



Quarterly  
Newsletter

# Cattails

For the Retired Public Employees of  
San Joaquin County

Member of CRCEA (California Retired County Employees Association)



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Office: (209) 466-8556

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## PRESIDENT'S MESSAGE – by Larry Mills



**A**s we prepare for fall weather, I hope everyone enjoyed the summer season. This year it was milder than most, and made it more tolerable without the high temperatures we normally experience.

During the last quarter, it has been relatively slow for events and activities; with the exception of the Summer Picnic in June and a bus trip to San Francisco in August. However, Director **Margaret Miller**, and her committee members are planning a trip to Apple Hill / Red Hawk Casino this month. Also, plans are underway now for our Annual Holiday Luncheon in December. Plus, we're still planning a cruise too, so look for her report in this issue of *Cattails*.

The monthly luncheons are always friendly, informative, and a good time to visit with old friends. Our recent speakers included **Todd Ruhstaller**, Haggin Museum (July); **Katherine Setness**, Setness Tours (August); and **Steve Haakonstad** and **Karen Vavzincal**, St. Joseph's Medical Center (September). They entertained and informed us with facts, figures, and demonstrations. In addition to the great food at UJ's Restaurant, we have two Raffle Prize drawings every luncheon. A Raffle Ticket is included with the cost of your meal. The first Raffle Prize drawing is for a Gift Card to a local business, sponsored by **Frank Feng** from Members Financial Services. The second drawing is our regular Marble Draw. In August, **Rose Benitez** drew the last marble in the bag. That happened to be the lucky black marble, so she won the Grand Prize of \$125.00. Those are just two more reasons to attend our luncheons.

S.J.C.E.R.A. requested a Special Election to fill the vacant seat of the Alternate Retired Member for the Board of Retirement. Our Immediate Past President,

**Dick Callistro**, was the only candidate to file papers; so, he was automatically elected in August. He took office in September for the balance of the term ending 6-30-2012. Congratulations Dick!

S.J.C.E.R.A.'s Board of Retirement voted in July 2010 to release the names of San Joaquin County retirees who earn more than \$100,000 annually. Several of our adjoining counties have battled that same issue in court, but lost the decision to allow them to withhold the information. Therefore, in early August 2010, the list of 106 individuals were released to *The Record* and published soon thereafter.

C.R.C.E.A. Conference and S.A.C.R.S. Conference are set for October and November respectively. We'll send delegates to both conferences to make sure we are up-to-date on the information necessary to best serve our retirees. Look for reviews of these conferences in the January 2011 issue of *Cattails*.

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## LEGISLATION REPORT – By Robert Palmer



The Governmental Accounting Standards Board (GASB) has released a proposal to revise the accounting rules as they apply to public pensions. Yes, I know, why would anyone want to write about this subject? There are far and away more interesting items to share with fellow retirees. Unfortunately, our public pensions are being attacked from all sides. A few public “wrong-doers” are creating a lot of bad publicity. There are also other forces that believe that the taxpayers are being saddled with the consequences of political officials’ poor decisions. The media, taxpayer groups, the legislature, economists and now accountants are all taken positions to change public pensions for the future. It is important for all of us to be aware of the variety of issues that are being raised regarding our pension.

This particular assault is coming from the board that sets accounting rules for public agencies. As we understand it, the goal of this GASB proposal is to improve the effectiveness of existing pension accounting standards for state and local governments. To put it another way, it is striving to set the liability of the pension onto the employer’s balance sheet rather than as it is currently presented as a footnote. This approach is said to be separate and not a part of how governments handle pension funding. We foresee that with the implementation of these proposals there will be significant differences between accounting and funding methodologies for the reporting of pension benefits. This, in turn, will lead to a great deal of confusion for the reader of these two types of reports.

This approach feels like “djà vu” to many of us. This will not be the first time that accounting numbers will be inconsistent with pension funding. The numbers in GASB No. 5 were nearly always inconsistent with the funding numbers. When GASB No. 25 and 27 replaced GASB No. 5, one of the objectives was to have accounting statements that were consistent with the plan’s funding policies. This proposed GASB approach appears to be leading us again to a separation of concepts that we believe is not a desirable result.

The GASB proposes to limit:

1. Actuarial Gains and Losses (how our investments performed).
2. Plan Amendments (any new benefits that are negotiated or provided “ad hoc” by the Board of Retirement).
3. Changes in Actuarial Assumptions (for example our longevity) to a specific accounting methodology on how the county can amortize these types of changes for the financial statement. Currently, the unfunded liability can be recognized as an expense by amortizing it over a period not to exceed 30 years.

