

WEDNESDAY SEPT. 16, 2015

PRESIDENT'S MESSAGE:

By Annette Paladino

Hello, Retirees: I'm happy to report that things at RESBC are going great! First, we just launched our new website – www.resbc.us. Take a look, and be sure to click on "Gallery" to view photos of your old friends and maybe a surprise shot of you!



Also, this past quarter, we offered social events for our members' enjoyment. We had an informative luncheon, with guest speaker Supervisor Steve Lavagnino, had a rockin' good time in Hollywood at "Motown-The Musical," and I anticipate another grand slam fun time at Dodger Stadium on 8/16. For December, we are planning a trip to the Hollywood Magic Castle, with a gourmet dinner and an amazing magic show. Don't miss it!

Not everything at RESBC is fun and games. We also are dedicated to educating you about public employee pension issues. The past few years have seen persistent efforts, financed by out-of-state billionaires, to greatly modify or eliminate public employee pensions. Please read, in this issue, about the latest pension security challenge – the proposed Voter Empowerment Initiative that, if successful, will amend the CA constitution to subject all public employee retirement benefits to voter approval.

We know pensions, especially "Defined Benefit" plans, do cost the taxpayers a lot of money, and the big problem is many taxpayers and politicians feel that pensions are not a good use of public funds. However, amazingly, everyone apparently agrees that use of public funds to finance professional sports stadiums is a totally appropriate use of tax dollars. I recently saw a news story on outlandish fan amenities at stadiums such as the Marlin Stadium mega-fish aquarium, the Bengals holographic instant replay system and the Dallas Cowboys elevated swimming pools from which the fans can watch the game. Now, you might be thinking – how cool – wish we had more of that at Chavez Ravine. However, it's not so cool when you hear that all of these features have been financed with taxpayer money – the same public funds that many people begrudge for financing public employee pensions. Over the past several years, 12 billion dollars in public funds were allocated to sports stadiums – some in cities like Detroit that cut public employee pensions.

Studies show that lifetime defined benefit pension payments actually improve the local economy by supporting

Continued on page 6 SEE "PRESIDENT'S MESSAGE"...

George Bobolia Luncheon

The Frog Bar

Glen Annie Golf Course
404 Glen Annie Road, Goleta

11:00 AM Registration; 11:30 AM Business Meeting

12:00 Noon Lunch

PLEASE MAKE RESERVATIONS BY: **Sept. 1, 2015**
please use the reservation form on page 7

Cost: \$20.00 per person retiree and 1st guest
\$25.00 for additional guests
(\$25.00 per person at the door)

Directions to Glen Annie Golf Club and the Frog Bar

Take US 101 to Exit 108 (Glen Annie / Storke Road) and turn towards the mountains. Proceed up Glen Annie Road for about 0.6 miles. The entrance to the Glen Annie Golf Club is on the left about 300 yards past the intersection of Cathedral Oaks Rd. Come up the entry road and park in the parking lot. The Frog Bar is near the entrance and easy to find.

CAR POOLING CAR POOLING



This luncheon is popular so please make reservations early. We hope you are able to make it and enjoy the good times. Try carpooling with friends who are planning to attend. If you are driving and have room in your vehicle for others, please call our VOICE MAIL at 568-5933 and leave your name and phone number. Those in need of a ride, please do the same. Our secretary will be monitoring the voice mail and will make every effort to get people connected.

By Greg Mohr

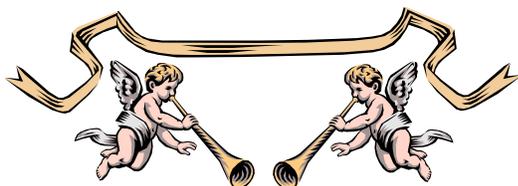
The CRCEA's Retirement Security Committee (RSC) was busy in June and July reviewing and commenting upon the latest assault on public employee pension programs: Initiative 15-0033, commonly known as the latest "Reed Initiative." Please recall, Charles "Chuck" Reed is the former San Jose mayor who fooled San Jose voters into approving a pension-gutting initiative several years ago. That initiative still is mired in litigation, thereby costing the city more than they might save in a couple of generations of pension-gutting. He and a few others seem to have taken it upon themselves to spread that pain and destruction as far as possible.

