of twice (which would work better with option 3), but still rotating between the north and south ends of the state. The problem with this is that there would be a very long stretch between times the Board of Directors (Delegates) would meet to make decisions affecting the state organization.

Additionally, at least one association has asked if they could increase the cost of the banquet dinner to \$60

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(the Fall 2016 banquet fee will be \$50). Again, at some time you will reach point of diminishing return, and will begin to price yourself out of the market. For a \$60 dinner, the recipients will be expecting something really spectacular, or they will just decide to forego the banquet altogether.

Another suggestion was to bring in a caterer that could provide a much less expensive meal. The problem here is that you will be hard pressed to find a hotel that would allow you to bring in an outside caterer. We are seeing this now with our hospitality times. Most hotels will not allow outside food or drink to be brought in for any reason. The food, beverage, and Audio/Visual portions of the contract are their cash cow, and they are going to be very reluctant to give that up.

**DELEGATES:**

Please discuss these various issues with your Boards of Directors before the conference to bring a consensus of your county to the discussion. For the benefit of those counties responsible for hosting conferences in the near future, we will need to make some sort of decision regarding the best way to proceed in the future.

Also, if you, or your Board, feel there are additional alternatives which should be discussed, please send me your ideas, and I will see they are incorporated into the discussion. You may reach me at: [mesloan1@aol.com](mailto:mesloan1@aol.com).

As an aside, after the October conference is over, I will be turning my attention to rewriting the Conference Manual. I have had many suggestions regarding changes and updates that member counties would like to see incorporated in the manual, and all will be considered. If you have read the manual, and feel there are certain areas you would like to see added or improved, please don't hesitate to let me know.

Thank you.

**Grandma's Apron**

The principal use of Grandma's apron was to protect the dress underneath, but along with that, it served as a holder for removing hot pans from the oven; it was wonderful for drying children's tears, and on occasion, was even used for cleaning out dirty ears.

From the chicken coop, the apron was used for

carrying eggs, fussy chicks, and sometimes half-hatched eggs to be finished in the warming oven.

When company came, those old aprons were ideal hiding places for shy kids, and when the weather was cold, Grandma wrapped it around her arms.

Those big aprons wiped many a perspiring brow bent over the hot wood stove. Chips and kindling wood were brought into the kitchen in that apron.

From the garden, it carried all sorts of vegetables. After the peas had been shelled, it carried out the hulls.

In the fall, it was used to bring in apples that had fallen from the trees.

When unexpected company drove up the road, it was surprising how much furniture that old apron could dust in a matter of minutes.

When dinner was ready, Grandma walked out on the porch and waved her apron, and the men knew it was time to come in from the fields for a meal.

It will be a long time before anyone invents something that will replace that old apron.

**2016 NCPERS NATIONAL  
CONFERENCE  
- BRANCHING OUT -  
by Lou Scarpino, REAOC**

As the effort to preserve current and future retirees' benefits morphs further into the national arena, branching out to proactively utilize the resources CRCEA and member associations have available to us at the national level makes a lot of sense. One of these resources is the National Conference of Public Employee Retirement Systems (NCPERS) whose 2016 annual conference was held in San Diego and attended by this writer, courtesy of REAOC, and CRCEA president Skip Murphy funded through SDCERA. Participation is intended to build on our own work and existing memberships in NCPERS to expand our capacity for effectiveness in the broader battle to protect retiree rights and benefits. With this in mind, a quick overview of NCPERS is first in order.

As a national organization, NCPERS members include state, county and local public employee retirement systems and related groups such as REAOC. Also included are stakeholder corporations and businesses involved in pension related services such as: investing, consulting, legal, audit, administration and

analytics. Governance is provided through a 16-member executive board elected by delegates from each of the 50 states and from the U.S. territories.

