

### **RETIRED PUBLIC EMPLOYEES' ASSOCIATION OF CALIFORNIA**

### CELEBRATING 60 YEARS OF SERVICE TO RPEA MEMBERS!



# In Memory of RPEA President George Linn March 31, 1941 – June 30, 2018

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Al Darby RPEA PRESIDENT





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#### **RPEA NEWSLETTER**

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# **A Tribute to George Linn**



aving known George since he joined the RPEA Board of Directors in 2008 and serving as his

Vice President for the past four vears, I can confidently say that he was a "mover and shaker." His first position on the Board was that of Director of Communications: a position he elevated to a higher level by adding polish to the bimonthly newsletter and absorbing our new public relations firm, Marketplace Communications (MPC), into his Directorship. That position was soon renamed "Director of Public Relations."

He worked closely with Rachel Hooper and Bernice Creager at MPC to arrange newspaper exposure for RPEA and interviews with political figures and CalPERS officials. During this four-year period, great strides were made in broadening the "RPEA Brand" and gaining a foothold in print, broadcast, and social media.

In 2013, George was one of the first supporters of the AMBIA initiative that I and Rosemary Knox brought to RPEA, which led to the reversal of the membership decline that was seriously threatening the future existence of RPEA. This alliance with AMBIA was fully embraced by George throughout his tenure as President. He always urged chapter level engagement in recruiting new members, along with advocacy and community service.

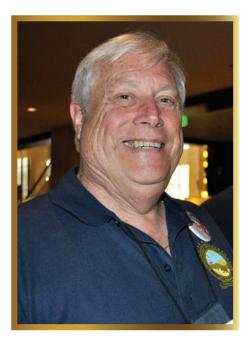
As President since 2014, he tirelessly worked to reorganize the Headquarters Office to improve its aesthetic appearance; but his greatest achievement was changes in staff that produced a more cohesive and functional workplace. His financial experience was

### By RPEA President Al Darby

indispensable in reorganizing our Headquarters and chapter banking systems. In addition, he presided over very successful budgeting practices that have reversed our drift toward financial stress. Our reserve funds are now at an all-time high.

Finally, George has been outspoken at CalPERS committee and Board meetings on many issues such as investments, health care, and the pension fund level that remains too low to be considered in a healthy condition. He testified before legislative committees and interviewed legislators as well CalPERS Board members for RPEA's YouTube channel.

These are just a few of the activities that George engaged in for RPEA in his four years as President. Even during his 18-month long illness he pursued the vigorous objectives of RPEA while undergoing treatment regimens. I'm happy that I had the opportunity to work closely with George on many of his efforts. I learned a lot and made some contributions of my own to these initiatives. He will be greatly missed.



# **President's Op/Ed**

### By Al Darby, President

Y

Since the disastrous CalPERS investment performances of 2015/16, George Linn and I have been focused on redirecting CalPERS Investment Committee. staff and Board

members in an effort to shift emphasis to return on investment (ROI) and reduce efforts related to environmental, social and governance (ESG) issues. Staff concerns around ESG, risk and divestment appeared to be dominating their thinking, and ROI was taking a back seat to good investment practices that are necessary to restore our pension fund (PERF) to a sound financial condition. It appears that our voices were heard (based on recent comments by the CalPERS CEO) and private equity (PE) will be made a large part of the CalPERS investment strategy going forward. Private equity has been a more profitable segment in the investment arena but, it has become less available to large pension funds due to a lack of transparency

regarding fee disclosure. In addition, there is a glut of private money available to conventional PE firms; that money is preferred because private investors don't question the fee structure.

In June, the new private equity program was unveiled. It is an innovative

structure that creates a General Partner entity under a separate and almost autonomous Board that will behave much like a modern-era private equity firm. The only difference is that it plans to hold assets (acquired public and private companies) for long periods like it now does with public equity assets. This approach to private equity is said to be dictated by the fact that fewer opportunities exist for acquisition by private equity general partners because of mergers and acquisitions in recent years that have reduced the number of available public equity investment opportunities. Fees to CalPERS that current private equity firms charge their limited partners are largely eliminated assuming the new CalPERS Board that oversees the new CalPERS General Partner doesn't treat CalPERS itself like a limited partner and charge the usual private equity general partner fees. Presumably, the ROI of this new PE enterprise will find its way to the PERF.

There are concerns that the independent Board that CalPERS must create could be too independent, and

that it may not perform its duties in a manner beneficial to CalPERS. Concerns about these kinds of issues will be expressed at the July meeting and, I'm sure,



will be thoroughly examined. There are existing operating models by pension funds using this approach to private equity investing. The most notable one is a Canadian pension fund that has successfully engaged in an independent PE investment system. Others call the CalPERS PE plan a "Warren Buffet" approach due to its long-term hold strategy. The CalPERS plan differs a bit in view of its venture capital unit.

Some CaIPERS Board members have expressed concerns about the fiduciary duties of the current Board related to the almost independent new PE Board. Another concern is the venture capital

"It appears that our voices were heard (based on recent comments by the CalPERS CEO) and private "la equity (PE) will be made a large part of the CalPERS investment strategy going forward."

component of this new PE entity—it proclaims its investments will be directed to firms in "late-stage" development. Even then, these investments are considered more speculative than established companies.

Again, many facets of this new venture by CaIPERS must be "fleshed out" in further reviews of the proposal. Meketa, a financial consulting firm CaIPERS often uses, says the existing CaIPERS Board must carefully examine this plan to avoid an early intervention to modify or terminate it and suffer the financial and reputational repercussions. Private equity has performed better over time and produced better ROI than any other investment category.



# **Health Benefits Update**

By Donna Snodgrass, Director of Health Benefits



hope you all had a wonderful July 4<sup>th</sup>. This country means so much to me. No matter how crazy it gets, this is

my home. Ray and I just returned from a British Isles No matter how beautiful the countryside tour. was-and it was-we knew we were going home at the end. And, you know what? The people we met and spoke with in England, Ireland and Scotland pretty much said we all have crazy politicians! This year celebrating July 4<sup>th</sup> meant even more to me because of the experience we had. Especially because our last stop on the trip was the beaches of Normandy. The French towns around those beaches have United States flags flying in almost every yard, along with the United Kingdom and French flags. The visit to the cemetery and the welcome we received was astounding. It reaffirmed my love for this country and who we are-warts and all!

This will be the last article I write as your Director of Health Benefits. I sincerely hope to continue to serve RPEA, only in another capacity. I have submitted my nomination for President, and I truly hope to serve RPEA in that office for the next two or more, years.

It has been a pleasure serving you here, and I sincerely hope I have been able to help you in even a small way.

### Background on Regional Pricing for our Health Plans

At the CalPERS Stakeholders' meeting in April of this year we began discussing the issues with the Public Agency regional pricing. It was brought up by one of the participating members, and I expressed my recollection of the timeline and the reason for this being created in the first place.

### This is a response from David Teykaerts, CalPERS Stakeholder Strategy Manager:

"In short, Donna Snodgrass was spot on: the LA-area public agencies felt their costs were higher than what they should be and began exiting the plan. That was the genesis of it all."

In 2003, 35 public agencies and specific bargaining units from eight additional public agencies withdrew from CalPERS health care programs—seven agencies in the North and 28 in the South. We lost 16,692 subscribers that year, mostly in the South, where agencies had been paying above-market premiums to stay in CalPERS. The number of people in our plans is our greatest negotiating strength, so staff looked at options to stem this tide for the sake of keeping costs increases as low as possible for the whole membership.

Regional pricing was considered during 2004 rate renewals as an option to retain public agencies. Blue Shield was predicting that agencies in southern California were likely to leave CalPERS and that this would cause their rates to increase 1.8% the next year. Kaiser also anticipated that a loss of public agencies in Southern California would increase the Kaiser 2004 statewide rate.

By 2004, we had lost 37,000 lives and risked losing more if we did not make a change. The stated goal of regional pricing was to better align premiums with the actual market experience of our public agency members. This was expected to encourage public agency members to continue their CalPERS participation. Legislation was required to enable CalPERS to offer benefit plans to public agencies at prices that differ from the statewide rate. SB 436 amended PEMHCA (the laws regarding CalPERS health care) to permit regional pricing and alternative benefit designs for public agencies.