Their latest effort is called by its proponents, quite deceptively, the "Voter Empowerment Act of 2016." The RSC, largely through the work of Co-Chair Mike DeBord of the Sacramento retirees' assn., has reviewed both the initiative text and ballot summary submitted by the proponents prior to approval for petition circulation. In a nutshell, the initiative has many fatal flaws, which the RSC declined to comment upon, preferring to let it swing in the breeze and probably be rejected by the CA Atty. General for circulation. However, we did re-write the ballot title and summary for the AG's consideration. Our text reads as follows, within the 100-word limit prescribed by law:

"PUBLIC PENSIONS. CLOSING PUBLIC PENSION SYSTEMS TO NEW EMPLOYEES. INITIATIVE CONSTITUTIONAL AMENDMENT.

"Prohibits new public employees hired on or after January 1, 2019 from enrolling in "defined benefit" pension plans without specific voter approval, by jurisdiction, for 5,000+ state and local entities. Closes public pension systems in California to new employees; prohibits enhancement of "defined benefit" plans; and limits government employers to pay no more than ½ of total retirement costs for new employees, without voter approvals. Overrides certain California Constitutional provisions and State statutes, independent retirement board authority, future labor agreements, and State agency enforcement of collective bargaining laws."

The CRCEA Retirement Security Committee is following this issue closely. RESBC will keep you informed here. Stay tuned.



IN MEMORY OF

Arnold, Edna
 Baum, Eugene
 Everett, Edward
 Harrison, Harold
 Riel, Martha
 Schrader, Richard
 Loicano, Lois
 Lovelady, Bill
 Mcculley, Harold
 Montgomery, Norma
 Morehouse, Malcolm
 Osterbauer, Gail
 Pedersen, E
 Smith, Madelyne
 Cozart, James
 Duran, James
 Meehan, Margaret

RETIREE TRAVEL CLUB NEWS



NO MEMBERSHIP FEES,
 JUST **FUN** TRIPS!!

UPCOMING TRIPS

09/24/15 Rome-Sorrento-Pompei-Sicily
06/04/16 Coastal New England
09/02/16 Canadian Rockies train trip

For details on pricing, itineraries and Travel Club membership, contact Annette Paladino at AnnetteAPaladino@Gmail.com.

**RAY ROMERO
LUNCHEON
6/19/15**



**RESBC
May 16, 2015
MOTOWN Trip**

RETIREMENT NEWS

Submitted by **Zandra Cholmondeley**, Retirement Board Trustee



Pension Fund Returns: At the fiscal year ending June 30th, 2015 the Fund totaled \$2.51 Billion and preliminary results of the Fund's annualized investment return was 0.4 percent. All in all, it was not a good year for pension funds. Emerging markets continued to underperform, offsetting gains in domestic equity, private equity and real estate. However, pension funds invest for the long term and SBCERS average investment return over the past 25 years, which includes the 1991, 2001 and 2008 recessions, is 8.2 %, exceeding the assumed rate of return of 7.5%. More recently, the average return for the past three and five year periods is 7.7% and 9.2% respectively.

Asset Allocation: Over the three- month period ending June 2015, SBCERS Board reviewed the Fund's asset allocation and discussed various alternatives including further de-risking strategies as well as asset reallocation which might increase returns with some increased risk. At the July 23rd SBCERS' board meeting, the Board determined to follow the course recommended by Meketa, SBCERS' general investment consultants for the past three years, to maintain the existing asset allocation.

SBCERS New Hire: We welcome Ellen Hung who was recently hired as Assistant CEO after an extensive search. Ms. Hung is a Chartered Financial Analyst and holds a M.B.A. from Rensselaer Polytechnic University in New York. Prior to joining SBCERS, she served as the City of San Jose's Deputy Finance Director responsible for the City Treasury. Previously, Ellen was the Assistant Retirement Director for the City of Spokane's Pension System, as well as the City's Treasurer and Investment Officer.