This year marks NCPERS' 75<sup>th</sup> anniversary, a year in which several important milestone projects, discussed below, have come into their own. NCPERS provides many valuable resources. These include an active Research Branch, directed by Dr. Michael Kahn, a forum for current and historical topics and research studies from corporate and pension fund member organizations used in support of NCPERS's ongoing member training. There is also a major thrust that tracks and coordinates pension development and related political and legislative activities with states and other related national and state organizations. The San Diego Conference provided an opportunity to meet and work with a number of the 850 participants including approximately 50 exhibitor service providers and researchers across the pension services community.

**13 Retirement Security Support Resolutions:** A package of 13 Resolutions to advance the cause of sustainable retirement se-

curity for all was put in place at the 2016 Conference. NCPERS has long been an advocate of Defined Benefit (DB) retirement plans. They have also observed and studied the extensive demise of these plans in the private sector that generally came with a lack of equal value and performing replacements. The result has been a dramatic lack of retirement readiness of the first generation of private sector employees at or past retirement age, with a worse prognosis for future retirees.

NCPERS has also led the fight against DB opponents that have seeded and nurtured a pension envy strategy to pit private sector against public sector employees. To counter this, NCPERS has been at the forefront of the effort to reinstate DB plans in the private sector because of both the inherent value to the growth of the national economy that DB plans provide, and to undermine the counterproductive pension envy component that has become a part of the political landscape. Twelve states are actively looking at the NCPERS created private sector DB Plan proposal known in California as the *Secure Choice Plan*.

**Research:** Dr. Michael Kahn, NCPERS Research Director, presented their latest study that examined the hidden societal cost of prevailing approaches to pension reform, most notably the push to move all workers to 401(k) and other Defined Contribution (DC) type plans. Using the data from the time period covering the first crop of private sector employees now retiring under the DC plan model, this new study reveals increased volatility at the national level for each 1% shift of the workforce. This is a major concern for individual retirement security. Moreover, while various measures are included in the study, the most dramatic reveal a major negative impact in the financial market using the S&P as the index, and individual revenues that showed volatility increases of 54% at the national level and 65% at the state level. The upshot of this: it is becoming clear that the 25 year shift of private sector employees to DC plans is having a serious, undermining effect on our economy with the attendant societal cost.

With the holidays fast approaching, here's a fast, easy recipe for candy to have on hand, or give as a gift.

**Microwave Peanut Brittle**

- 1 cup white sugar
- ½ cup light corn syrup
- 1 cup peanuts – salted or not (as you prefer)
- 1 tsp butter
- 1 tsp vanilla extract
- 1 tsp baking soda

Butter a cookie sheet or large pizza pan.

Combine sugar and corn syrup in a 2-quart glass bowl (easiest if it has a handle), and microwave on high 4 minutes.

Stir in peanuts and microwave on high 3 1/2 minutes more; then stir in butter and vanilla and microwave on high for 1 1/2 minutes.

Quickly stir in baking soda until light and foamy. Pour onto cookie sheet and spread thin.

Cool completely, break into pieces, and serve.

Helpful tips:

Heating the baking sheet a bit will help keep the brittle spreadable a bit longer. It sets fairly quickly.

Nuts other than peanuts may be used, or a combination.

To stir and spread the brittle, use a spatula sprayed with Pam, or other cooking spray. This will keep brittle from sticking.

As an option, you may sprinkle shaved chocolate, or chocolate chips on the hot brittle after spreading. Just let sit for 15-30 seconds to melt, and then spread the softened chocolate.

Either with chocolate, or without, this is delicious candy!



**CRCEA Fall Conference  
October 17–19, 2016  
WALNUT CREEK  
HOPE TO SEE YOU THERE!**



**AMENDMENT TO  
1937 ACT  
by Art Goulet, Chair  
Legislative Committee**

CRCEA was successful in gaining an amendment to the 1937 Act which will give the Alternate Retired Member of a Retirement Board additional opportunities to vote. Under current law, the Alternate Retired Member may only vote when the Retiree Member (8th member) of the Board is absent. AB 2376, which was signed by the Governor late last month, added the following new section to the 1937 Act:

*31520.6.  
Notwithstanding any provision to the contrary in Section 31520.3 or 31520.5, in any county in which there is an alternate retired member, if the eighth member is present, the alternate retired member may also vote as a member of the board in the event both the second and third, or both the second and seventh, or both the third and seventh members are absent for any cause.*

Translated, this means that the Alternate Retired Member may vote, even when the Retired Member is pre-

sent, if the Safety Member and one General Member, or both General Members are absent.