The program has been successful in its original purpose: Los Angeles County public agency population covered by our plans has increased 60% from 2005 to 2017 while the total public agency population has grown 26%. But geographic costs and shifting populations continue to cause fluctuations in regional composition.

In 2005, CalPERS was responding to stakeholder concerns that premiums would become unstable if we did not act. Thirteen years later, we are hearing concerns from agencies in other Northern counties in particular about rising costs. There have been large increases in the other Northern region in the last few years, and we have received several negative employee and employer comments. This will likely be the major discussion point for rates, as well as regional factors.

Continued on next page

## **Health Benefits Update**

### Why do only the Public Agencies have regional pricing and not the state?

There are a several pieces to this.

1. The state will pay the same, overall, with or without regional pricing. Because state employees work all across the state, it doesn't matter if one area is higher or lower. The health costs are one large sum.

2. Because state employees in the same classification get the same salary, no matter where they work (an Office Assistant working in Riverside earns the same pay as one working in San Francisco), the state decided to give them the benefit of paying the same health premium.

3. Unlike Public Agency employees, State employees do not have the ability to leave the CaIPERS health plan unless they can prove they have health coverage from another source. 4. State employees pay health premiums according to their collective bargaining agreements.

#### Where do we go from here?

RPEA has met with CalPERS staff to begin finding a way to alleviate the high cost of the health premiums in some regions. This year the regional lines are being reconsidered to determine if they are outdated and need to be redrawn. Health plans have moved into and out of many counties since the original regions were established. But, redrawing lines won't help in the high cost regions. We must find a way for facilities (hospitals, clinics, etc.) and providers (doctors, nurses, pharmacists) to lower their costs. Or, we must find a way for our members to use health plans in other areas outside the high cost region where they reside. (*Just a thought.*) I will be at the CalPERS offsite meeting in July where this topic will be discussed. Stay tuned.

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### 2019 State Health Premiums Health Maintenance Organization Plans Only

### June PHBC Final Proposed Premiums

| Paoie (P)                | 2018     |            |            |          |            | Percent    |                 |
|--------------------------|----------|------------|------------|----------|------------|------------|-----------------|
| Basic (B)                | Single   | 2-Party    | Family     | Single   | 2-Party    | Family     | Change          |
| Anthem HMO Select        | \$796.73 | \$1,593.46 | \$2,071.50 | \$742.89 | \$1,485.78 | \$1,931.51 | -6.76%          |
| Anthem HMO Traditional   | 841.34   | 1,682.68   | 2,187.48   | 1,034.48 | 2,068.96   | 2,689.65   | 22.96%          |
| Blue Shield Access+      | 752.32   | 1,504.64   | 1,956.03   | 799.03   | 1,598.06   | 2,077.48   | 6.21%           |
| Health Net Salud y Más   | 471.51   | 943.02     | 1,225.93   | 376.89   | 753.78     | 979.91     | <b>-</b> 20.07% |
| Health Net SmartCare     | 790.73   | 1,581.46   | 2,055.90   | 728.70   | 1,457.40   | 1,894.62   | -7.84%          |
| Kaiser CA                | 717.38   | 1,434.76   | 1,865.19   | 708.39   | 1,416.78   | 1,841.81   | -1.25%          |
| Kaiser Out of State      | 957.05   | 1,914.10   | 2,488.33   | 964.68   | 1,929.36   | 2,508.17   | 0.80%           |
| Sharp                    | 624.70   | 1,249.40   | 1,624.22   | 593.66   | 1,187.32   | 1,543.52   | -4.97%          |
| UnitedHealthcare         | 704.59   | 1,409.18   | 1,831.93   | 695.77   | 1,391.54   | 1,809.00   | -1.25%          |
| Western Health Advantage | 720.44   | 1,440.88   | 1,873.14   | 706.79   | 1,413.58   | 1,837.65   | -1.89%          |

**Total HMO Basic Change** 

0.37%

| Madiaara (M)        | 2018     |          |            |          | Percent  |            |        |
|---------------------|----------|----------|------------|----------|----------|------------|--------|
| Medicare (M)        | Single   | 2-Party  | Family     | Single   | 2-Party  | Family     | Change |
| Anthem Traditional  | \$370.34 | \$740.68 | \$1,111.02 | \$357.44 | \$714.88 | \$1,072.32 | -3.48% |
| Kaiser CA           | 316.34   | 632.68   | 949.02     | 323.74   | 647.48   | 971.22     | 2.34%  |
| Kaiser Out of State | 316.34   | 632.68   | 949.02     | 323.74   | 647.48   | 971.22     | 2.34%  |
| UnitedHealthcare    | 330.76   | 661.52   | 992.28     | 299.37   | 598.74   | 898.11     | -9.49% |

**Total HMO Medicare Change** 

-1.21%

|                        | 2019                               |   |  |                                       |                                      |  |  |  |  |  |
|------------------------|------------------------------------|---|--|---------------------------------------|--------------------------------------|--|--|--|--|--|
| Combination Plans      | Subscriber in M & 1 Dependent in B | Subscriber in M &<br>2+ Dependents in B | Subscriber in M,<br>1 Dependent in B &<br>1 Dependent in M | Subscriber in B &<br>1 Dependent in M | Subscriber in B & 2+ Dependents in M | Subscriber in B,<br>1 Dependent in B &<br>1 Dependent in M |  |  |  |  |
| Anthem HMO Traditional | \$1,391.92                         | \$2,012.61                              | \$1,335.57   | \$1,391.92                            | \$1,749.36                           | \$2,012.61   |  |  |  |  |
| Kaiser                 | 1,032.13                           | 1,457.16                                | 1,072.51   | 1,032.13                              | 1,355.87                             | 1,457.16   |  |  |  |  |
| Kaiser Out-of-State    | 1,288.42                           | 1,867.23                                | 1,226.29   | 1,288.42                              | 1,612.16                             | 1,867.23   |  |  |  |  |
| UnitedHealthcare       | 995.14                             | 1,412.60                                | 1,016.20   | 995.14                                | 1,294.51                             | 1,412.60   |  |  |  |  |

### 2019 Regional Health Premiums Contracting Agencies Health Maintenance Organization Plans Only June PHBC Final Proposed Premiums