Update on 401(h) Plan: Prior to 2008, retiree health benefits were paid by SBCERS from a separate reserve held by SBCERS (not included in pension fund assets.) In 2008, after protracted discussions, the reserve was transferred to pension fund assets. At the same time, SBCERS and the County entered into an agreement to establish a 401(h) plan, the vehicle allowed by the IRS for payment of retiree health benefits on a tax-free basis. Since the County maintains that retiree health benefits are not vested, we report on this plan from time to time to keep you informed on its status.

The County has a funding policy of 3.75% of covered payroll and currently pays \$8.25 million on a "pay-go plus" basis toward retiree health benefits annually. The Plan has \$3.3 million in a reserve managed by SBCERS and invested in a passive index fund. New government accounting regulations require that the unfunded liability of this 401(h) plan, estimated at \$189 million in total, be disclosed on the County's balance sheet, so you might be reading about this elsewhere. The Plan has been closed to new general members since July 2012.

In conjunction with SBCERS and Cheiron Actuaries, the County is reviewing funding options for the Plan. Pre-funding is an option, which if implemented, would reduce the Plan's unfunded liability over time and allow the fund to benefit from investment returns. We will keep you informed.

If anyone has any questions, please don't hesitate to contact me at Zcholmondeley@gmail.com

IMPORTANT CONTACT INFORMATION

This page will be reserved for information and services for RESBC members and where and how they may be contacted. Please call the particular organization for the service you desire. RESBC cannot help with those services provided by others.

SBCERS:

S.B. Co. Employees Retirement System
3916 State St., Ste. 100, Santa Barbara, CA 93105
2400 Professional Parkway, Ste. 150, Santa Maria, CA 93455
Website address: www.countyofsb.org/sbcers

Barbara Gordon 805-568-2942

Scott Dunlap 805-568-2943

Doreen Miller 805-739-8667

Reneé LaVoie 805-739-8667

From: Lompoc, call **737-7775**

Santa Ynez Valley, call **686-5011**

RESBC:

Retired Employees of Santa Barbara County
P O Box 30401, Santa Barbara, CA 93130-0401

Website address: www.resbc.us

Voice mail: **(805) 568-5933**

2015 CALENDAR OF EVENTS

Aug 16 Bus Trip to Dodgers V. Reds – 9:30 AM

Leaves Public Health Parking Lot

Sept 16 George Bobolia Luncheon

Frog Bar, Glen Annie Golf Club

Oct 17 RESBC Board Meeting – 9:30 AM

Public Works Conference Room, SB

Nov 21 RESBC Board Meeting – 9:30 AM

Public Works Conference Room, SB

Dec. 1 Magic Castle Bus Trip – 2:00 PM

Departs SB Sears Lot

Dec 12 RESBC Holiday Party – 11:00 AM

Hyatt Hotel, SB



CARE COUNSEL: 1-888-227-3334

Resources for your health care needs. Helps to solve problems related to care and assists with advocacy. Does not provide medical advice or treatment.

By Zandra Cholmondeley & Greg Mohr

The Health Oversight Committee (HOC) includes representatives from all county employee bargaining unit organizations, the RESBC, and the county's HR Benefits Division. The HOC has held three meetings to discuss proposed costs for renewal of County-sponsored health and dental insurance for 2016 and, as of this writing in late July, will hold one more on Aug. 13.

At the first meeting held on June 25, Alliant, the County's health insurance benefits consultant, indicated that rates for all of the Blue Shield plans would increase by 15.2% for all participants, including active employees and retirees, effective January 1, 2016. Premiums for all Kaiser plans would decrease by several percent. Dental insurance premium increases are still in flux, but may be substantial. There are no changes to the Vision Care or Care Counsel premiums.

