

RPEA RIVERSIDE



Retired Public Employees' Association of California
Chapter 15 – Riverside California Area VI Newsletter Issue 1 of 6



PLEASE JOIN US FOR THE FIRST LUNCHEON OF 2019!

A "HAPPY NEW YEAR" WELCOME AWAITS YOU!

When? Thursday, January 24, 2019 11:30 a.m. to 2:00 p.m.

**Where? Meeting Room, Janet Goeske Senior Center
5257 Sierra St., Riverside**

LET US KNOW YOU'RE COMING!

Make your lunch reservation before noon on Thursday, January 17.

Phone Shirley Muntz at 951-359-4520 or email rivshirley3@aol.com.

Since the chapter shares the cost, each attendee pays just \$5. First-time attendees are free. (If you have made a reservation and find you cannot attend, please let Shirley know as soon as possible so the catering order is accurate.)

CATERED LUNCH MENU: Meatloaf, mashed potatoes and gravy, green beans, green salad, fresh bread with butter, and white cake for dessert. [Thomas Catering]

GUEST SPEAKER: AL DARBY, PRESIDENT OF RPEA

We are fortunate to have Al Darby, newly-elected President of RPEA and longtime State Board member, as our guest speaker! His vision for RPEA is to continue increasing membership and to make the voice of RPEA heard in the "halls of power." Al routinely testifies before the CalPERS Board to express the concerns of RPEA members and will be an able leader! Don't miss this opportunity to hear what he has to say about the future of RPEA, his goals, and current concerns. Bring your questions!



NEW CHAPTER 15 MEMBERS!

JON BUEHLER	Florida	TERRENCE NCCARTHY	Corona
ANNETTE HENRY	Moreno Valley	JOAN MCMAHON	Riverside
TERESA HITCHENS	Norco	PEARL MEDINA	Moreno Valley
THOMAS ISHINO	Riverside	ANNA ROCCAFORTE	Murrieta
LYNDA KOSALKA	Corona	EDWARD SIMMONS	Rialto
DEBORAH LEGGETT	Eastvale	CAROL WENKER	Perris

**MEMBERSHIP REPORT
AS OF DECEMBER 1, 2018**

Total number of Chapter 15 members: 601
 Retirees: 531 Chapter Associates: 2
 Beneficiaries: 44 State Associates: 19
 Affiliates: 5

 Annie James, Membership Chairperson

TREASURER'S REPORT

As of Nov. 30, 2018, the Chapter 15 account balance totaled \$4,481.97.

 Copies of the current financial statement will be available at the January 2019 general meeting.

 Del Sells, Treasurer

SAVE THESE 2019 DATES!

<u>LUNCHEONS</u>	<u>BOARD MEETINGS</u>
January 24	February 21
March 28	April 18
May 23	June 20
July 25	August 15
Sept. 26	October 17
Nov. 21	December 19



In Memory.....

THOMAS PETERSON Arizona

HARVEY SIMPSON Corona

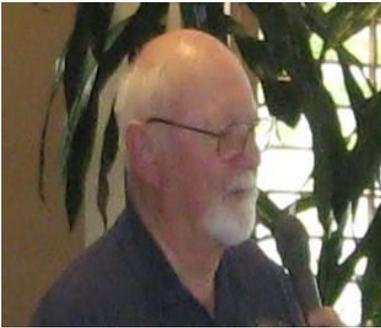
CHAPTER 15 OFFICERS AND BOARD MEMBERS

(telephone area codes are 951)

PRESIDENT	Jim Anderson	212-8281	HEALTH BENEFITS	Norma Carter	924-2208
VICE PRESIDENT	Wes Stonebreaker	784-1060	NEWSLETTER EDITOR	Linda Stonebreaker	785-1060
SECRETARY	Margie Wayne	689-9654	LUNCHEONS	Louise Russell	242-2279
TREASURER	Del Sells	776-2165	HOSPITALITY	Tom Gunn	237-7782
SUNSHINE	Helen Lair	683-7666	MEMBERSHIP	Annie James	992-8508

AREA VI DIRECTOR Jim Anderson

Chapter Email Address: waynesix@aol.com



PRESIDENT'S MESSAGE

In the past few weeks, I had the opportunity to attend two meetings at Riverside City Hall regarding the “unfunded liability” for their employees’ pension plan managed by CalPERS. City management is concerned that future payments to CalPERS will become unmanageable. In order to get a handle on how much will be needed, staff made presentations to the Budget Engagement Commission and conducted a workshop with the City Council. I made a brief presentation at that workshop.