To address intergenerational transfer issues, GASB believes that that timeframe needs to be reduced and controlled. Under the proposals, the amortization period for recognizing changes in active member (employee) liability would be the weighted service life of the active (employee) members. And for the retiree portion of the liability, it would be recognized against earnings in the current year. Thus, proposed changes to pension’s mortality table, for example, (because we are all living longer) would

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## PRESIDENT’S MESSAGE Continued from Page 1

S.J.C.E.R.A. offers “About-To-Retire Seminars” twice a year to those employees who are within two years of retirement. The seminars furnish a myriad of information regarding pension allotments, retirement investments, Social Security and Medicare, and health insurances issues. We send Director Pat Lynch to explain and promote the benefits of belonging to R.P.E.S.J.C. She has consistently received good reviews on her timely, yet humorous presentations. Thanks Pat!

Please make plans to join us for the Annual Holiday Luncheon this year. It’s a wonderful event, so mark your calendars for Thursday, December 9, 2010. The location this year is the Waterloo Gun and Bocci Club in Stockton. See you there! ❖

## EVENTS & ACTIVITIES – by Margaret Miller



**A** ANNUAL PICNIC  
The R.P.E.S.J.C. Annual Picnic was held at Mickle Grove Park, Delta Shelter, on a breezy and cool Thursday afternoon in June. We had abundance of good food, which was catered by our friends at DeVinci's Restaurant in Stockton. A couple of costumed F.C.C.U.

employees, Michael and John, strolled throughout the crowd while passing out candy and ink pens. The treats were provided by **Michael Duffy**, the CEO of Financial Center Credit Union. Also, our special thanks to **Chad Hunter**, F.C.C.U., for helping with our event too. We can always count on the F.C.C.U. to donate some wonderful raffle prizes for our summer event. Thanks Mike!

In addition, **Frank Feng**, Members Financial Services, and his staff enhanced our overall raffle prizes by providing those great baskets of goodies. Plus, Trish Huarte-Pechan, Miramont Winery, donated a dozen bottles of wine for the event. Thanks Frank and Trish for your valuable donations!

Congratulations to **Carmen Wong** for winning the grand raffle prize of \$100.00 cash.

Many thanks to **Bob Foppiano Sr.**, for the great accordion music he provided at the picnic. We never get tired of hearing the beautiful music he makes with his famous accordion. This year we also had a pleasant surprise, a special musical performance by **Rob and Ria Kroff**. They received a huge round of applause from those in the audience, and we hope to see and hear all three of these fine musicians at our Holiday Luncheon in December.

Thanks goes out again to all the people that helped to make this another successful picnic. A special thank you goes to **George Hong** for taking the excellent pictures, and then posting them so quickly on our web site [www.rpesjc.org](http://www.rpesjc.org).

If you missed out on the picnic, be sure and sign up for the Holiday Luncheon scheduled for December 9, 2010.

### GOLDEN GATE PARK - SAN FRANCISCO

On Tuesday, August 17, 2010, a group of about 30 people traveled by bus to the Golden Gate Park in San

Francisco. The majority had purchased tickets to view the DeYoung Museum Art Show. The exhibit featured Birth of Impressionism-Masterpieces from the d'Orsay Museum in Paris. We viewed paintings by the Artists Bouguereau, Courbet, James McNeill (Whistler's Mother), Manet, Monet, Renior, Sisley and Dega.

The gift shops were filled with replicas of all types of the art we saw displayed. Seeing the exhibit here was much easier, and less costly, than traveling to France.

Some of the group also went through the Japanese Tea House gardens. Others took advantage of the California Academy of Sciences. This is the newest, and largest, cultural attraction in San Francisco. It brings together a natural history museum, an aquarium, a planetarium, and a four story Living Rainforest under one roof (the rain forest is a constant 85 degrees with equal humidity). A special exhibit, Extreme Mammals, was on display during our visit. The weather that day was beautiful, and made for a very pleasant trip. During our ride over and back, everyone enjoyed beverages and treats. We played five games of Bingo, and are pleased to announce the winners: **Linda Begley, Caroline Freno, Barbara Jones, Carolyn Kohl, Karen Ribittch, and Arlene Smith**. Members of our association win a free lunch (a \$15 value) for one of our Monthly Luncheons, while guests win a \$10 Gift Certificate to a local business. Please consider joining us for our next outing!