| Paolo                                |                      | 2018                |  |                     | 2019                                    |                     | Percent       |
|--------------------------------------|----------------------|---------------------|--|---------------------|---|---------------------|---------------|
| Basic                                | Single               | 2-Party             | Family                                     | Single              | 2-Party                                 | Family              | Change        |
|                                      |                      | <b>Basic Prem</b>   | ium Rates -                                | Bay Area            |   |                     |               |
| Alameda, Amador, Contra Costa, I     | Marin, Napa, Neva    | da, San Francisco,  | San Joaquin, San                           | Mateo, Santa Clara  | a, Santa Cruz, Sola                     | ano, Sonoma, Sut    | ter, and Yuba |
| Anthem HMO Select                    | \$856.41             | \$1,712.82          | \$2,226.67                                 | \$831.44            | \$1,662.88                              | \$2,161.74          | -2.92%        |
| Anthem HMO Traditional               | 925.47               | 1,850.94            | 2,406.22                                   | 1,111.13            | 2,222.26                                | 2,888.94            | 20.06%        |
| Blue Shield Access+                  | 889.02               | 1,778.04            | 2,311.45                                   | 970.90              | 1,941.80                                | 2,524.34            | 9.21%         |
| Health Net SmartCare                 | 863.48               | 1,726.96            | 2,245.05                                   | 901.55              | 1,803.10                                | 2,344.03            | 4.41%         |
| Kaiser CA                            | 779.86               | 1,559.72            | 2,027.64                                   | 768.25              | 1,536.50                                | 1,997.45            | -1.49%        |
| UnitedHealthcare                     | 1,371.84             | 2,743.68            | 3,566.78                                   | 0.00                | 0.00                                    | 0.00                | N/A           |
| Western Health Advantage             | 792.56               | 1,585.12            | 2,060.66                                   | 767.01              | 1,534.02                                | 1,994.23            | -3.22%        |
|                                      | Bas                  | ic Premium          | Rates - Sac                                | ramento Are         | a                                       |                     |               |
|                                      |                      | l Dorado, Plac      |  |                     |   |                     |               |
| Anthem HMO Select                    | \$942.29             | \$1,884.58          | \$2,449.95                                 | \$946.14            | \$1,892.28                              | \$2,459.96          | 0.41%         |
| Anthem HMO Traditional               | 1,054.62             | 2,109.24            | 2,742.01                                   | 1,178.79            | 2,357.58                                | 3,064.85            | 11.77%        |
| Blue Shield Access+                  | 806.71               | 1,613.42            | 2,097.45                                   | 881.01              | 1,762.02                                | 2,290.63            | 9.21%         |
| Health Net SmartCare                 | 980.82               | 1,961.64            | 2,550.13                                   | 0.00                | 0.00                                    | 0.00                | N/A           |
| Kaiser CA                            | 703.96               | 1,407.92            | 1,830.30                                   | 687.99              | 1,375.98                                | 1,788.77            | -2.27%        |
| UnitedHealthcare                     | 831.42               | 1,662.84            | 2,161.69                                   | 928.85              | 1,857.70                                | 2,415.01            | 11.72%        |
| Western Health Advantage             | 744.79               | 1,489.58            | 1,936.45                                   | 696.68              | 1,393.36                                | 1,811.37            | -6.46%        |
|                                      | Bas                  | ic Premium          | Rates - Los                                | <b>Angeles</b> Are  | ea                                      |                     |               |
|                                      | Lo                   | os Angeles, Sa      | n Bernardino                               | , and Ventura       |   |                     |               |
| Anthem HMO Select                    | \$660.17             | \$1,320.34          | \$1,716.44                                 | \$627.07            | \$1,254.14                              | \$1,630.38          | -5.01%        |
| Anthem HMO Traditional               | 784.72               | 1,569.44            | 2,040.27                                   | 878.48              | 1,756.96                                | 2,284.05            | 11.95%        |
| Blue Shield Access+                  | 613.29               | 1,226.58            | 1,594.55                                   | 669.75              | 1,339.50                                | 1,741.35            | 9.21%         |
| Health Net Salud y Más               | 404.32               | 808.64              | 1,051.23                                   | 356.50              | 713.00                                  | 926.90              | -11.83%       |
| Health Net SmartCare                 | 577.15               | 1,154.30            | 1,500.59                                   | 584.27              | 1,168.54                                | 1,519.10            | 1.23%         |
| Kaiser CA                            | 642.70               | 1,285.40            | 1,671.02                                   | 618.64              | 1,237.28                                | 1,608.46            | -3.74%        |
| UnitedHealthcare                     | 602.78               | 1,205.56            | 1,567.23                                   | 669.61              | 1,339.22                                | 1,740.99            | 11.09%        |
|                                      | Basic P              | remium Rate         | es - Other S                               | outhern Cali        | fornia                                  |                     |               |
| Fresno, Imperia                      | l, Inyo, Kern, King  | s, Madera, Riversio | le, Orange, San Di                         | iego, San Luis Obis | po, Santa Barbara                       | a, and Tulare       |               |
| Anthem HMO Select                    | \$659.69             | \$1,319.38          | \$1,715.19                                 | \$625.07            | \$1,250.14                              | \$1,625.18          | -5.25%        |
| Anthem HMO Traditional               | 735.08               | 1,470.16            | 1,911.21                                   | 830.89              | 1,661.78                                | 2,160.31            | 13.03%        |
| Blue Shield Access+                  | 695.97               | 1,391.94            | 1,809.52                                   | 760.04              | 1,520.08                                | 1,976.10            | 9.21%         |
| Health Net Salud y Más               | 461.56               | 923.12              | 1,200.06                                   | 427.81              | 855.62                                  | 1,112.31            | -7.31%        |
| Health Net SmartCare                 | 607.68               | 1,215.36            | 1,579.97                                   | 642.71              | 1,285.42                                | 1,671.05            | 5.76%         |
| Kaiser CA                            | 666.80               | 1,333.60            | 1,733.68                                   | 628.63              | 1,257.26                                | 1,634.44            | -5.72%        |
| Sharp                                | 618.14               | 1,236.28            | 1,607.16                                   | 593.66              | 1,187.32                                | 1,543.52            | -3.96%        |
| UnitedHealthcare                     | 616.66               | 1,233.32            | 1,603.32                                   | 646.65              | 1,293.30                                | 1,681.29            | 4.86%         |
|                                      | Basic P              | remium Rate         | es - Other N                               | orthern Cali        | fornia                                  |                     |               |
| Alpine, Butte, Calaveras, Colusa, De | el Norte, Glenn, Hum |                     | Mariposa, Mendocii<br>us, Tehama, Trinity, |                     | Iono, Monterey, Plu                     | mas, San Benito, Sh | asta, Sierra, |
| Anthem HMO Select                    | \$910.90             | \$1,821.80          | \$2,368.34                                 | \$592.23            | \$1,184.46                              | \$1,539.80          | -34.98%       |
| Anthem HMO Traditional               | 954.75               | 1,909.50            | 2,482.35                                   | 1,334.38            | 2,668.76                                | 3,469.39            | 39.76%        |
| Blue Shield Access+                  | 894.43               | 1,788.86            | 2,325.52                                   | 976.81              | 1,953.62                                | 2,539.71            | 9.21%         |
| Kaiser CA                            | 795.43               | 1,590.86            | 2,068.12                                   | 783.13              | 1,566.26                                | 2,036.14            | -1.55%        |
| UnitedHealthcare                     | 1,205.55             | 2,411.10            | 3,134.43                                   | 0.00                | 0.00                                    | 0.00                | N/A           |
| Western Health Advantage             | 744.79               | 1,489.58            | 1,936.45                                   | 696.68              | 1,393.36                                | 1,811.37            | -6.46%        |
|                                      |                      | asic Premiu         |  |                     | .,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | .,                  | 01.070        |
| Kaiser Out of State                  | \$957.05             | \$1,914.10          | \$2,488.33                                 | \$964.68            | \$1,929.36                              | \$2,508.17          | 0.80%         |
|                                      |                      | ÷ :,• :•            | <i>,</i>                                   |                     | ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, |                     | 5.0070        |

### 2019 Regional Health Premiums Contracting Agencies Health Maintenance Organization Plans Only June PHBC Final Proposed Premiums

| Medicare                             | 2018     |          |            |          | Percent  |            |        |  |  |
|--------------------------------------|----------|----------|------------|----------|----------|------------|--------|--|--|
|                                      | Single   | 2-Party  | Family     | Single   | 2-Party  | Family     | Change |  |  |
| Medicare Premium Rates - All Regions |          |          |            |          |          |            |        |  |  |
| Anthem Traditional                   | \$370.34 | \$740.68 | \$1,111.02 | \$357.44 | \$714.88 | \$1,072.32 | -3.48% |  |  |
| Kaiser CA                            | 316.34   | 632.68   | 949.02     | 323.74   | 647.48   | 971.22     | 2.34%  |  |  |
| Kaiser Out of State                  | 316.34   | 632.68   | 949.02     | 323.74   | 647.48   | 971.22     | 2.34%  |  |  |
| UnitedHealthcare                     | 330.76   | 661.52   | 992.28     | 299.37   | 598.74   | 898.11     | -9.49% |  |  |

### **2019 State Health Premiums**

### Preferred Provider Organization (PPO) Plans Only June PHBC Final Proposed Premiums - *With PERSCare Premium Adjustment*

| Pasia (P)            |          | 2018       |            |          | 2019       |            |         |  |
|----------------------|----------|------------|------------|----------|------------|------------|---------|--|
| Basic (B)            | Single   | 2-Party    | Family     | Single   | 2-Party    | Family     | Change  |  |
| Anthem EPO Del Norte | \$724.16 | \$1,448.32 | \$1,882.82 | \$764.78 | \$1,529.56 | \$1,988.43 | 5.61%   |  |
| PERS Choice          | 724.16   | 1,448.32   | 1,882.82   | 764.78   | 1,529.56   | 1,988.43   | 5.61%   |  |
| PERS Select          | 661.29   | 1,322.58   | 1,719.35   | 492.24   | 984.48     | 1,279.82   | -25.56% |  |
| PERSCare             | 776.19   | 1,552.38   | 2,018.09   | 929.89   | 1,859.78   | 2,417.71   | 19.80%  |  |

