

PAID

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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 Luncheons 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

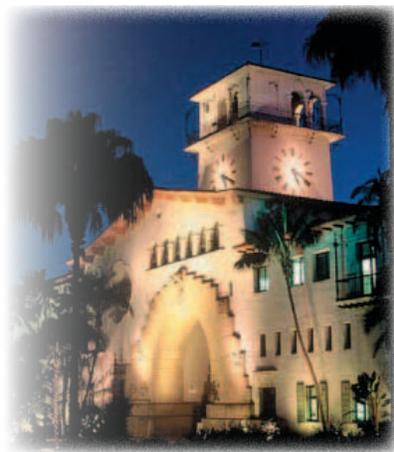


Zandra Cholmondeley
 Jen Christensen
 Harry Hagen
 Steve Johnson (Alternate)
 John McMillin (Alternate)
 Mark Paul
 Ward Rafferty
 Al Rotella
 Frederick Tan
 Janet Wolf
 Jonathan Ziegler

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

April, May, June, 2015



**FRIDAY,
JUNE 19, 2015**

RAY ROMERO LUNCH MEETING

The Alisal River Grill

PLEASE MAKE RESERVATIONS BY:

June 6, 2015

please use the reservation form on page 7

Cost: \$20.00 per person
(\$25.00 per person at the door)



Directions to Alisal River Grill: from North or South:

From either Hwy 154 or US 101, take the turn onto Hwy 246 towards Solvang. Once in Solvang, head SOUTH on Alisal Road. The Alisal River Grill is on the left. If you cross the Santa Ynez River, you've gone too far.

CARP POOLING 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.

PRESIDENT'S MESSAGE:

By Annette Paladino



Hello Retirees: I hope this newsletter finds you well and enjoying retirement!

As you know, your RESBC Board is focused on educating you about important retirement issues, and also on providing opportunities for fun and socialization. Realizing that many retirees have limited ability to participate in our local events, we work very hard to create an informative newsletter because it is a great tool for communicating with all our members. Our goal is to keep you connected to the Santa Barbara County retiree community, especially for those who have moved on to a new location. I hope that you look forward to receiving our publication, and read it and share it with others. If you have comments or ideas for improving our newsletter, please let me know at Annetteapaladino@gmail.com.

During the past quarter, RESBC sponsored two successful events: the Deferred Compensation Workshops (3/9; 3/11) and the St. Patrick's Day Luncheon (3/14). The workshops were especially timely as many retirees are now approaching the age at which the law requires a minimum distribution to be taken from deferred compensation accounts. Casey Slemmons of Empower Retirement (formerly Great West Financial) presented the information which discussed rethinking investment strategy, minimum distribution, tax implications, lump sum v. periodic distributions, etc. If you wish to receive a copy of the handout materials, contact me. The St. Patrick's Lunch was again held at Harry's in Santa Barbara, and need I say more!!! Everyone had a fabulous time. Thanks to all who participated.

Coming up in this quarter, we have another wildly popular theater outing - this time to the Pantages in Hollywood on 5/16 to see Motown-the Musical. This event is completely sold out, but I assure you, there will be future opportunities. We also have our annual Dodger Stadium trip on 8/16. Please sign up on the reservation form found elsewhere in this newsletter. This is always a very amusing outing. On June 19th, we have our Ray Romero June Luncheon at the Alisal River Ranch (reservation form also in this newsletter). Hope to see you at these events.

On a more serious note, arguments against public pensions are still prominent in the media and in the legislature. One of our goals at RESBC is to provide our members with information on issues regarding our entitlement to a pension from Santa Barbara County. Articles in newspapers (including our local newspaper editorial page) usually focus on unfunded liabilities, pension spiking, high employer contributions, shrinking public services, etc - all topics that fuel public angst. One group trying to get out a more "positive message" regarding

Continued on page 7 SEE "PRESIDENT'S MESSAGE"...

By Zandra Cholmondeley, Retiree Board Trustee

Pension Fund Performance

As of March 31, 2015, the market value of SBCERS' Fund assets was \$2.517 billion, a 0.4% increase for the current fiscal year, which ends June 30, 2015. Domestic equity, private equity and real estate contributed to the increase, but gains were largely eroded by the losses in emerging market equity, emerging market bonds and public natural resources. The returns for the current fiscal year are disappointing, however, returns should be viewed in the context of long-term performance and the Fund's return over a 25-year period is 8.4%, exceeding the assumption return rate of 7.5%.

