



THE INTERCOM

Newsletter of the California Retired
County Employees Association (CRCEA)
April 2020

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PRESIDENT'S MESSAGE

The year 2020 is upon us. It started with the expected turn of the calendar and then it exploded. We can only hope that "this too shall pass" and things can get back to some semblance of normalcy (whatever that is).

I spoke last time about the disheartening cancelling of the October Conference in Sonoma. Well, once again nature has descended its vengeance on us with the COVID-19 situation. As a result, we are mandated to again cancel a conference, this one in Tulare. The work done by our host counties cannot just be ignored. I said it before, and will continue to praise the efforts and time put in by those who host our conferences. The association officers and vol-

unteers always put forth work on behalf of hosting to ensure that their local association shines, and to also ensure that the conference itself is a positive one. To those folks, let me say, "Thank You!".

With the reference to the virus, I hope that each of you is taking the precautions necessary to keep yourself healthy and safe. This social distancing can be stressful, but it does appear to be necessary. Whether we like to admit it or not, we are in that demographic most susceptible – we are getting older.

As you know, in addition to my wife, my family consists of a law enforcement daughter, a granddaughter in Florida working for Disney, and a grandson who is a college senior in Pennsylvania. All those three outside my home seem to be in a position that opens them up to possible exposure. First responders? Well, that goes without saying anything else. Hospitality and crowds? Even with the shutdown, who knows what happened prior to that

shutdown. Colleges and close contacts? Yep. In fact he was given 26 hours to vacate the dorm for what was supposed to be a two-week period. A California kid in Pennsylvania used common sense and went to visit his sister in Florida. Then a week later was told that the semester was over and make an appointment to pick up your belongings back at the college and go home; only to be followed by a follow-up notice that they would not be allowed back at the college until further notice and go home. Arrangements were made and undone once, twice, then a third time. Talk about stress on all three of them. All mom and dad (grandma and grandpa) could do was give them support.

Yeah, I took some personal privilege here to rant, but so far all is good, both health wise and in a material sense. But, I am also certain that I am not alone in this, or a similar situation. Some have elderly parents still around. I can only imagine what sort of stress this

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creates. Those with parents, kids away, or grandkids want to stay in touch. While we can't, we must do so by phone, Facetime, Skype, or some other mechanism.

Hey, I am no politician, doctor, or psychologist. Just a person trying to stay cool and calm, and hoping each of you can do the same.

The proposal for a bylaw change that would stagger the terms of the officers on the Executive Committee and the staggering of elections that should have taken place in October, and then put over to April, will need to be re-worked to accomplish the goal intended. I am working on the revised proposal that will get us where we want to be. This proposal, and the rationale, will be sent to all associations for review and possible action. Our Bylaws Committee will have to weigh in.

The Executive Committee asked for input on a more global look at our bylaws, and that will be reviewed to try to do some "clean-up" to keep us up-to-date.

As always, we each continue to monitor what has been going on across the state and across the nation. As matters come up, we share via email or phone calls, some-

times getting to some solution, or preparing for the next meeting to have an in-depth discussion.

Most recently, Orange County REOC had their on-going retiree health issue back on the front burner. CRCEA has always been supportive of their cause. With the matter now being heard again, we filed an amicus brief in support of REOC' position. Let's all keep our fingers crossed.

Elsewhere in this newsletter is an update on the CalPERS LTC action. It appears that any settlement may be a wish, and the court date should happen later in the year.

The Technology Committee recently provided an update on its efforts and some recommendations to move CRCEA forward into the technology age with specific direction on improving member communication and efficiency of the organization. Gene Pennington and the committee are working hard and pulling some specific information together, with a full report on their efforts forthcoming.

As I close, I want to again urge you to be careful and stay safe, while at the same time keeping your mental

health and your physical health up. Clearly this organization could not be what it is without your help.

Until next time.....



SKIP MURPHY, President

Future CRCEA Conferences

Fall 2020
Stanislaus/Merced
(RESCO/REMCO)

Spring 2021
Los Angeles (RELAC)

Fall 2021
Fresno (REFCO)

Spring 2022
Orange (REAOC)

Fall 2022
Sacramento (SCREA)

Spring 2023
San Bernardino (RESBC)

Fall 2023
San Joaquin (RPESJC)

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

COVID-19

Protect yourself
and loved ones

Help prevent the spread of respiratory diseases like COVID-19

+ WASH YOUR HANDS

Wash your hands with soap and warm water regularly.



+ COVER A COUGH OR SNEEZE

Cover your cough or sneeze with your sleeve, or tissue. Dispose of tissue and wash your hands afterward.