Total PPO Basic Change

| Madiaara (M) |          | 2018     |            |          | 2019     |            |        |  |
|--------------|----------|----------|------------|----------|----------|------------|--------|--|
| Medicare (M) | Single   | 2-Party  | Family     | Single   | 2-Party  | Family     | Change |  |
| PERS Choice  | \$345.97 | \$691.94 | \$1,037.91 | \$360.41 | \$720.82 | \$1,081.23 | 4.17%  |  |
| PERS Select  | 345.97   | 691.94   | 1,037.91   | 360.41   | 720.82   | 1,081.23   | 4.17%  |  |
| PERSCare     | 382.30   | 764.60   | 1,146.90   | 394.83   | 789.66   | 1,184.49   | 3.28%  |  |

Total PPO Medicare Change

|                   | 2019                               |                                      |  |                                       |                                      |  |  |  |  |
|-------------------|------------------------------------|--------------------------------------|--|---------------------------------------|--------------------------------------|--|--|--|--|
| Combination Plans | Subscriber in M & 1 Dependent in B | Subscriber in M & 2+ Dependents in B | Subscriber in M,<br>1 Dependent in B &<br>1 Dependent in M | Subscriber in B &<br>1 Dependent in M | Subscriber in B & 2+ Dependents in M | Subscriber in B,<br>1 Dependent in B &<br>1 Dependent in M |  |  |  |
| PERS Choice       | \$1,125.19                         | \$1,584.06                           | \$1,179.69   | \$1,125.19                            | \$1,485.60                           | \$1,584.06   |  |  |  |
| PERS Select       | 852.65                             | 1,147.99                             | 1,016.16   | 852.65                                | 1,213.06                             | 1,147.99   |  |  |  |
| PERSCare          | 1,324.72                           | 1,882.65                             | 1,347.59   | 1,324.72                              | 1,719.55                             | 1,882.65   |  |  |  |

3.74%

### 2019 Regional Health Premiums

### Contracting Agencies - Preferred Provider Organization (PPO) Plans Only June PHBC Final Proposed Premiums - *With PERSCare Premium Adjustment*

| Decie  |                                    | 2018               |   |                     | 2019                |                      | Percent      |  |
|--|------------------------------------|--------------------|---|---------------------|---------------------|----------------------|--------------|--|
| Basic  | Single                             | 2-Party            | Family  | Single              | 2-Party             | Family               | Change       |  |
|  |                                    | <b>Basic Prem</b>  | ium Rates -                                   | Bay Area            |                     |                      |              |  |
| Alameda, Amador, Contra Costa, Marin, Napa, Nevada, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, Sutter, and Yuba |                                    |                    |   |                     |                     |                      |              |  |
| PERS Choice  | \$800.27                           | \$1,600.54         | \$2,080.70                                    | \$866.27            | \$1,732.54          | \$2,252.30           | 8.25%        |  |
| PERS Select  | 717.50                             | 1,435.00           | 1,865.50                                      | 543.19              | 1,086.38            | 1,412.29             | -24.29%      |  |
| PERSCare   | 882.45                             | 1,764.90           | 2,294.37                                      | 1,131.68            | 2,263.36            | 2,942.37             | 28.24%       |  |
|  | Bas                                | ic Premium         | Rates - Sac                                   | ramento Are         | a                   |                      |              |  |
|  | E                                  | l Dorado, Plac     | cer, Sacrameı                                 | nto, and Yolo       |                     |                      |              |  |
| PERS Choice  | \$735.38                           | \$1,470.76         | \$1,911.99                                    | \$798.58            | \$1,597.16          | \$2,076.31           | 8.59%        |  |
| PERS Select  | 684.90                             | 1,369.80           | 1,780.74                                      | 508.68              | 1,017.36            | 1,322.57             | -25.73%      |  |
| PERSCare   | 797.61                             | 1,595.22           | 2,073.79                                      | 1,027.99            | 2,055.98            | 2,672.77             | 28.88%       |  |
|  | Bas                                | ic Premium         | Rates - Los                                   | Angeles Are         | ea                  |                      |              |  |
|  | Lo                                 | os Angeles, Sa     | an Bernardino                                 | , and Ventura       |                     |                      |              |  |
| PERS Choice  | \$620.39                           | \$1,240.78         | \$1,613.01                                    | \$654.50            | \$1,309.00          | \$1,701.70           | 5.50%        |  |
| PERS Select  | 573.21                             | 1,146.42           | 1,490.35                                      | 420.77              | 841.54              | 1,094.00             | -26.59%      |  |
| PERSCare   | 673.73                             | 1,347.46           | 1,751.70                                      | 843.78              | 1,687.56            | 2,193.83             | 25.24%       |  |
|  | Basic P                            | remium Rate        | es - Other S                                  | outhern Cali        | fornia              |                      |              |  |
| Fresno, Imperi   | al, Inyo, Kern, King               | s, Madera, Riversi | de, Orange, San Di                            | iego, San Luis Obis | spo, Santa Barbara  | , and Tulare         |              |  |
| PERS Choice  | \$698.96                           | \$1,397.92         | \$1,817.30                                    | \$721.11            | \$1,442.22          | \$1,874.89           | 3.17%        |  |
| PERS Select  | 654.74                             | 1,309.48           | 1,702.32                                      | 462.71              | 925.42              | 1,203.05             | -29.33%      |  |
| PERSCare   | 733.50                             | 1,467.00           | 1,907.10                                      | 907.29              | 1,814.58            | 2,358.95             | 23.69%       |  |
|  | Basic P                            | remium Rate        | es <mark>-</mark> Other N                     | orthern Cali        | fornia              |                      |              |  |
| Alpine, Butte, Calaveras, Colusa,  | Del Norte, Glenn, Hun              |                    | , Mariposa, Mendocir<br>ius, Tehama, Trinity, |                     | ono, Monterey, Plum | as, San Benito, Shas | sta, Sierra, |  |
| Anthem EPO Del Norte   | \$813.96                           | \$1,627.92         | \$2,116.30                                    | \$866.95            | \$1,733.90          | \$2,254.07           | 6.51%        |  |
| PERS Choice  | 813.96                             | 1,627.92           | 2,116.30                                      | 866.95              | 1,733.90            | 2,254.07             | 6.51%        |  |
| PERS Select  | 691.78                             | 1,383.56           | 1,798.63                                      | 511.34              | 1,022.68            | 1,329.48             | -26.08%      |  |
| PERSCare   | 866.93                             | 1,733.86           | 2,254.02                                      | 1,085.83            | 2,171.66            | 2,823.16             | 25.25%       |  |
|  | Basic Premium Rates - Out of State |                    |   |                     |                     |                      |              |  |
| PERS Choice  | \$661.45                           | \$1,322.90         | \$1,719.77                                    | \$630.41            | \$1,260.82          | \$1,639.07           | -4.69%       |  |
| PERSCare   | 718.98                             | 1,437.96           | 1,869.35                                      | 813.47              | 1,626.94            | 2,115.02             | 13.14%       |  |

| Madiaaka                             | 2018     |          |            |          | Percent  |            |        |  |
|--------------------------------------|----------|----------|------------|----------|----------|------------|--------|--|
| Medicare                             | Single   | 2-Party  | Family     | Single   | 2-Party  | Family     | Change |  |
| Medicare Premium Rates - All Regions |          |          |            |          |          |            |        |  |
| PERS Choice                          | \$345.97 | \$691.94 | \$1,037.91 | \$360.41 | \$720.82 | \$1,081.23 | 4.17%  |  |
| PERS Select                          | 345.97   | 691.94   | 1,037.91   | 360.41   | 720.82   | 1,081.23   | 4.17%  |  |
| PERSCare                             | 382.30   | 764.60   | 1,146.90   | 394.83   | 789.66   | 1,184.49   | 3.28%  |  |

# **Legislative Update**

By Aaron Read and Pat Moran of Aaron Read & Associates



t is with a heavy heart that we write this article. We are saddened to hear of the passing of RPEA President George Linn. George was dedicated to

RPEA and to protecting the rights of California Public Employee Retirees. All of us at Aaron Read & Associates enjoyed working with George and will miss him dearly.

#### LEGISLATIVE UPDATE

As of this writing, the Legislature is in summer recess. When they return on August 6th, there will only be four weeks left of the 2017-18 legislative session. Session officially adjourns on August 31st. The Governor will then have 30 days to sign or veto each of the measures before him. If no action is taken, legislation automatically becomes law without his signature.