Asset Allocation Review

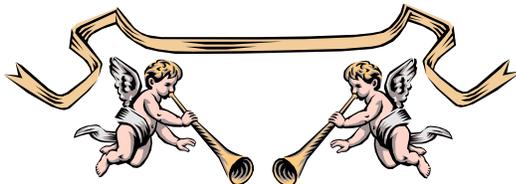
The SBCERS Board is currently reviewing the Fund's asset allocation. The goal of the review is to either reaffirm the policy implemented in 2012 or consider changes. Other goals include a reminder that equity risk is the primary means of achieving a long term return which would allow the fund to provide promised retirement benefits.

In 2012, the asset allocation was shifted to reflect diversification to global equities. One of the resulting changes involved lowering the allocation to domestic equities and increasing the allocation to emerging market equity. During

the next 3 years, the domestic equity market soared while emerging markets stumbled. In the absence of a crystal ball, building a sufficiently diversified portfolio with a "reasonable" level of risk remains the primary option available to the Board. Under current conditions, the present portfolio is expected to yield a return of 7.9% over the long term.

The allocation analysis presented several scenarios stress tested for various adverse events, including dissolution of the euro currency, federal induced rising interest rates, a slowdown in China, depreciation of the Japanese yen and a glut of printed money. The review also included an analysis of the Fund's ability to pay benefits and meet expenses without selling off assets. Even under the most extreme scenarios, it is projected that the Fund's current portfolio would recover within two years and would maintain sufficient liquidity to pay benefits and other expenses while staying within current target asset allocation ranges.

The asset allocation discussion will continue at the Board's next meeting on May 27, 2015.



IN MEMORY OF

Nicholas Kiptyk	Ronald Tan
Bonnie McMullan	Irma Macnair
Harold Purdy	Luz Martinez
Rosalie Valencia	Doris Paradise
Laura Stearns	Walter Slaight
Robert Stewart	

NEW MEMBERS

Linda Cheng	Russell Doherty
Fred Cobb	Nancy Dougherty
Michael Collie	Ruben Gutierrez
Suzanne Guimond	Hajime Hamane
Gregory Lorenz	Marguerite Hammett
Craig Strommen	Judith Henning
Beverly Taylor	Charles Little
Sarah Craig	Patricia Lopez
Katherine Davis	Sheila Martinez
Linda Flaharty	Jay Mcamis
Rebecca Grant	Kathryn Merlino
Richard Harries	Ophelia Michael
Katherine Henson	Susan Paul
Yolanda Jimenez	Teresa Paz
Kenneth Masuda	Richard Powell
Pamela Newcomb	Eva Shoemaker
Robert Van Beveren Jr	Linda Stevens
Barbara Bock	Maxyne Strunin
Susan Braden	Shelley Tan
Marta Cohen	Janie Taylor
Mary Dacheff	Mark Ward



TRAVEL CLUB NEWS



The Retiree Travel Club visited Charleston, SC and Savannah, GA from 4/26-5/2. Please enjoy the pictures from the trip elsewhere in this newsletter. Our travel group is growing, and we are looking at trips to Italy in September 2015 and to the Canadian Rockies in 2016. If you would like information on our trips or would like to join the club, please contact me at Annetteapaladino@gmail.com.

CONGRATULATIONS

Continued from page 1...

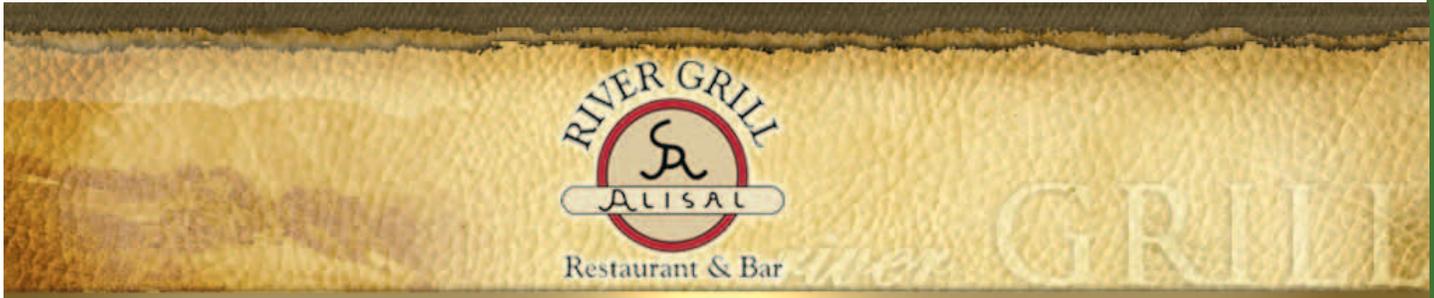
PRESIDENT'S MESSAGE

public pensions is the California Retired County Employees Association (CRCEA) – a statewide retiree organization of which RESBC is a member. In 2011, CRCEA created a Retirement Security Committee. The committee gathered information from studies of the economic impact of pensions on local and national communities, and documented their findings in a two-part paper called “The Train Wreck Papers”. The paper is used to counter misunderstandings and myths associated with current proposals to reform public pensions – most notably

plans to follow the lead of private sector employers to replace “defined benefit plans” (this is what we have) with individual 401(k) accounts. Please read the letter from CRCEA Retirement Security Committee Co-Chair Mike DeBord addressing this issue, included elsewhere in this newsletter. If you have comments on this topic, I’d love to hear them at Annetteapaladino@gmail.com.