CRCEA has been interested for many years in expanding voting opportunities for the Alternate Retired Member, but previous efforts have been blocked by the Professional Firefighters Union, and SEIU apparently didn't think it was worth expending political capital on the issue. Fortunately, this year there was no opposition, and CRCEA achieved its goal.



**DID YOU KNOW?**

- the most commonly used letter in the alphabet is E
  - dreamt is the only word that ends in mt
  - there are only 4 words in the English language which end in 'dous' (they are: hazardous, horrendous, stupendous and tremendous)
  - the dot on top of the letter 'i' is called a tittle
  - paper originated from China
  - each time you see a full moon you always see the same side
  - the longest possible eclipse of the sun is 7.31 minutes
  - Halley's comet passes the Earth every 76 years (the next time it will return will be 2062)
  - there is no sound in space
  - Earth is the only planet not named after a god
  - bulletproof vests, fire escapes, windshield wipers, and laser printers were all all invented by women
  - cats can jump up to 7 times their tail length
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**Identity Theft Could Happen to You**

In 2015, an estimated 17.6 million Americans were victims of identity theft. While identity theft can happen to anyone, consumers over 50 can be particularly vulnerable.

Identity theft happens when someone steals your personal information, such as your Social Security number, address, phone number, or financial account information, and uses it to open up lines of credit in your name.

Your first line of defense is being aware of what is going on in your accounts. With online banking and mobile apps, it's never been easier to check in on your accounts to make sure you recognize all of the charges. It's also highly recommended to review your credit report at least once a year – it's a free service at: [www.freecreditreport.com](http://www.freecreditreport.com).

**How do thieves get my information?**

There are many ways, but the three most common are:

Dumpster Diving - taking information from your trash or mailbox.

How to protect yourself: Sign up for e-statements. You'll receive an email notification when your bill is ready, and you never have to worry about it landing in the wrong hands. If you do receive paper statements, be sure to shred them.

Social Engineering – this one should keep us all on our toes. It's when someone pretends to be from a company, or organization, and gets you to reveal personal information. A common example is someone calling saying you won a cruise, they just need your credit card and driver's license number to secure your spot.

How to protect yourself: Beware of something that seems too good to be true. Social engineers know the two major motivators in life are fear and excitement. If someone is calling out of the blue saying that the IRS is suing you, or that you have a major debt to payoff, these are fear tactics. Hang up, check your credit report and/or contact a number that you know to be accurate for that business.

Phishing (pronounced "fishing") – this typically comes in the form of an email or text message. Similar to social engineering, the purpose is to get you to reveal personal information by

pretending to be from a company or organization. Phishing is especially tricky because fraudsters can easily mimic a legitimate company's website or email. If you receive an email saying your account has been hacked, please click here to login and verify your account, be careful. The link you are actually clicking on may look right, but would actually be providing someone else with your username and password.

How to protect yourself: Don't click on a link in an email. Your best line of defense is to go directly to the company's website or app.

Also, beware of attachments. If you weren't expecting that Word document, PDF, or image, don't open it. It can contain malicious code that gives someone access to your computer without your knowledge.

Savvy thieves are also known to send you a link that says, "I sent you pics of the grandkids, click here to view." If you weren't expecting the email or text, reach out to whom you think sent it and ask before you click on anything.

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**What should I do if I think my information is stolen?**

It's important to know that you are never held responsible for fraudulent charges made on your accounts. That said, if an identity thief has opened accounts you were unaware of, it could take awhile to get everything cleaned up. It's good to be prepared and take quick action.