### APPLE HILL AND RED HAWK CASINO

By the time you receive this issue of Cattails, we'll be on the cusp of taking our next bus trip to an Apple Hill farm and the Red Hawk Casino in El Dorado County. Look for a review of this trip in our next issue.

### CRUISE IN SUMMER OR FALL 2011

We're still planning a cruise for next year, but the intended cruise to the Caribbean and Panama Canal did not come together as planned. Therefore, we are working with the travel agent now for a suitable cruise next Summer or Fall; however, the destination is yet to be determined. If you have any suggestions, please call us. We'll have more details soon... ❖

## Welcome NEW RPESJC Members!

Name	Department
Carla Allen	*
Elaine Bogacs	*
Richard Cantu	Sheriff
Sandra Casing	Correctional Health
Lynanne Cosner	HCS-SJGH
Katherine Crumbly	Ambulatory Care Services
Thomas Cullender	*
Librada Fernandez	*
Michael Garrett	*
Tina Guerrero	*
Francine Hedberg	*
Yolanda Hernandez	*

Sandra Lincoln	BHS Accounting
Beatrice Lingo	Community Development
Roger Lornson	Sheriffs
Diane Luis	Human Services Agency
Judy Maestas	*
Linda Mc Cauley	Sheriffs
Betty Moreira	Human Services Agency
Teresa Smith	Sheriffs
Sonia Spatola	Human Services Agency
William Stringer	Sheriffs
Micheline Washington	Mental Health Services

\*Retiree declined to give department name



Congratulations

### NEW RETIREES

Name	Department	Years
Cherry Alcantara	Probation	26
Karen Andersen	Deferred	2
Susan Anderson	Revenue & Recovery	39
Gail Arguijo	Sheriff	25
Sally Bella	HCS-SJGH	19
Dawn Buck	Child Support	19
Cynthia Bulmer	Probation	14
James Burlington	Public Defender	27
Richard Cantu	Sheriff	30
Sandra Casing	Correctional Health	39
Virginia Castro	Mental Health	10
Deborah Chavez	HCS-SJGH	21
Lynda Chelotti	Child Support	10
Charlotte Clark	HCS-Mental Health	18
Rose Coate	Sheriff	17
Glendon Conner	HCS-Mental Health	21
Joe Cordova	Substance Abuse	20
Richard Cordova	Sheriff	31
Lynanne Cosner	HCS-SJGH	26
Katherine Crumbly	HCS-SJGH	24
Michael Dugger	Sheriff	29
Scottie Essin	Solid Waste	5
Wayne Faraci	Human Services	10
Terrance Fields	Sheriff	24
Marla Ford	Mental Health	25
Brian Franks	Sheriff	22
Lupe Garcia	Sheriff	15

Tammy Gomez	Behavioral Health	6
Debra Goodrich	Sheriff	25
Christy Gordon	Deferred	16
Nanci Gotelli	Sheriff	27
Odessa Griffith	Sheriff	10
Guadalupe Guns	Substance Abuse	25
Larry Hemken	Deferred	6
Raymond Hernandez	Parks & Recreation	38
Kenneth Hill	Deferred	10
Steven Hill	Sheriff	21
Paul Hironaka	Deferred	7
Marina Huisman	Child Support	19
Cynthia Irwin	District Attorney	13
Alfonzo Jones	Mental Health	21
Cyndy Kelso	Sheriff	11
Patricia Knaggs	Sheriff	24
Brenda Kramer	Sheriff	23
Mark Lagorio	Assessor	26
Joshua Lee	Human Services	21
Steve Leipelt	Mosquito Abatement	25
Pamela Long	HCS-SJGH	13
Angela Manding	Lathrop Manteca Fire	19
Frederick Manding	Lathrop Manteca Fire	17
Janet Marino	Human Services	27
Suzanne Marks	Deferred	4
Katherine Martinez	HCS-SJGH	18
Carmelita McCauley	Correctional Health	19
Linda McCauley	Sheriff	23

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## LEGISLATION REPORT Continued from Page 2

result in the liability for active members to be spread over a service life (10 to 15 years, possibly), but the costs for retirees would be recognized immediately on the county's financial statements. Since better than 30% of the **SJCERA** members are retirees, you can see the magnitude of this cost on the county's financial statements. **GASB** has said that this approach is for accounting purposes and not for funding of the pension. The magnitude in numbers between the two approaches to costing the pension would lead a reader to be very concerned with what is the correct method to view the obligations of the pension. It could lead to one more argument that the public pension is just too costly to continue.