Santa Barbara County participates in the CSAC Excess Insurance Authority (EIA) pool, which contracts with Blue Shield for health insurance claims administration. The average EIA participant received a 9.1% increase. However, the consultants explained that Santa Barbara County (SBC) received a higher premium increase of 15.2% for several reasons:

- The average county participant is older, 52.5 years, compared with 49.7 years for the average EIA pool participant;
- SBC claims costs per member were higher, \$14.40 vs. \$11.83 for the other EIA members;
- Unit claims costs for SB County increased 29.7% from 2013-2014—this is very significant. Contributing to these high costs is the lack of competition of hospitals serving Santa Barbara County, with one hospital service provider in the south coast (Cottage) and one serving Santa Maria (Marian).

These proposed increases for 2016 would follow increases of 15% implemented for 2015, across-the-board for all EIA members.

At the meeting held on July 9, the consultant presented an option that would mitigate the 15.2% increase for Blue Shield plans. This option included significantly higher deductibles, higher co-pays for doctor visits, and increases in co-pays for non-formulary and specialty medications. The cumulative effect of these changes would be to reduce the premium increase from 15.2% to 11.5%. The sentiment of the HOC participants was that the proposed increases in deductibles and co-pays exceeded the benefits of the premium reductions, and asked that Alliant and the county return with premium decreases associated with other benefits changes, such as maximum annual out-of-pocket dollar amounts.

At the most recent meeting, held on July 23, the premium decreases associated with such other benefits changes were disclosed and discussed. The RESBC was willing to consider such benefits changes, perhaps moderating the Blue Shield plan premium increases to below 10%, but the active employee

organizations chose to stick with the full 15.2% increase, with no changes to any benefits levels. The better news is that the UnitedHealthcare rate increases for Medicare retirees are projected to be around 5%.

The bombshell dropped on July 23 was a Delta-proposed 40% increase in dental HMO premiums. The county and Alliant are going to work on investigating and perhaps mitigating this drastic increase, hence their request for another HOC meeting on August 13. Dental PPO rates already were projected to increase by over 17%.

This newsletter will be printed before the next HOC meeting on Aug. 13, so this is all the news that we can share here. The Santa Barbara County Employees Retirement System (SBCERS), NOT the RESBC, will notify you when all new rates are finalized and Open Enrollment meetings are scheduled this fall.

The RESBC's has one vote out of ten votes on this committee. We do not have formal bargaining rights as do the organizations representing active employees. Nonetheless, we have a seat at the table and we use this avenue to ensure that retiree health care interests are represented in the discussion.

NEW MEMBERS

- Cruz, Hugo
- Di Agostino, Teresa
- Gabalton, Rose
- Glisson, Jo
- Hanshaw, Robin
- Osterbauer, William
- Cheda, Luanne
- Dupre, June
- Eddy, Teresa
- Libera, Pamela
- Marwah, Rachna
- Queoff, Alan
- Stewart, Annette
- Arnold, Rober
- Barks, Sherri
- Gibbs, Dennis
- Goodnight-Pedersen, Kathy
- Mckinnon, Judith
- Richards, Doris
- Rydjord, Colleen

congratulations

PAULINE'S PONDERINGS

Submitted by Pauline Coleman

One of the disadvantages of aging is the list of dislikes one acquires through the years. As a child my dislikes were simple. I was allowed to really, really dislike Adolph Hitler, with cabbage and cauliflower a close runner up. As a teenager I forgot about Adolph and developed a taste for cabbage and cauliflower. Then, growing up I had passing likes and dislikes due to the changes in my life. A huge change for me was emigrating to the U.S. from the U.K. in 1974. It was a bit of a challenge at first, to put it mildly, so of course I found there were new things to like and dislike. First I had to understand the monetary system, the multiple choice exams (who would have thought one could actually 'guess' an answer!), the credit system, driving on the wrong side of the road, and the willingness to have someone around for dinner without first checking on their lineage. Once I accepted it was me with the accent, I adapted and became all American with papers to prove it.