Here's what you should do:  
Contact the credit reporting agencies and place a fraud alert on your credit file:

Equifax: 800-525-6285  
Experian: 888-397-3742  
TransUnion: 800-680-7289

Monitor your bank and other account statements for unusual activity.

Visit [www.identitytheft.gov](http://www.identitytheft.gov) to report identity theft and for a recovery plan.

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Arrowhead Credit Union*



**Is the Environment Evolving To Cooperation?  
by Lou Scarpino, REAOC**

You're right. We could not possibly be referring to the 2016 presidential race for oh so many reasons. What we are talking about is something that evokes similar disbelief and amazement. I'm referring to the 28<sup>th</sup> Annual Southern California 2016 Public Retirement Seminar that provided important updates in support of a large part of our CRCEA and member associations' mission. The good news is that the pension environment appears to show some signs of evolution from contention to a point where cooperation may be on the horizon. So what does this mean?

Before addressing the question, a quick overview is in order. This seminar provided an annual update for all stakeholders involved with California's State and local retirement systems, including CalPERS, CalSTRS and 1937 Act systems, under which CRCEA Association Member Retirement Systems operate. The agenda this year followed the customary format of a keynote address provided by California State Controller Betty Yee. CalPERS' CFO Cheryl Eason and Senior

Pension Actuary Todd Tauzer were next, followed by the legislative update provided by pension committee consultants Pam Schneider for the Senate and Karen Green for the Assembly. Employer and Labor perspectives were next. The day ended with an actuarial technical session provided by Actuary John Bartel.

With the dramatic economic downturn in 2008 and slow recovery and re-engineering of the economy, pensions and stakeholders have had to operate in an extremely volatile environment that has challenged each sector's core, and forced reexamination by each. Lawsuits, pension opponent initiatives, pension opponent dark money generously spent, private sector workers without retirement savings, State and local deficits, city bankruptcies using pensions as scapegoats, falling returns from financial and real estate markets' volatility, enhanced pensions, longer life spans, and fewer active employees to retirees ratio, all combined to force this reexamination. Missing from all this was, to a significant extent, the all-important cooperative element needed for smooth functionality.

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State Controller Betty Yee, a CalPERS Board member, set the tone by recapping history and relevant statistics. She discussed current bright spots in the pension world that indicate to this writer that we are now beginning to see the results of these sectors' reexaminations. This, coupled with the improved economy, new court decisions now in place, including those stemming from the REAOC and several other Association cases, pension reform legislation now in place, and little or no raises - allowing employer budgets to catch up, all contributed to an evolution that has set the stage for some cooperation among sectors.

Forward thinking includes reexamining investment practices and reducing the amount of investment risk that systems have taken on in response to the recession. In addition, proposals such as using pension fund monies as a major source for the crumbling infrastructure problem, by investing in revenue producing public works projects, is an idea under active consideration.

Against this backdrop, pension opponents have pulled no less than three onerous pension initiatives initially intended for the 2016 election, leaving mostly presi-

dential politics to occupy the political agenda. But the threat posed by opponents, who many believe have a goal of no less than total elimination of defined benefit pensions, plays prominently into the forward-thinking of all speakers who believe anti-pension initiatives in California will be ongoing every two years for the foreseeable future. In addition, the issue will increasingly have to be fought at the federal level and may include some of the California initiative players.

According to presenters, the good news is that examination of public sentiment indicates that the public really does want a fair shake for public employees. The bad news is that opponents to public pensions remain very active, and learn from each other's efforts at the State and local levels. Speakers noted that polarizing arguments are magnified at the national level.

Finally, it is worth noting that case law has undermined pensions and other pension benefits of active employees, and to a lesser extent, current retirees. While initial attacks do not seem to focus on existing retirees, increased damaging case law cannot be

ruled out. As a result, diligence to defend our existing public pension plans, acknowledging and implementing actions to fix problems, and reinstating defined benefit pensions in the private sector, all are seen as the best defense.

**Upcoming CRCEA Conferences**

Spring 2017  
Ventura (REAVC)

Fall 2017  
Alameda (REAC)

Spring 2017  
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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