Please remember that under the laws and practices of California, the public employer is ultimately responsible for proving the necessary funds for the "promised" benefit. Should the trust fund be exhausted, the employer is obligated to provide the necessary funding to continue to meet the obligation. This obligation is mandatory and carries the full weight of law and past legal cases.

There are significant differences between corporate America and public pension America. The issues of profitability, mergers, acquisitions, and bankruptcies are foreign concepts in the world of public pensions. Between legislation and court rulings, the public pension benefits are well established, vested, protected and will enjoy longevity well into a future that may not exist in corporate America.

The proposed **GASB** accounting rules are trying to move toward paralleling what is found in private sector accounting. We see the accounting worlds of private and public to be quite different.

The State Association of County Retirement Systems (**SACRS**) is asking that **GASB** reconsider making these accounting changes. They are requesting that the methodologies of financial accounting and pension funding remain similar to avoid confusion on the costs of public pensions. ❖

## NEW RETIREES - Continued

Name	Department	Years
Tommy McDonald	HCS-SJGH	29
Shonna Mead	Assessor	26
William Mitchell	Sheriff	20
David Moncevais	Sheriff	28
Relina Monotti	Child Support	16
Wendy Moore	Human Services	24
Mary Morones	Sheriff	19
Tammie Murrell	Deferred	10
Gail Muzzy	HCS-SJGH	21
Susan Myers	Employment Econ Dev.	19
Candis Oldham	Public Works	14
Kimberley Padilla	Probation	16
Patricia Pasquini	Child Support	24
Paul Pasquini	Child Support	14
John Perez	Sheriff	22
Edward Perry	Deferred	2
Ruth Pina	HCS-SJGH	17
Gerd Pretzel	Behavioral Health	11
Vickie Price	Mary Graham	18
Gerald Rainy	HCS-SJGH	16
Diane Ramirez	HCS-SJGH	29
Karen Rankin	HCS-Mental Health	38
Gene Reno	Facilities Management	8
Barbara Riesberg	Public Health	17
Mary Robinson	Employment Econ Dev.	8
Penny Rossiter	Sheriff	24
Kent Schumacher	Sheriff	12
Willis Smith	Sheriff	11
Gwendolyn Snell	Calif. Childrens Services	15
Barbara Souleret	Assessor	22
Daniel Stongheart	Public Works	23
Jesus Tapia	Public Health	20
Dean Thayer	Sheriff	25
Joseph Trevino	Facilities Management	18
Rudy Whiteley	Cooperative Extension	10
Elizabeth Wright	Human Services	14
Ricardo Yanez	Public Works	32
Garry Zimmerman	HCS-SJGH	14



## Dates To Remember

Thursday, October 14, 2010	Monthly Luncheon, UJ'S Restaurant @ 11:30 a.m. Cyndi Temme "Preparing Food or Recipes for One or Two People"
Thursday, October 28, 2010	Board Meeting (Members Welcome) 10:00 a.m. in the SJCERA Office
Thursday, November 11, 2010	Monthly Luncheon, UJ's Restaurant @ 11:30 a.m. Speaker & Topic T.B.A.
Thursday, November 18, 2010	Board Meeting (Members Welcome) 10:00 a.m. in the SJCERA Office
Thursday, December 9, 2010	Annual Holiday Luncheon, Waterloo Gun & Bocci Club @ 11:30 a.m.
Thursday, December 16, 2010	Board Meeting (Members Welcome) 10:00 a.m. in the SJCERA Office

## MEMBERS FINANCIAL SERVICES — By Frank Feng



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**Question:** The interest rates in the banks are so low right now. Are there any options that I can invest my money safely and still make something? I am retired and do not want to take any risk.

**Answer:** When you are retired or approaching retirement, you could face difficult decisions when it comes to investing. On one hand you want to be safe and don't want to lose any money. On the other hand, the interest rates of CDs and other fixed accounts are at a historic low.

One possible solution is a "fixed index annuity"\*, which offers the best of both worlds. Your original investment is always guaranteed, so you will never lose your principal. Every year, based on a pre-set formula, your interest rate is calculated and credited to your account. The formula is often based upon a market index, such as the S&P 500. So, if the market is up in one year, you would earn a higher interest rate. If the market is down, then you don't make anything, but you don't lose anything either. You just keep what you have. This gives you the opportunity to earn high returns when the stock market goes up, but you will NOT lose a penny when the market goes down.