+ DON'T TOUCH

Avoid touching eyes, nose or mouth, especially with unwashed hands.



+ KEEP YOUR DISTANCE

Avoid close contact with people who are sick.



+ STAY HOME

If you experience respiratory symptoms like a cough or fever, stay home.



+ GET HELP

If you experience symptoms of COVID-19 (cough, fever, shortness of breath), call your health care provider or local health department before seeking care.



MORE INFORMATION

Follow the California Department of Public Health:
@capublichealth and www.cdph.ca.gov/covid19



**CalPERS Long Term Care Lawsuit (Sanchez, et al v. CalPERS)
March 2020 Update
Michael J. Bidart, Attorney
Shernoff, Bidart and Echeverria, LLP**

We wanted to provide an update of the most recent developments in the CalPERS Long-Term Care Fund Class Action case.

As we have previously advised, Judge Layn Phillips was appointed as a Settlement Master by trial Judge William Highberger. Judge Phillips met with Kari Krogseng (who is Chief Counsel for the California Department of Finance) on Tuesday February 18, 2020.

Prior to the meeting, Judge Phillips met with Judge Highberger and in addition, we provided Judge Phillips with some talking points that we thought would be helpful for him to have when speaking with Ms. Krogseng. Judge Phillips provided us a report of his meeting, which he said was cordial, but unproductive. Basically Ms. Krogseng informed him that the State has no interest at this time in working to assist in settling the case and indicated to Judge Phillips that as far as the State is concerned this is CalPERS' problem and not a problem for the State of California.

Judge Phillips then reported on the outcome of his meeting with Ms. Krogseng to Judge Highberger, and within a short period of time on February 19, Judge Highberger contacted all counsel to set a trial setting conference. We appeared in Judge Highberger's Court on February 20, and again on February 26. Judge Highberger issued the attached [Proposed] Statement of Decision. There will be a hearing on March 13, 2020 on each party's objections to this [Proposed] Statement of Decision, but we do not expect Judge Highberger to materially change the Statement of Decision. The effect of the Statement of Decision will be those who purchased Inflation Protection will be able to proceed to trial on the breach of contract claim that the 85% premium increase was "as a result" of the Inflation Protection Benefit. The Statement of Decision will also preclude the claims of those members who purchased Lifetime only without also purchasing Inflation Protection.

At the invitation of Judge Highberger, we will also be filing a motion to amend the Complaint to specifically name the defendant as "California Public Employees Retirement System, *an agency of the State of California.*" This amendment, and also the briefing which we are filing, is intended to obtain a Court ruling that the State of California is ultimately responsible for paying any judgment against CalPERS. We will also amending the Complaint to include a Declaratory Relief Cause of Action seeking to compel CalPERS to roll back the 85% premium increase in the event of an adverse verdict. This proposed amended Complaint and the briefing will be filed on March 11. The Court has encouraged the parties to file legal briefs so he can rule upon whether the State will be responsible for any judgment against CalPERS in this case.

Judge Highberger has set a 15 day trial beginning on September 16, 2020. Below is the schedule of events which the parties have agreed to of upcoming court hearings and trial preparation deadlines.

Revised Schedule

March 11 – Plaintiffs’ motion to amend their Complaint

March 25 – CalPERS’ opposition to Plaintiffs’ motion to amend

July 21 – exchange witness lists, physical copies of exhibits and exhibit lists, stipulations, joint statement, jury questionnaire and verdict forms

July 31 – close of expert discovery

September 4 at 10:00 a.m. – Final Status Conference (including hearing on MILs, jury instructions, etc.)

September 9 at 10:00 a.m. – Trial readiness conference

September 16 at 10:00 a.m. – Trial starts (Expected length - 15 days)

We will continue to provide you updates on significant events as they occur in this case. If you have any questions, please contact us.

(NOTE)

The most important part of this entire memo is these two sentences:

“At the invitation of Judge Highberger, we will also be filing a motion to amend the Complaint to specifically name the defendant as “California Public Employees Retirement System, an agency of the State of California.” This amendment, and also the briefing which we are filing, is intended to obtain a Court ruling that the State of California is ultimately responsible for paying any judgment against CalPERS.”

If the new amendment moves forward, and the jury finds that California is culpable, then the fact that CalPERS could go bankrupt if they lose this suit will be a moot point. The only major issue after this point is what will the damages be, and how will they be awarded.

**UPDATE – March 23, 2020
Michael J. Bidart, Attorney
Shernoff, Bidart and Echeverria, LLP**

I wanted to provide a brief update as to the status of the CalPERS Long-Term Care Fund Class Action case. The COVID-19 pandemic has impacted all of our daily lives, and the civil courts are no exception. Currently, the Superior Court for the County of Los Angeles is closed for all non-emergency matters. This would include the CalPERS LTC Class Action case.