Below is an update on some of the major measures RPEA is tracking:

**AB 315 (Wood, D-Santa Rosa)** – This bill requires Pharmacy Benefit Managers (PBMs) to register with the Department of Managed Health Care before conducting business in California. It also requires PBMs, on a quarterly basis, to disclose, upon a purchaser's request, information with respect to prescription product benefits specific to the purchaser for all retail, mail order, specialty, and compounded prescription products, as specified. *AB 315 is currently on the Inactive File on the Senator Floor. RPEA is in support.* 

**AB 1912 (Rodriguez, D-Pomona)** – This bill, that RPEA supports, changes Joint Powers Authority (JPA) member agencies' authority to disclaim the JPA's retirement liability. This bill aims to protect retirees who work for a JPA that dissolves, such as the East San Gabriel Valley Human Service Consortium, where CalPERS reduced the retirement benefits of almost 200 employees after its sole source of revenue was terminated. The JPA terminated all if its employees, was unable to pay its retirement obligations to CalPERS, and became insolvent.

Among other things, the bill:

- Eliminates the statutory provision that enables member agencies to disclaim a JPA's retirement liability for JPAs that contract with a public employee retirement system;
- Requires JPA member agencies to mutually agree within 60 calendar days to apportion the JPA's retirement liability with a public retirement system if the JPA dissolves or ceases operations or if the JPA's contract with CalPERS terminates, as specified;
- Provides that if the JPA members fail to agree to apportion the JPA's retirement liability, the member agencies are jointly and severally liable for the JPA's retirement obligations;

The bill was amended in the Senate Judiciary Committee to remove its retroactivity. RPEA opposed the amendment. According to the Senate Judiciary lawyers, the retroactive effect of this bill potentially presents a significant constitutional question with regard to existing JPA contracts. Moreover, with regard to JPAs that have already dissolved, this bill's provisions would likely be impractical to implement.

In order to clarify that the provisions of this bill do not apply to JPAs that have already dissolved as of the effective date of the bill, the author has agreed to amend the bill to specify that its provisions apply to contracts in existence as of the effective date of the bill, as well as to new contracts formed thereafter.

It is important to note, the LA Works JPA has not officially dissolved so it is possible that this bill could impact them. It is something, the courts may eventually decide. Be-that-as-it-may, we will be working on a bill and CalPERS to make the retirees of the JPA who had their retirement reduced whole.

### AB 1912 is currently in Senate Appropriations Committee awaiting a hearing. RPEA is in support.

ACR 238 (Kalra, D-San Jose) – This bill proclaims and acknowledges the month of June 2018 as Elder and Dependent Adult Abuse Awareness Month in California and would reiterate the importance of annually recognizing Elder and Dependent Adult Abuse Awareness Month in the state. *The bill is currently on the Senate Floor waiting to be taken up. RPEA is in support.* 

**SCA 8** – This bill would permit a government employer to reduce retirement benefits that are based on work not yet performed by an employee regardless of the date that the employee was first hired, not withstanding other provisions of the California Constitution or any other law. The measure would prohibit it from being interpreted to permit the reduction of retirement benefits that a public employee has earned based on work that has been performed, as specified. The measure would define government employer and retirement benefits for the purposes of its provisions. Essentially, this bill changes an employee's retirement mid-career. SCA 8 was introduced last year, but as of this writing, it has not yet been set for a hearing. Although the House of Origin deadline has passed, Constitutional Amendments are not subject to the same deadlines are regular bills. SCA 8 is awaiting a hearing in the Senate Public Employment and Retirement Committee. RPEA is opposed.

**SCA 10 (Moorlach)** – This bill would prohibit a government employer from providing public employees any retirement benefit increase until that increase is approved by a 2/3 vote of the electorate of the applicable jurisdiction and that vote is certified. The measure would define retirement benefit to mean any postemployment benefit and would define benefit increase as any change that increases the value of an employee's retirement benefit. The measure would define a government employer to include, among others, the state and any of its subdivisions, cities, counties, school districts, special districts, the Regents of the University of California, and the California State University. This bill was also introduced last year but is not subject to the same deadlines as regular bills. *SCA 10 is awaiting a hearing in the Senate Public Employment and Retirement Committee. RPEA is opposed.* 

SCR 140 (Dodd, D-Napa) – This bill proclaimed the month of June 2018 and June of every year thereafter as Elder and Vulnerable Adult Abuse Awareness Month. It passed the Legislature and was officially recorded by the Secretary of State on June 21st.

# **Legislative Update**

**RPEA was in support.** Resolutions, such as this, do not need to go to the Governor for signature. Once they pass the Legislature, they are simply sent to the Secretary of State for recordation.

#### JANUS V. AFSCME US SUPREME COURT DECISION

Janus v. American Federation of State, County, and Municipal Employees (AFSCME) was a landmark United States Supreme Court case regarding a public employee association/labor unions' ability to collect fees, commonly referred to as "Fair Share Fees", from non-members. On Wednesday, June 27th, the Supreme Court ruled that requiring employees to pay such fees violates their First Amendment rights.

The number of non-union members range between 5-25%, depending on the group.

This decision will impact unions financially, which means that RPEA needs to stay strong. As an example, earlier we mentioned AB 1912. 200 PERS Retirees had their pensions slashed when the JPA they were in went out of business.

#### **ELECTION UPDATE**

As you know, the primary election took place on June 5th. This year happens to be a statewide election year, and the Governor, Lt. Governor, Attorney General, Treasurer, Controller, Secretary of State, Insurance Commissioner and Superintendent of Public Instruction are all up for election. In addition, all 80 Assembly seats are up for election, as well as the even-numbered Senate seats. As you may know, only half of the 40-member Senate is up for election every two years because they hold four-year terms.

In addition to the 20 even-numbered Senate Districts, there was also a recall election on the ballot for Senate District 29, held by Josh Newman. Unfortunately, he was recalled and former Assembly woman Ling-Ling Chang was elected to replace him. He was recalled because he voted for SB 1 – the so-called "Gas Tax" that funds \$5 billion in road, highway and bridge repairs.

For a complete list of election results, visit the following link: <u>https://vote.sos.ca.gov/.</u>

#### **INITIATIVES**

There will be a total of 12 statewide initiatives on the November 6th General Election ballot. Below is a breakdown of each of them (for more information, visit the following link: <a href="http://www.sos.ca.gov/elections/ballot-measures/qualified-ballot-measures/">http://www.sos.ca.gov/elections/ballot-measures/</a>qualified-ballot-measures/

### Proposition 1 - Veterans and Affordable Housing Bond Act of 2018

Authorizes \$4 billion in general obligation bonds for housing-related programs, loans, grants, and projects and housing loans for veterans.

#### Proposition 2 - Use Millionaire's Tax Revenue for Homelessness Prevention Housing Bonds Measure

Allows counties to use money from Proposition 63's "millionaire's tax" on permanent housing for the homeless that includes a direct connection to social services.

Proposition 3 - California Water Infrastructure and Watershed Conservation Bond Initiative Authorizes \$8.877 billion in bonds to fund projects for water supply and quality, watershed, fish, wildlife, water conveyance, and groundwater sustainability and storage.

### Proposition 4 - Children's Hospital Bonds Initiative

Provides qualifying children's hospitals

\$1.5 billion in bonds to fund grants for construction, expansion, renovation, and equipping of hospitals.

#### **Proposition 5 - Property Tax Transfer Initiative**

Allows homebuyers who are age 55 or older or severely disabled to transfer their tax assessments, with a possible adjustment, from their prior home to their new home, no matter (a) the new home's market value; (b) the new home's location in the state; or (c) the buyer's number of moves.

### Proposition 6 - Voter Approval for Future Gas and Vehicle Taxes and 2017 Tax Repeal Initiative

Repeals a fuel tax increase and vehicle fees that were enacted in 2017, including the Road Repair and Accountability Act of 2017 (RRAA) and requires majority voter approval (via ballot propositions) for the California State Legislature to impose, increase, or extend fuel taxes or vehicle fees in the future.

#### **Proposition 7 - Permanent Daylight Saving Time Measure**

Overturns a 1949 voter-approved initiative called the Daylight Savings Time Act, which established Standard Pacific Time in California. If voters approve the ballot measure, the Legislature would then decide how the state's time should be set.