Ray Romero LUNCH MEETING

FRIDAY, JUNE 19, 2015 11 AM



The Alisal River Grill

150 Alisal Road, Solvang

BUFFET: Hamburgers, Chicken Breast, Veggie Burgers, Salad, Cookies

SPEAKER: Supervisor Steve Lavagnino

RESERVATION FORM: Ray Romero Luncheon 6/19/2015

**COST: \$20.00 per person with reservations \$25 - at the door
Reserve by June 6; No refunds for cancellations after June 10**

Please send reservation and check to: RESBC, PO Box 30401, Santa Barbara, CA 93130-0401

Total Amount due @\$20.00 each: _____ x \$20 = \$ _____

PLEASE remember to send a check with your reservation!

Retiree Name _____

Retiree Phone _____ Retiree Email Address _____

Guest(s) name(s) _____

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

Yes No

Special Event
Invitation



IT'S TIME FOR... DODGER BASEBALL



L.A. Dodgers vs. Cincinnati Reds

Saturday, Aug. 16, 2015

Game Time 1:05 pm

COST:

\$70.00 each - retiree and 1 guests

\$75.00 each - additional guests

Bus Pick Up: Santa Barbara: 9:30 am Public Health Lot, 315 Camino Del Remedio;
Carpinteria: 10 am Casitas Plaza at Union Bank; Ventura: 10:30 am at McDonalds near Seaward exit

RESERVATION FORM - DODGER BASEBALL 8/16/2015

Please make reservation by 06/30/2015! No refunds for cancellations after 07/15/2015
Send checks/reservation form to: RESBC, PO Box 30401, Santa Barbara, CA 93130-0401

Total amount due for member and ONE guest @ \$70 each: _____ x 70 = _____

Additional guests \$75 each: _____ x 75 = _____



Retiree name: _____ Email _____

Guest(s) name: _____

Retiree phone number: _____ Special Needs or requests: _____

Pickup/drop-off: ___ Santa Barbara ___ Carpinteria ___ Ventura

Attach check payable to RESBC for \$70.00 each - retiree and 1 guest; \$75.00 Additional guests

NO REFUNDS FOR CANCELLATIONS AFTER WEDNESDAY, JULY 15, 2015



RESBC
Dec. 3, 2014
Hearst
Castle

DIFFERENCES BETWEEN PRIVATE & PUBLIC PENSION MOVEMENTS

By Mike DeBord, Co-Chair CRCEA Retirement Security Committee

The 1987 movie "Wall Street" demonstrated how the corporate "Greed is Good!" philosophy helped destroy defined benefit pensions in the private sector. Through corporate mergers and acquisitions, the prize was often looting employee pension plans, especially the over-funded plans. Unfortunately, the **real life scenario that occurred over the last 30 years in corporate America has in fact eliminated most private sector defined benefit pension plans.** They were most often replaced with 401(k) savings plans. But when you ask U.S. workers which plan they would prefer for retirement security, they respond with a preference for a guaranteed stream of pension payments provided through defined benefit plans vs. the do-it-yourself 401(k) plans that are subject to volatility, leakage through loans, high fees and often grossly underfunded.

So why did private sector workers let this happen to them? And what are the differences in what happened in the private sector and the pension reform movement in the public sector?

In the **private sector**, the elimination of worker pensions came not only through mergers, acquisitions and bankruptcies but from CEO's simply imposing the changes on their workers. Examples show a pattern of CEO's announcing that there was a problem with the pension fund (which in many cases there wasn't) and advising employees of a new and better pension replacement plan, such as a "cash balance pension plan" or "pension equity plan" and later, the infamous "401(k) savings

plan". **Comparisons of the differences between the old and new plan were often not provided to employees or masked** so employees didn't know the full effect of the change until they were ready to retire. Private sector unions that had previously represented worker interests were mostly gone by this time. And for corporate CEO's, it must have been like "taking candy from a baby" and they were richly rewarded through pay-for-performance measures for their actions. The average annual compensation for Fortune 500 CEO's is now \$10.8 million or **257 times average worker pay** (who no longer has a pension).