Several hearing dates have already been continued by the Court. The Court has continued the hearing on the Statement of Decision to a date to be determined, but no sooner than April 17, 2020. The previously scheduled hearing date for the Motion to Amend the

Complaint has been continued from April 10, 2020 to May 14, 2020 at 1:30 p.m. The Court's Further Status Conference scheduled for April 14, 2020 has also been continued to May 14, 2020 at 1:30 p.m.

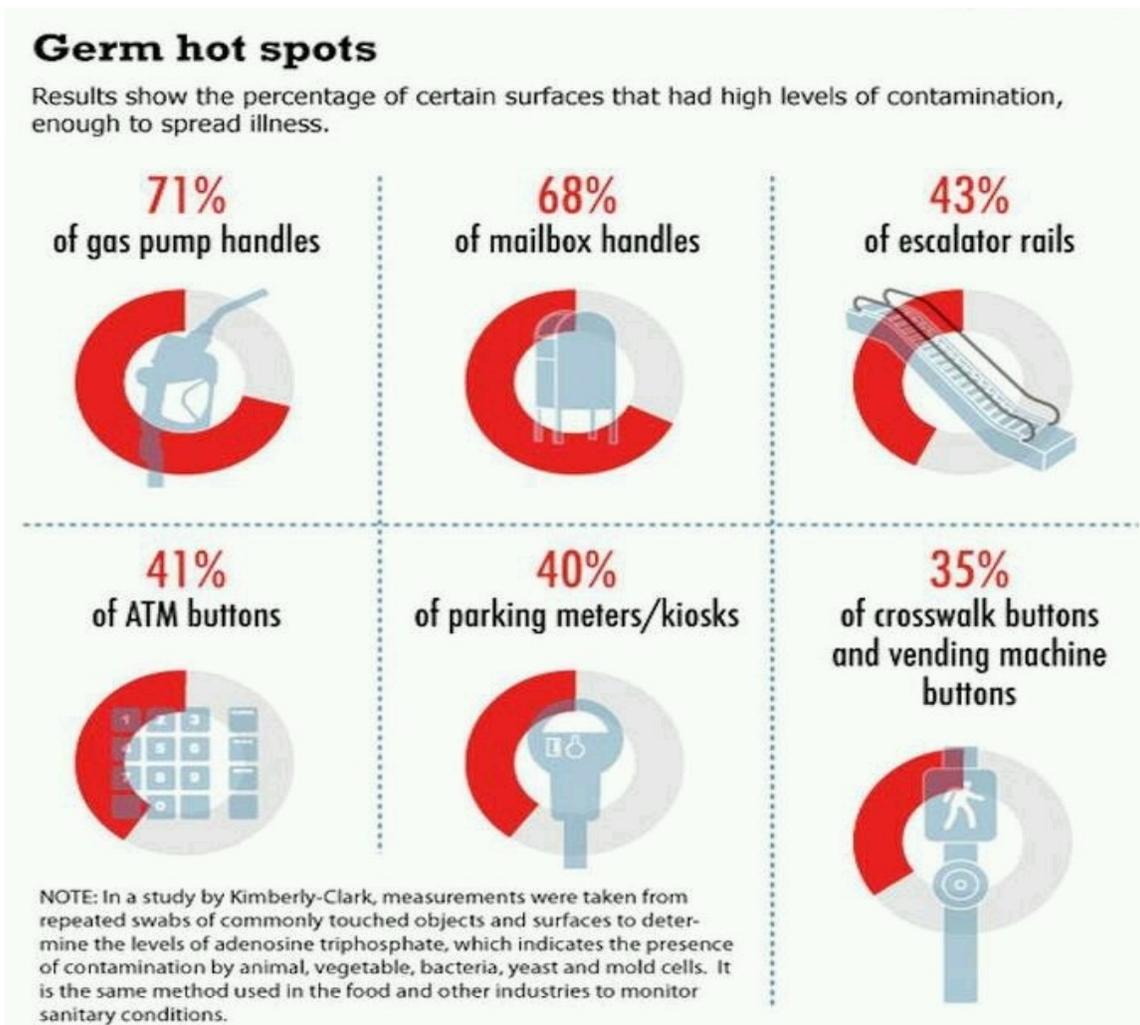
Additionally, below is a link to a Sacramento Bee article which describes the impact that the recent events, and the stock market downturn, has had on CalPERS. This may ultimately factor into our settlement efforts. Time will tell.

<https://www.sacbee.com/news/politics-government/the-state-worker/article241391841.html>

We will continue to keep you advised of the further developments in the CalPERS Long-Term Care Fund Class Action as they occur.