### Proposition 8 - Limits on Dialysis Clinics' Revenue and Required Refunds Initiative

Would require dialysis clinics to issue refunds to patients or patients' payers for revenue above 115 percent of the costs of direct patient care and healthcare improvements.

#### Proposition 9 - Three States Initiative or Cal 3 Initiative

Tasks the governor with asking Congress to divide the state of California into three states: California, Northern California, and Southern California. These states would make their own decisions about state and local taxes and spending.

#### **Proposition 10 Local Rent Control Initiative**

Repeals the Costa-Hawkins Rental Housing Act, thus allowing local governments to adopt laws and regulations to govern how much landlords can charge tenants for renting apartments and houses.

#### Proposition 11 - Ambulance Employees Paid On-Call Breaks, Training, and Mental Health Services Initiative

Allows ambulance providers to require workers to remain on-call during breaks paid at their regular rate; requires employers to provide additional training for EMTs and paramedics and requires employers to provide EMTs and paramedics with some paid mental health services.

#### Proposition 12 - Farm Animal Confinement Initiative

Establishes new standards for confinement of certain farm animals; bans sale of certain non-complying products. This initiative bans the sale of meat and eggs from calves raised for veal, breeding pigs, and egg-laying hens confined in areas below a specific number of square feet.





### **RPEA Remembers Sixty Years of Supporting Public Retirees**

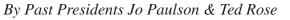
s we look back to 1958 when a small, concerned coalition of

state retirees came up with the idea to actively represent California retirees and then expand that representation to all public retirees in the CalPERS system, we thank and honor the many volunteers who stepped up to support that effort by generously donating their time, effort and expertise to the Retired Public Employees' Association of California (RPEA). They started what has become a highly-influential organization that lobbies for retiree rights at CalPERS and at the State Legislature.

RPEA was the first advocacy group to represent all public employee retirees—State, Schools and Local Agency retirees—with representation at regular meetings of retiree members from the State, Schools and Universities, Firefighters, Law Enforcement, Counties and Cities and Special Districts.

In unity there is strength, and RPEA followed this philosophy to greatly improve the lives of its members, especially as they relate to pensions and health benefits. In creating many chapters across California, as well as in four other western states, RPEA has been educating its members about the political forces opposed to their well-being as well as providing social activities for its members for 60 years.

Membership has fluctuated from a high of 41,000 to below our current 24,000. However, our membership is on the rise thanks to new leadership who bring new



k ideas and the use of new technologies.

The number of RPEA chapters has also fluctuated. We began with about 90 chapters and currently have 77 active and hard-working chapters. Aging and demographics have played a big part in these changes. Surprisingly, new chapters come up occasionally bringing new leadership styles and new ideas.

RPEA's Headquarters Office staff grew from a single person to a maximum of five personnel, now reduced to four thanks to the efficiency of office improvements and better use of technology.

But, the key to our success is the spirit of volunteerism in our chapters, in the field and on our Board of Directors.

### Happy 60th Birthday, RPEA





### Chapter 025 – LONG BEACH Attends LBUSD Celebration

Chapter 025 – LONG BEACH President, Jim Spaulding (L) and 025 member, Jonathan Obest (R), attended the Long Beach Unified School District (LBUSD) Classified Employee Celebration on May 25, 2018 at the Teacher Resource Center in Signal Hill, CA. The annual event is presented to recognize the hard work of the non-teaching staff (called "classified employees"). There are over 3,100 classified employees in the LBUSD, and this District is recognized as one of the largest public employers in the Long Beach area.

# **RPEA Legislative Update**



By Randall Cheek, Director of Legislation

ince this is my first report for our newsletter, I want to begin by acknowledging what a

great job former Director of Legislation, Jim Anderson, did for RPEA. I know how difficult it will be to step into his shoes, and I am truly humbled and honored that he asked me to finish his term.

I also want to thank the marvelous staff at the RPEA Headquarters Office, especially Office Manager Tanya Rakestraw who, along with Jim, is helping me learn the ropes.

In addition, I am pleased to work with Aaron Read and Pat Moran of Aaron Read & Associates who have kept the Legislative Committee informed and up to date on state legislation and issues.

The California Legislature is wrapping up its two-year session. Last day of session is August 31. The next session, which will include a number of new legislators, will not begin in earnest until January 2019. This past year saw a legislature in turmoil many with sexual harassment and ethical violations. A number of legislators were forced to resign. I am hopeful our next session will concentrate more on these issues.

As of this writing RPEA supported bill, AB 1912 (Rodriguez) which protects the pensions of public employees working for joint powers agencies, is nearing the finishing line. The good news is that legislatively, bills we wanted to fail have done so, and those we have supported have moved on.

Of concern is the recent United States Supreme Court Janus v. AFSCME decision which overturned

the decades long Abood decision. The court, on a 5-4 vote, said unions could no longer collect fair share fees from non-union members. This essentially means union members pay the full cost of all employee representation, whether or not it relates to collective bargaining and grievances. The Janus decision will be major blow to unions' pocket books and could affect current and future pensions. Why? Because the public employee unions in the past have led the battle fighting initiatives and legislation which have tried to limit both pensions and active and retired employee health benefits. The attacks have already begun. Recently in an op-ed piece in the Sacramento Bee, Jon Coupal of the Jarvis Gann Taxpayers Association attacked public pensions for raising the costs of budgets of California cities, counties and school districts. Dan Walters, in his syndicated column, echoed Coupal. The same people who financed the Janus decision will no doubt be circulating constitutional amendments to go after current pension and health benefits. Beware of the wolves in sheep's' clothing who will say anything to get us to sign a petition. If you are not fully apprised of an issue, don't sign. You may be signing away your pension and health benefits.

In my next column I will give you a run-down of all the initiatives on the November 2018 ballot.

For those attending General Assembly 2018 in Orange, please note that a Legislative Panel discussion is scheduled for Sunday, September 9 from 3:00pm to 4:00pm. The legislative panel will discuss not only state pension issues, but social security issues as well.

I look forward to seeing you all there



### **RPEA Continues to Assist Victims of the 'LA Works JPA' Who Suffered Pension Cuts**

### By Al Darby, President

We continue our efforts to assist these 60 plus retirees from this joint powers authority that canceled its CalPERS contract without paying the termination fee. RPEA representatives have often spoken at CalPERS Board meetings about this issue, and we have a commitment to review this to possibly get some relief for these retirees.

# **Tributes to George Linn**



"I will keep his family in my prayers." Loran Vetter, Chapter 043 – YOLO COUNTY

"There are no words..." Donna Snodgrass,

Director of Health Benefits

### From Margaret Brown













"I am deeply saddened at this news. I had just watched George speak at the CalPERS meeting in April, via video replay. God bless his family." Shirley Wofford, President Chapter 044 – POMONA



OUR DEAREST RPEA. WITH OUR DEEPEST CONDOLENCES TO YOU FOR THE LOSS OF YOUR AMAZING PRESIDENT, GEORGE LINN. HE WILL BE MISSED. FROM, YOUR UNITED HEALTHCARE ACCOUNT MANAGEMENT TEAM. ERONICA, AARON, ROSALYN & KELLY

"Oh my, this is such sad news. Our condolences to his family." Drue Burkhalter, Burk's Printing

"So sorry to hear George passed away. I had a lot of respect for him." Kathy Miller President of Chapter 031 - SANTA CLARA COUNTY

"Our deepest condolences to the RPEA family. George will be missed and forever remembered." With love,

Your AMBA Family









# **Tributes to George Linn**



"Even though I knew George for only 18 short months, our bond was strong. I will miss him dearly. Love and prayers to all who knew George." Margaret Brown

"So very sorry to hear of George's passing. He will be missed. " Ellen Knapp, Area Director V



*"It is with sadness that I learned of George's passing. I offer my condolences and sympathy to RPEA and to his family."* **Henry Jones** 









*"I am so sorry to hear about George's passing. We will all miss him so much. He made such a huge impact on our organization."* **Joanne Hollender** 

I read the announcement of George's passing and immediately got a big pit in my stomach. This breaks my heart. George was a wonderful man. I feel very privileged to have worked with him over the last few years. He cared very much for the Association. He will be missed; his shoes will be tough to fill.