The City Manager and Finance Director have raised the issue with elected officials that additional funding will be needed to meet the city’s obligation to maintain the defined benefit program for city employees. In exploring possibilities for meeting this “CalPERS Challenge,” it is encouraging that the city is looking to the future. RPEA is monitoring the various concerns raised at CalPERS meetings and has provided comments to the CalPERS Board and staff.

Coming away from the two meetings, I am concerned that issues presented to the City Council only revealed how much most people are uninformed about how the pension system works and how beneficial it is for their employees to have a defined benefit system in place. There were comments that the city should approach the legislature to force CalPERS to solve the problem. Under the State Constitution, the legislature has no control of the operation of CalPERS.

There were comments from the public that would propose the city resign from the pension program of CalPERS and place employees into a “defined contribution plan.” Under rules for CalPERS, this would require an exit fee to protect the existing employees’ and retirees’ pensions. New workers would be under the so-called 401(k) plan which relies on higher contributions and investment gains to pay future pension payments. This scheme is totally unaffordable and unworkable as demonstrated by San Diego’s experience.

The Riverside City staff presented the Council with fifteen alternatives to pay for the “unfunded liability” in the long term. The amount of the “unfunded liability” is determined by a calculation of the amount of money needed to pay for all of the pension obligations of all of the current workers and retirees during their lifetime. The reason this liability is increasing is that earlier calculations did not accurately calculate the actual life span of the people in the workforce. In addition, the expected returns on investments were not met because of losses in the “Great Recession.” Government agencies throughout the state are trying to find ways to plan ahead to close the gap through early planning and payments.

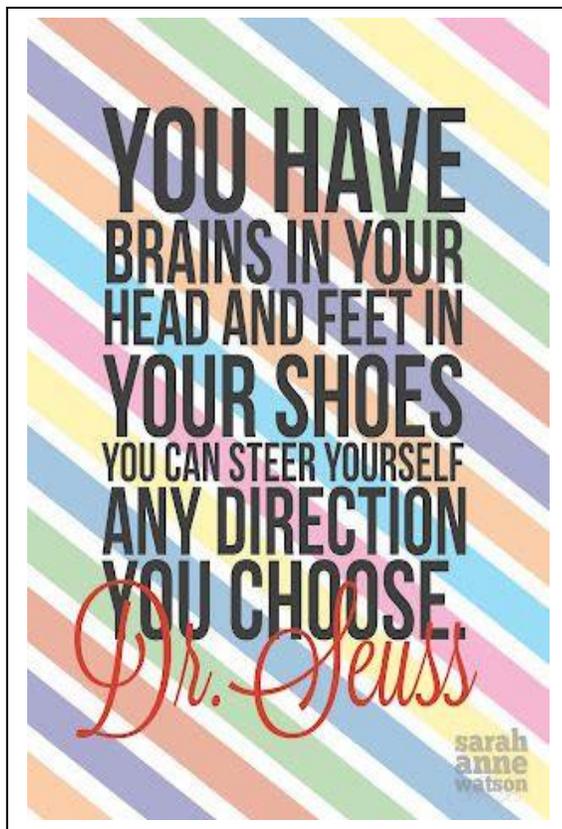
The State of California has the greatest level of “unfunded liability”; and in order to reduce the amount, last year Governor Brown directed payment to CalPERS of \$6 billion to be provided to the State’s contributions. Changes in the pension program in the last few years will address concerns with the costs of pensions by requiring longer work years and more employee contributions; however, these affect new employees and are subject to collective bargaining with the union representatives. Calculations show that some changes from the new laws will have an effect, but local governments will be looking at options. (continued on page 4)



Retired Public Employees' Association
RPEA Chapter 15 - Riverside
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(continued from page 3)

We will keep track of Riverside City's proposals and make recommendations whenever there is an opportunity to be supportive of retirees. Our primary point will be that the defined benefit pension for public workers is deferred compensation for work. In addition, the impact of these decisions are important to those of us who live in the City of Riverside and who vote for the elected representatives in each of the City's Wards. More information will be provided in the future.

Jim Anderson, Chapter 15 President

**AM I GETTING OLDER, OR
HAS THE SUPERMARKET
STARTED PLAYING GREAT
MUSIC?**

Know someone else who might be interested in RPEA? Please share this invitation.