If you have any questions, please contact us at 909-621-4935.

GOOD TO KNOW!



**AFFILIATE COMPANY RECRUITMENT ISSUES
by Mike Sloan, Chair of the Affiliate Committee**

I originally wrote this article last September as a memo to the Executive Committee, with the intention of presenting the information to the membership at the Sonoma County conference in October of last year.

After that conference had to be cancelled due to the fires in northern California, I decided to make this subject a focal point at spring conference in Visalia. Now that conference has also been cancelled, due to the coronavirus pandemic, I felt that presenting this information via the newsletter was the best alternative.

It will come as no surprise to any of the Executive Committee and/or Delegates that our Affiliate Program is in dire straits. To illustrate that, I offer a short history lesson regarding the program and recruitment efforts over the years.

At my request, our CRCEA Historian, George Shoemaker, has researched this issue and has found that Affiliates were first listed in a conference program for the 1994 Fall Conference in Santa Rosa. At that time we had 24 Affiliates. I won't list them here, but if you are interested, I can email you a complete list.

Today only one current Affiliate (Pacific Group Agencies) was a member of that 1994 group.

It was apparent from the makeup of the early Affiliates (most of them were investment companies) that they were trying to woo the retirement board trustees who were also on the CRCEA Board of Directors. As the leadership changed from mostly trustees on the Board to a more general membership, we began to lose value for these investment companies.

In the spring of 1995, we actually gained a couple of new Affiliates for a total of 28. However, in the spring of 1997, we dropped down to 23. By the fall of 1998, we were down to 13, and by the spring of 1999 we were down to 10. In the fall of 2000, we were down to 8. This is the highest number I recall in my tenure, and of those 8, I only recognized one name, Pacific Group Agencies.

The number of Affiliates bounced from 10 to 15 for a few years, but by the spring conference of 2009, we only had 5. In the next few years, we went back up to around 10, but by the fall 2013 conference, we were down to 6. At the spring 2018 conference we were down to 5 again.

As of this writing, we only have five paid Affiliates. And, of those, four have been with CRCEA for more than five years.

I have been a member of CRCEA for about 13 years, and have been attending conferences on a regular basis for the past 12 years. I clearly remember at my very first con-

ference hearing Bill de la Garza making a plea to the attendees to assist him in attracting new Affiliates. Those pleas pretty much fell on deaf ears.

After becoming a member of the Executive Committee, I saw firsthand the frustration Bill faced in trying to entice our membership to help him locate possible candidates for our Affiliate Member program.

I always appreciated the job Bill did and all his efforts, but no more so than right now.

I don't have the answer for the issue of declining interest by potential Affiliate membership in our Association. However, I have been told by departing Affiliates, who decided not to renew their membership, after one or two years, that the rate of return on their investment was way too low to continue membership in CRCEA.

One company, Crucon Cruise and Travel Outlet, stated that during the one year as an Affiliate, they did not receive a single request for their services from our Association.

In the past year alone, I have received a few suggestions, and followed up by submitting letters to five different companies (some large and nationally recognized) who some members felt would profit from being an Affiliate.

I sent each of them a lengthy email describing our Association, and the benefits that would be available to them for a small advertising investment. I also requested that they put me in touch with their marketing department so we could discuss this offer more in depth.

How many responses did I get? ZERO! I did not even get one single acknowledgement that I even contacted them.

There is always a possibility we could form a committee to research this problem, but with the lack of interest in this issue, I highly doubt if you would get any one to volunteer.

The Affiliate program has always been an intricate part of our operating budget, so this lack of income could affect future decisions regarding Association operations. The money would have to come from somewhere, and the only other alternative would be an increase in dues.

Any suggestions, or ideas, would be greatly appreciated, and you may send them to me at mesloan1@aol.com.

I look forward to hearing from you!



**CRCEA
Executive Committee**

E.F. "Skip" Murphy
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Doug Fletcher
Vice President

Carlos Gonzalez
Treasurer

Virginia Adams
Secretary

William "Bill" de la Garza
Immediate Past President

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Audit/Finance
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Legislative
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E.F. "Skip" Murphy

Membership/Benefits
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Retirement Security
George Shoemaker

Technology
Gene Pennington

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Contra Costa County
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Kern County
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Mendocino County
Sue Thornhill

Merced County
Jacqueline Walther-Parnell

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(continued)**

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Linda Robinson and
Doug Storm

Sacramento County
Randal Angeloni

San Bernardino County
Deborah Barmack

San Diego County
Stan Coombs

San Joaquin County
William Mitchell

San Mateo County
Linda Bruzzon

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