Natalie Myers, Partner

**Campbell Taylor & Company** 



Provide Australia





"I am so sorry to hear this. I very much enjoyed working with George and chatting with him during the audit. He was a very bright man who really cared about the Association. My condolences to his family and his RPEA family." Lori Wattelet Campbell Taylor & Company





## **General Assembly 2018 Resolutions**



By Ted Rose, Immediate Past President & Chair of the General Assembly Resolutions Screening Committee

There will be nine (9) resolutions presented at General Assembly 2018 this year. There will be

eight (8) Resolution Hearings for the nine resolutions, because two of them are similar. Resolution Hearings will be held on Workshop Day, September 10, 2018, as we have done in the past.

The resolutions are:

1) A resolution by Donna Snodgrass to eliminate the position of Director of Membership on the RPEA Board of Directors, and to transfer those duties to the Vice President.

2) A resolution by Donna Snodgrass to add the position of Executive Vice President to the Board and to eliminate the position of Director of Legislation. The current legislative duties would be transferred to this new Executive Vice President.

3) A resolution by Donna Snodgrass to change the spacing for General Assemblies from every two (2) years to every four (4) years.

4) A resolution by Al Darby and George Linn to set a penalty for chapters who do not submit their annual financial statement by the deadline set forth in the RPEA Bylaws (December 15th). The penalty would be for Headquarters to withhold the chapter(s) funds until the reports have been received in the correct format. Upon

completion of the reporting process, the chapter funds would then be released by Headquarters to the chapters.

5) A resolution by Kathleen Collins and Dan Heredia for Headquarters to increase the amount of funds transferred to chapters from the present 19% of dues to 25% of annual dues submitted by chapter members.

6) A resolution by Chapter 009 – SURF CITY SANTA CRUZ to encourage more attendance at State Board meetings and to have those meetings held utilizing approved technological methods such as teleconferencing and videoconferencing with aid to chapters which are not technologically or financially able to participate.

7) A resolution similar to #6, also from Chapter 009 – SURF CITY SANTA CRUZ, to also teleconference or videoconference State Committee Meetings so that many more members can observe or participate in those meetings.

8) Another resolution by Chapter 009 – SURF CITY SANTA CRUZ, to have every chapter maintain a website paid for by RPEA.

9) A fourth resolution by Chapter 009 – SURF CITY SANTA CRUZ to add a section to the RPEA Bylaws stating that no member of RPEA shall be subjected to discrimination or harassment and that training will be provided to all State and Chapter Board members.



### State Supreme Court Will Soon Decide the Future Course of California Public Pensions

### By Al Darby, President

We are anxiously awaiting the state Supreme Court ruling on several public pension cases that have been combined into one decision which is due later

this year. The worst-case scenario is the Marin County case in which the appeals court judge said that pensions only have to be reasonable and not have the same value at retirement as promised at the time of hire. This could set in motion a steady decline in benefit structure as public agencies deal with the 'ups and downs' of economic times and their budgets are strained during the 'down' times. We have seen this same scenario play out in the private sector where many corporations have cut promised pension benefits to former long-term employees. Most public employees can ill afford pension cuts. They are living on less than \$36,000 per year now, and many do not receive Social Security. Health care and drug costs are a major burden to many of these retirees. Write to the court to express your strong support of the 'California Rule' that has kept public pensions safe.



### GENERAL ASSEMBLY 2018 Statements of Candidacy

Al Darby for President



My decision to run for RPEA President is based on my qualifications, gained while serving on this Board almost continuously since 2006. I believe my qualifications are demonstrated by my retiree advocacy efforts and recruiting successes in both RPEA campaigns and AMBIA-related efforts. Over the past four years, more than 6,000 new members have been recruited. This has resulted in membership growth from 21,000 to over 24,000.

In the area of retiree advocacy, I have regularly attended numerous CalPERS Committee and Board meetings over the past five years and given public comment on many topics from investment policy and internal CalPERS governance practices. This work does get results, and we must continue to provide member input at CalPERS and at the legislature to assist our lobbyists.

RPEA administrative activity has been an area where I have been very involved due to the illness of George Linn. I have been engaged in many office-related activities and presided at Board meetings that George could not attend. There are some administrative initiatives I would pursue as President to further increase efficiency and continue to grow our financial reserves to the level desired by the Board.

Please vote for Al Darby

Rosemary Knox for Vice President



I am submitting my intent to run for the office of Vice President of the Retired Public Employees' Association (RPEA) and to share my qualifications for the office.

I currently hold the position of Director of Membership since 2012 and have been instrumental in increasing the Membership. During my tenure as Director of Membership, I have enhanced recruitment of new members

by networking with CALPELRA and CalPERS. I have provided an avenue for our chapters to participate and reach out to potential and current retirees through the CalPERS Benefits Educational Events held in different regional areas throughout the State. This year, with the cooperation of the Membership Committee and the Headquarters Office staff, we were instrumental in a 64,000 prospective mailer that has netted great results.

I am currently involved with RPEA on a variety of levels as a member of the Health Benefits, Strategic Planning, Public Relations and Personnel Related Benefits Committees. I Chair both the Membership and Member Services Committees.

I hope to serve RPEA as Vice President and advance the work of the organization on many levels. It would be an honor to be elected as Vice President, and I sincerely hope you take part in the election process and consider me for your vote.

#### Donna Snodgrass for President



When asked to become a candidate for President, I made it very clear that I would not be taking the responsibility lightly. After several conversations at different meetings, I said yes.

I've been actively representing retirees almost 14 years. Issues I've dealt with are retirement/pension, legislation directly related to retirees, health plans/premiums/co-pays and

legislation directly related to CalPERS operations/ members and elections.

You will see more action like delivering the Vote of No Confidence on the OptumRX contract.

The job of president is to support the entire organization, especially the chapters.

I'm ready to put my energy and experience into the entire RPEA organization; legislation, finances, health benefits, membership/recruitment, public relations and member benefits.

I have served RPEA as Director of Legislation and Director of Health Benefits. Both major undertakings. I have also served on the Member Services Committee where I very diligently researched benefits offered to our members.

It will be an honor to serve this membership as President.

My vision for RPEA is to make us the premier retiree organization for California. When someone hears Public Service Retiree, I want them to immediately think RPEA!

With your support, I will give you leadership and commitment every day.

Marie Reed for Secretary/ Treasurer



I have served as Secretary/Treasurer of RPEA for the past ten years, and I am very ready and willing to serve in that position for another term.

I believe in the goals and mission of RPEA and want to use my skills to help promote those goals. One of the most important things we as retirees have to do is continue to defeat attacks on our retirement system and to protect the

benefits we have worked so hard to gain. RPEA is an effective vehicle to do that work. In order to achieve these goals, we must reach out to other retirees and encourage them to join with us to help us have a bigger and louder voice at the Legislature and at CalPERS meetings. Our membership must continue to grow so that we remain a force with which to be reckoned. We have recently seen results from our "voice" at CalPERS Board meetings, and we want to keep the pressure on this Board.

Fortunately for our organization, we are seeing an increase in

### Continued on next page

### GENERAL ASSEMBLY 2018 Statements of Candidacy

membership, which gives a bit more flexibility in preparing our annual budget. We need to remain constant, however, to conserve of our resources. To that end, and with the assistance of my Budget Committee, I have made the tough decisions about where to cut and where to enhance budget allotments so our dollars will stretch to fill the needs of all RPEA members. I believe my efforts to bring forth a balanced budget each year have helped the organization to remain viable and effective.

When it's time to vote for new officers at General Assembly 2018, I am asking for your vote of confidence for the next two-year term.

Thank You.

Lorenzo Rios for Director of Public Relations I have been a member of CALPERS for 34 years and worked for the following cities and schools:

- City of Santa Ana,
- UCI, and
   Danaba Sant

Rancho Santiago Community College
District

I also served in the US Air Force

I am a member of the following organizations:

- California Senior Legislature (CSL) as a Senior Assembly member for the 48th Assembly
- California Alliance for Retired Americans (CARA) Chapter President San Gabriel Valley Glendora Chapter. California.
- California School Employees Association (CSEA) Retiree Unit Council #5053 of El Monte
- Retired Public Employees' Association of California Chapter 025 LONG BEACH

My goal as Public Relations Director is to inform our members of all issues that can affect them as seniors—not only our pensions, but Medicare and Social Security or anything that affects the futures of our families and friends, because the more they know, the better we all can control our future. I also plan to report on chapter activities around the state to share new ideas on how to get new members

Randall Cheek for Director of Legislation



I am running for RPEA Director of Legislation because I believe in preserving and protecting not only our CalPERS pensions and benefits, but also our Social Security. Everyone should be able to live a decent life in retirement without concerns about outside forces trying to limit their incomes.