In the **public sector**, changes to pensions are being attempted through voter initiatives, either to close public pension systems or to eliminate legal protections for pensions. But public sector unions are still in place representing employee interests. And top executive pay in government is closer to **6 times average worker pay** and they are not financially rewarded for duping their employees out of their pensions. But probably the most important difference is that we now have evidence that the 401(k) savings plans that were never designed to replace pensions are becoming a real financial disaster for private sector retirees. The question is: **Why would anyone want to follow a failed private sector strategy (or more appropriately, a gimmick) that is currently producing such devastating financial results for our American workers?** The answer is: **We shouldn't follow; we should fight to protect our defined benefit plans!**

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

2015 CALENDAR OF EVENTS

- May 5 RESBC Board Meeting – 9:30 AM**
Public Works Conference Room, SB
- May 16 Motown - The Musical, SOLD OUT!**
- Jun 19 Luncheon Meeting - 11:00 AM**
Alisal River Grill, Solvang
- July 18 RESBC Board Meeting – 9:30 AM**
Public Works Conference Room, SB
- Aug 15 RESBC Board Meeting – 9:30 AM**
Public Works Conference Room, SB
- Aug 16 Bus Trip to Dodgers V. Reds – 9:30 AM**
Leaves Public Health Parking Lot



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.

CRCEA SPRING CONFERENCE

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By Rory Moore

In late April, RESBC attended the spring conference of the California Retired County Employees Association. CRCEA is the association of retirement organizations from the 20 counties that have retirement programs under the County Employee Retirement Law (CERL, or the "1937 Act.") The conference host was our namesake (RESBC) the Retired Employees of San Bernardino County, and was held in Ontario, CA. As with past conferences, there was a mixture of local pride and promotion, a dose of healthy information for our aging population, and information about public employee retirement programs and the variety of assaults, both large and small, that seek to alter (some would say undermine) the retirement security of public employees.

For those looking for an adventure relatively close to home, Brian Tucker from the Inland Empire Tourism Council gave a presentation on the State of California's promotion of its new website, VisitCalifornia.com. The website offers highlights for road trips, as well as a variety of outdoor, family, luxury and culinary experiences our state has to offer. There is also a link for ordering the FREE booklets, "California Road Trips," and "California Amazing Escapes."

Kathleen Springer, Senior Curator at the San Bernardino County Museum gave a fun, spirited presentation about "Living on the Fault Lines." She meant, of course, the myriad of earthquake faults that continue to shape life in California. The take away was that California is long overdue for "the big one," an earthquake of about 7.8 on the Richter scale. With computer graphics, she showed how the San Andreas Fault might generate such a quake from the Salton Sea to the Palmdale area with shaking of over a minute and a half and serious damage.

On a much lighter note, chef and chocolatier Ryan Berk, owner of Parliament Chocolate, gave a presentation on the production of high quality chocolate from the cacao farms in Guatemala to

his store in Redlands. He was followed by his father, Dr. Lee Berk, Schools of Medicine and Allied Health Professions, Loma Linda University. Dr. Berk spoke of the positive health benefits of quality chocolate (70% cacao with only organic sugar added) and laughter. Such chocolate is a strong anti-oxidant.

For the more serious business aspects of the conference, Gary Amilio, former CEO of our own SBCERS spoke about the health of pension plans in California, and particularly those organized under the 1937 Act. His assessment was that on a scale of 1 to 10, the plans are in the 8 to 9 range. He answered questions posed by CRCEA's co-chair of the Retirement Security Committee, Mike DeBord. He said that the California Constitution establishes the fiduciary duty for members of boards of retirement, such as SBCERS, and that the obligation is for the sole benefit of the plan members, and not the sponsoring organizations.

Other speakers included presentations on the work of actuaries, and distinctions between defined benefit plans and defined contribution plans, such as 401(k) plans. The problem with such defined contribution plans is that beneficiaries frequently do not adequately fund the plan for sufficient resources in retirement. Also, such funds tend to be self-directed by employee/contributors who have neither the expertise nor time to devote to management of the plans for the long term.

Finally, it is expected that the 2016 ballot may have initiative measures to restrict public employee pension plans, and our membership needs to be aware of these as they proceed through the qualifying process.

The fall conference for CRCEA will be held October 19 through 21 in Stockton, and hosted by the Retired Public Employees of San Joaquin County, RPESJC. Any member of RESBC is welcome and encouraged to attend. For further information, please contact Rory Moore at acquitter@hotmail.com.

RESBC May 2, 2014



Savannah and
Charleston Trip