Fixed index annuities also offer a popular feature called "annual lock-in", which locks in the gains for you each year. When the market is up for the year, whatever you have earned becomes your new protected principal. If, in the future, the market crashes, not only will you not lose any of your original principal, you also get to keep everything you have already earned in the previous years.

In short, index annuities are for conservative investors who do not want to risk any of their investment principal. It provides good upside potential with no downside risk. For more information on these or any other financial issues, please call me at (209) 948-6024 Ext.50140.

\*Withdrawals from annuities before age 59 1/2 may be subject to a 10% penalty tax. Surrender charges may apply ❖

**Do you have a financial question? Send me an e-mail and I will discuss it the next newsletter.**

## IN MEMORIAM

We extend our deepest sympathy to the family and friends of those who meant so much.



Thema Adams	6/26/10	Beneficiary
Reynaldo Arroyo	8/24/10	Correctional Health
Charles Bates	8/10/10	Assessor
Genevieve Cantrell	6/15/10	Human Services
Leroy Drake	7/11/10	County Admin.
Anne Dubitsky	6/8/10	Beneficiary
Brenda Fisher	2/28/10	Sheriff
Leslie Foote	7/7/10	Mental Health
Ada Gibbs	8/17/10	Beneficiary
Rose Good	7/9/10	HCS-SJGH
Amelia Hansen	6/6/10	Mental Health
Margaret Hofmann	8/7/10	Human Services
Angelina Johnson	7/23/10	Human Services
Johnny Johnson	5/27/10	Sheriff
Caralina Klee	7/23/10	HCS-SJGH
Mabel Land	8/19/10	Bret Harte
Beatrice Lingo	6/27/10	Community Dev.
Waldo Mery	6/2/10	HCS-SJGH
Geraldine Montgomery	7/13/10	Mental Health
Linda Parsons	6/1/10	Beneficiary
Almeda Pierce	7/26/10	Mental Health
Anthony Refuerzo	7/29/10	Public Works
Larry Santos	7/21/10	Probation
Howard Smith	8/10/10	Public Works
Aurean Tibangin	7/7/10	Calif. Childrens Svc.
Antonio Trevino	7/17/10	Human Services
Roger Ubongen	6/7/10	HCS-SJGH
Rick Vote	7/7/10	Human Services
Melba Welch	6/18/10	HCS-SJGH
Maryann Yudell	6/30/10	Mental Health ♦

The surviving spouse of a member is eligible for RPESJC membership. For enrollment assistance, call (209) 466-8556.

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Member comments and suggestions should be directed to Editor, RPESJC Newsletter. Email: rpesjc@sbcglobal.net, or contact

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The RPESJC Newsletter is published four times each year. The information published in it is believed to be reliable. However, the newsletter staff assumes no responsibility for inaccuracies contained herein.

# FINANCIAL CENTER CREDIT UNION

## - by Michael P. Duffy President/C.E.O.



### MELT DEBT WITH THE SNOWBALL METHOD

Are you the type of person who prefers to tackle smaller goals that lead up to accomplishing a larger goal? Do you have more than one credit card or loan to pay? Then you may embrace the debt-snowball repayment technique. It helps you melt debt by paying off your smallest balance first, then rolling the payment into paying off the next largest debt.

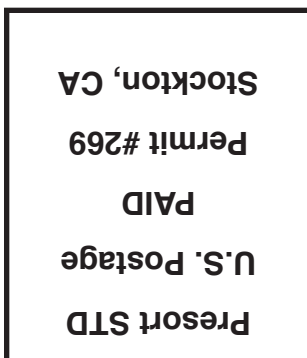
Here's how to make the debt-snowball method work for you:

1. List your debts in order from smallest to largest balance. Just look at the amount owed, not the interest rate.
2. Budget to pay the minimum payment on every balance except the smallest one.
3. Determine how much extra above the minimum payment you can pay on the smallest balance, then pay this amount each month until the balance is paid off.

4. Roll the paid off debt's payment amount to the second smallest debt's payment.
5. Repeat until you pay the largest balance in full.

Although you may not pay debt with the highest interest rate first as some financial experts recommend, the debt-snowball method can motivate you to pay off debt faster when you see results sooner. If possible, add extra money to the payment amount with each new "snowball roll" – and heat up your path to being debt-free!

Tip: When your last debt is paid, keep your snowball rolling by depositing the final debt repayment amount into your savings account at Financial Center Credit Union each month! ❖



RETURN SERVICE REQUESTED

*The Newsletter for the  
Retired Public Employees  
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Stockton, CA 95208-0556*