I grew up as a military dependent traveling the world and fully appreciate all that we Americans have.

My educational opportunities included attending Michigan

State University where I studied and received a Certificate in Radio/TV. I then received an Associate of Arts from Merced Community College and a Bachelor of Arts form Sacramento State University. I went on to Chapman University where I completed graduate work in Education.

I proudly served in the United States Army as an Information Specialist during the Viet Nam Era at the United States Military Academy Prep School.

My career includes over 20 years working for the California Legislature. I was then appointed by Governor Gray Davis to be Legislative Liaison for California Lottery where I was the first legislative director in over 20 years to get lottery-sponsored legislation passed and signed by the Governor. During my time with SEIU Local 1000 where I served as Legislative Advocate, I worked with not only the legislature but CalPERS in getting better benefits and working conditions for state employees.

Currently I am serving as Vice President and Legislative Chairperson for RPEA Chapter 004 - SACRAMENTO.

My community service includes serving on the Vestry of Trinity Cathedral in Sacramento.

I would appreciate your vote.





I have previously served RPEA and its membership in the Positions of President (two terms) and Director of Health Benefits. I have also held the offices of President and Legislative Chairperson for RPEA Chapter 004- SACRAMENTO and currently act as Chair of RPEA's Long Term Care Committee.

I retired from CalPERS after 29 years of employment. At CalPERS I worked in the Benefits Services Division for 22 of those years, and in the Office of Long-Term Care for the last seven. I am a 5-year Viet Nam-era veteran, and I graduated from UC Davis in 1966 where I majored in microbiology and history.

Your current Director of Health Benefits, Donna Snodgrass, has decided to not to seek reelection. My dedication and commitment to the success of RPEA dictates that I run for this position in order to continue to utilize my expertise by carrying on my service to state, public agency and school retirees to the best of my ability. Health care is a challenging field. I believe that my past experience with the CalPERS Board and Health Benefits staff puts me in the optimal position to effectively represent our membership and to address their health benefits issues.

Director of Membership



VACANT AT THIS TIME



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Medicare evaluates plans based on a 5-star rating system. Star Ratings are calculated each year and may change from one year to the next. \*Centers for Medicare & Medicaid Services Health Plan Management System, Plan Ratings 2012–2018. Kaiser Permanente contract #H0524. Benefits, premiums and/or copayments/ coinsurance may change on January 1 of each year and at other times in accord with your group's contract with us. This information is not a complete description of benefits. Contact the plan for more information. Limitations, copayments, and restrictions may apply. The provider network may change at any time. You will receive notice when necessary. In California, Kaiser Permanente is an HMO plan and a Cost plan with a Medicare contract. Enrollment in Kaiser Permanente depends on contract renewal. You must reside in the Kaiser Permanente Medicare health plan service area in which you enroll.

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| ROSTER OF 2016/2018 VOLUNTEER BOARD OF DIRECTORS                |   |  |  |                      |   |  |  |  |  |  |
|---|---|--|--|----------------------|---|--|--|--|--|--|
| NAME  | TITLE   | HOME ADDRESS                                       | PHONE  | FAX                  | E-MAIL ADDRESS  |  |  |  |  |  |
| Al Darby<br>8AM – 9PM   | President   | 8968 Panamint Court<br>Elk Grove, CA 95624         | 925 788 6068                                     | NONE                 | aldarby9@hotmail.com  |  |  |  |  |  |
| <b>Rosemary Knox</b><br>ANYTIME                                 | Vice President  | ****   |  | NONE                 | rknox@sbcglobal.net   |  |  |  |  |  |
| <b>Marie Reed</b><br>8AM – 7PM                                  | Secretary/Treasurer   | 6796 Pocket Road<br>Sacramento, CA 95831           | 916 428 2090                                     | NONE                 | marie.reed@comcast.net  |  |  |  |  |  |
| <b>Ted Rose</b><br>9AM – 5PM                                    | Immediate Past<br>President   | 2894 San Minete Dr.<br>Livermore, CA 94550         | 925 292 9017                                     | NONE                 | seniorsmokey@yahoo.com  |  |  |  |  |  |
| Donna Snodgrass<br>ANY TIME                                     | Dir. Health Benefits  | 10345 Walnut Grove Court<br>Yucaipa, CA 92399      | 909 790 0133                                     | NONE                 | Donnasnodgrass55@gmail.com  |  |  |  |  |  |
| VACANT  | Dir. of Membership  |  |  |                      |   |  |  |  |  |  |
| <b>C. T. Weber</b><br>10AM – 9PM                                | Dir. Public Relations   | 1403 Las Padres Way<br>Sacramento, CA 95831        | 916-422-5395 (H)<br>916-320-9186 (C)             | NONE                 | ctwebervoters@att.net   |  |  |  |  |  |
| Randall Cheek<br>ANYTIME  | Dir. Legislation  | 5201 Adelaide Way<br>Carmichael, CA 95062          | 916 541 8988 (H)                                 | NONE                 | rcheek1947@att.net  |  |  |  |  |  |
| <b>Paul Tamboury</b><br>8AM – 9PM                               | Area Director I   | 465 Stony Point Road, #130<br>Santa Rosa, CA 95401 | 707 573 1566                                     | 707 577 8827         | pault@rpea32.org  |  |  |  |  |  |
| Abe Baily<br>9AM – 9PM  | Area Director II  | 1073 San Ramon Dr.<br>Chico, CA 95973              | 530 680 7883                                     | 530 895 8704         | abaily@csuchico.edu   |  |  |  |  |  |
| Bob Van Etten<br>ANY TIME                                       | Area Director III   | 4401 Clovewood Lane<br>Pleasanton, CA 94588        | 925 846-6563                                     | NONE                 | bobvanetten@comcast.net   |  |  |  |  |  |
| Bill Houk<br>ANY TIME   | Area Director IV  | 1904 Devonshire Ave<br>Modesto, CA 95355           | 209 578 4420 (H)<br>209 606 5779 (C)             | NONE                 | sixteenthb@aol.com  |  |  |  |  |  |
| <b>Ellen Knapp</b><br>ANYTIME                                   | Area Director V   | 28319 N. Azurite Pl.<br>Valencia, CA 91354         | 661 607 2072 (C)                                 | NONE                 | eknapp@roadrunner.com   |  |  |  |  |  |
| VACANT  | Area Director VI  |  |  |                      |   |  |  |  |  |  |
| <b>Dennis Cassella</b><br>8AM 5PM                               | Area Director VII   | 205 Cypress Hill Dr.<br>Grass Valley, CA 95945     | 530 272 2130                                     | SAME<br>(CALL FIRST) | ncdennisc@aol.com   |  |  |  |  |  |
| Kathleen Collins<br>ANY TIME                                    | Area Director VIII  | ****   | 562-884-8891                                     | NONE                 | kcespresso@hotmail.com  |  |  |  |  |  |
| Larry Sullivan<br>ANYTIME                                       | Area Director IX  | 1602 Sunset Gardens Rd.<br>Albuquerque, NM 87105   | 505 242 4981                                     | SAME<br>(CALL FIRST) | houseofspirit@earthlink.net   |  |  |  |  |  |
|   |   | HEADQUARTERS OF                                    | FICE STAFF                                       |                      |   |  |  |  |  |  |
| Tanya Rakestraw<br>Radtana Lee<br>Corey Saeteurn<br>Teena Stone | Office Manage<br>Accts. Payable<br>IT Technician<br>Mem. Svcs. Sect | Clerk Sacramento, CA 95<br>8:00AM - 4:00PM         | 811 800 443 <sup>-</sup><br>916 441 <sup>-</sup> | 910 441              | tanya@rpea.com<br>7413 radtana@rpea.com<br>corey@rpea.com<br>teena@rpea.com |  |  |  |  |  |