I believe I'm a logical and reasonable person, so why do I spend so much time being mad at things I can't control? I often find myself ranting like a fish wife, which is most unbecoming in a person. This morning for instance, I spent fifteen minutes trying to understand the mind of the designer who packaged what I thought was my new gray eye shadow. When I finally managed to pry it open I found the young lady at Macy's had given me a brown one. I don't want to go back to the store and can't face opening another, so brown will have to do. Every package we bring home I dread opening. Scissors and box cutters are always a requirement, and let's not talk about the actual packaging that fills the recycling bins for weeks. Brian and I sent his sister in England, three white sparkling Christmas trees for her dining table. They were lovely, they really were. They were packaged in a type of fine Styrofoam and when she removed them from the box, the Styrofoam sort of exploded and floated everywhere. Olive said it looked like a snow storm in her kitchen drifting everywhere. It clung to her curtains and settled on the cooker and somehow managed to penetrate and clog up her sink. She had to call the plumber and he said he had never seen the likes of it. She loved the trees though, and said they were perfect for her Christmas table.

I have wondered from time to time if perhaps it's my age that makes everything more annoying and difficult. It probably is! It goes without saying that travelling by air is no longer pleasurable in any way; it has to be endured, doesn't it? I'm not keen on the new type of Bistro restaurants either. No carpets, drapes or upholstered chairs. Chairs scrape on the tiles, the open kitchen clatters and one can hardly hear oneself speak due to the noise level. Throw in parents with a shrieking, spoon banging child and lunch becomes a misery instead of a treat. Poor phone manners are soooo annoying, added to which we now have texting maniacs. Now, not only are we subjected to the one-sided conversation, we also experience a dismal lack of attention from some as they check and recheck their cell phones. No wonder my eldest son said, "Welcome to the dark side Mother," when I recently acquired a smart phone. Nevertheless, I wish I had always had one and promise not to make it an appendage like some I have encountered who never let them leave their

hand, even to eat and I suspect, sleep. While on the subject, don't you just hate it when someone brings up Google to prove your information is wrong! Many try that on Brian, as he is the encyclopedia of useless information, and it's often to no avail. I suppose I should warn those that try, but I have a rather perverse nature at times.

I guess we all have a list of dislikes and petty peevs. Fortunately for me, I have an even larger list of 'likes' which makes my list of dislikes inconsequential. I love my life and the people in it, but I won't begin to bore you with that.

Pauline Coleman

(Editor's Note: In 1998, Pauline Coleman retired from the Retirement Office of the Treasurer's Office. She has served as a former president and secretary of RESBC. Her husband, Brian, is also a SBC retiree. They reside in Santa Barbara.)



Continued from page 1...

PRESIDENT'S MESSAGE

businesses, creating jobs, curbing public health costs, reducing social services costs, and contributing to the quality of life in the community. On the other hand, several studies show that sports stadiums have failed miserably to deliver promised local economic development. The use of public money for sports stadiums is highly questionable, but you don't see the Koch brothers or the John Arnold foundation or any citizen groups barking about it. They are too busy devising legislative schemes to destroy public employee pensions – a proven source of recycling revenue back into the community to benefit all. Is this crazy, or is it just me???



Send us your email address

We are making a concerted attempt to collect email addresses for all of our members. We plan to use this solely to speed up the delivery of quarterly newsletters; update you on any important information between publications; and, of course, to extend impromptu invitations to any jaunts. Send your email address to Greg Mohr at greg5mohr4@cox.net. We do not share our members' contact information with anyone.



George Bobolia Luncheon

WEDNESDAY, SEPT. 16, 2015



The Frog Bar

Glen Annie Golf Course
404 Glen Annie Road, Goleta

11:00 AM Registration; 11:30 AM Business Meeting; 12:00 Noon Lunch.

Buffet: Roast Pork, Chicken Breast, Pasta, Green Salad, Cookies

COST: (with reservation) Retiree/1 guest \$20.00 each, additional guest: \$25 \$25 - at the door
Reserve by Sept. 1; No refunds for cancellations after Sept. 9.

Please send a check with your reservation to arrive at our PO Box by September 1.

RESBC, PO Box 30401, Santa Barbara, CA 93130-0401

RESERVATION FORM: George Bobolia Luncheon 9/16/2015

Please send a check with your reservation to arrive at our PO Box by September 1.

Retiree Name _____

Retiree Phone _____ Retiree Email Address _____

Guest(s) name(s) _____

REMEMBER TO SEND A CHECK WITH YOUR RESERVATION!

Would you like to be on a list from which RESBC officers and directors may be chosen?

Yes No



JOIN US FOR A *MAGICAL EVENING*
AT...

The Magic Castle HOLLYWOOD

TUESDAY, DECEMBER 1, 2015

COST: Retiree +1 guest \$110 each
Additional guest(s) \$115 each

No refunds available on this trip.

Please note: Access to and from the Magic Castle requires a steep 5 minute walk. This trip is not recommended for persons who cannot walk uphill/downhill, especially at night. The Magic Castle is not Handicap Accessible.

MAGIC CASTLE DRESS POLICY (STRICTLY ENFORCED):

Men must wear coat and tie. Women must wear cocktail dress, dressy pantsuit or dressy skirt/blouse. No jeans, sneakers, tee shirts, flip-flops, caps.

ITINERARY:

5:00 PM: Castle Tour - 6:00 PM: 3 Course Dinner (*no host bar*) - 8:00 PM: Magic Show!!!

DEPARTURE:

S.B. Sears Lot-2pm; Carp: Casitas Plaza-2:15; Ventura: McDonalds-2:30; Camarillo: Park & Ride-2:40



RESERVATION FORM - MAGIC CASTLE 12/1/2015

Send reservation/check by **10/15/2015** To: RESBC, PO Box 30401, Santa Barbara, CA 93130-0401

Retiree name: _____ Phone _____ Email _____

Guest name: _____ Phone _____ Email _____

Guest name: _____ Phone _____ Email _____

Pick Up (check): [] Santa Barbara [] Carpinteria [] Ventura [] Camarillo

Meal Choices: Choose one from each category for each participant

SALAD	MAIN	DESSERT
_____ Mansion Salad carrots, tomatoes, cucumber, crostini, vinaigrette dressing	_____ Prime Rib	_____ Decadent chocolate cake
	_____ Citrus Rosemary Chicken	_____ New York Cheesecake
_____ Caesar Salad Romaine, shaved parmesan, croutons, Creamy anchovy dressing	_____ Grilled Salmon	
	_____ Gemelli pasta, w/rock shrimp	
	_____ Mushroom Risotto	

PAID

at Santa Barbara, CA
and Additional Entry
Permit No. 009381

RESBC NEWSLETTER

Post Office Box 30401
Santa Barbara, CA 93130-0401

RETIRED EMPLOYEES OF SANTA BARBARA COUNTY OFFICERS

<i>President</i>	Annette Paladino
<i>Vice President</i>	Zandra Cholmondeley
<i>Secretary</i>	Greg Mohr
<i>Treasurer</i>	Tony Manuel

DIRECTORS

Mark Brickley Annie Linn Rory Moore

Officers and Directors meet at 9:30 a.m. on the third Saturday of each month, at the Santa Barbara Public Works Conference Room in the Engineering Building, 123 E. Anapamu Street, Santa Barbara. Exception: General Membership Luncheon Meetings are held quarterly; see Calendar of Events for dates and locations.

CRCEA DELEGATE: Annette Paladino
CRCEA ALTERNATE: Greg Mohr
RESBC NEWSLETTER EDITOR: Rory Moore
RESBC WEB MASTER: Open, please apply!

SANTA BARBARA COUNTY RETIREMENT BOARD



Zandra Cholmondeley
 Jen Christensen
 Harry Hagen
 Steve Johnson (Alternate)
 John McMillin (Alternate)
 Mark Paul
 Ward Rafferty
 Al Rotella
 Frederick Tan
 Janet Wolf
 Jonathan Ziegler

The Santa Barbara County Retirement Board meets the fourth Wednesday of each month at 9:00 am in the Cen Cal Building located at 4050 Calle Real, Santa Barbara, CA 93110.

RESBC NEWSLETTER

July, August, September, 2015

Edition 2015

Vol. 3