

BOARD OF SUPERVISORS MEETING
February 6th, 2018

"For all items *NOT* on the agenda"

(Each Speaker Limited to 3 Minutes)

Voluntary Sign-In Sheet

Charles G. Ciancio

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Cases may lead to cutting pensions

By Jonathan J. Cooper
The Associated Press

SACRAMENTO » For decades in California, a sacrosanct rule has governed public employees' pensions: Benefits promised can never be taken away.

But cases before the state Supreme Court threaten to reverse that premise and open the door to benefit cuts for workers still on the job.

The lawsuits have enormous implications for California cities, counties, schools, fire districts and other local bodies facing a sharp rise in their pension costs.

The ballooning expenses are an issue that Gov. Jerry Brown will face in his final year in office despite his earlier efforts to reform the state's pension systems and pay down massive unfunded liabilities.

His office has taken the unusual step of arguing one case itself, pushing aside Attorney General Xavier Becerra and making a forceful pitch for the Legislature's right to limit benefits.

At issue is the "California Rule," which dates to court rulings beginning in 1947. It says workers enter a contract with their employer on their first day of work, entitling them to retirement benefits that can never be diminished unless replaced with similar benefits.

Pensions

FROM PAGE 1

It gives workers security that their retirement will be safe and predictable after a career in public service. But it also ties lawmakers' hands in responding to exploding pension costs.

It's widely accepted that retirement benefits linked to work already performed cannot be touched. But the California Rule is controversial because it prohibits even prospective changes for work the employee has not yet done.

"Lots of people in the pension community are paying attention to these cases and are really interested in what the California Supreme Court is going to do here," said Amy Monahan, a University of Minnesota professor who studies pension law.

Pension systems around the

country are facing unprecedented pressures from generous benefits, severe losses during the Great Recession, mostly anemic investment earnings since, and retirees living for longer.

California's two major pension funds, which have more than \$570 billion in assets between them, have enough money to pay for only about two-thirds of their anticipated costs.

As a result, both the California Public Employees Retirement System and the State Teachers Retirement System will collect billions of additional dollars from state and local governments, putting pressure on those budgets.

The pending cases stem from a Brown-backed 2012 pension reform law that sought to rein in costs and end practices viewed as abuses of the system. One of those eliminated benefits was a right to buy up to five years of credit when retirement ben-

efits are calculated, so a person who worked 20 years would get a monthly check as if he'd worked 25 years.

Brown, in a brief filed in November, argued benefits have been handed out too generously.

"For years, self-interested parties, overly generous promises whose true costs were often shrouded by flawed actuarial analyses, and failures of public leadership had caused unsustainable public pension liabilities," his office wrote. A ruling is expected before Brown leaves office in January 2019.

The 2012 law also limited the types of income that can be used to calculate pension benefits in an attempt to limit "pension spiking," or driving up final salaries to increase payments in retirement.

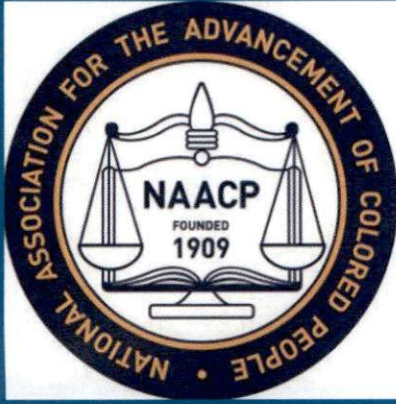
A group of Marin County employees sued separately over the changes, arguing the benefits couldn't be altered. The Califor-

nia Court of Appeal in San Francisco disagreed in a ruling that strikes at the heart of the California Rule.

"While a public employee does have a 'vested right' to a pension, that right is only to a 'reasonable' pension — not an immutable entitlement to the most optimal formula of calculating the pension," Judge James A. Richman wrote. The case is now pending at the Supreme Court.

Dave Low, chairman of Californians for Retirement Security, a union coalition, said the Supreme Court upholding the lower-court ruling would be a "major setback" for public employees.

"If they base their decision on precedent, I don't think that there's much for the public employees to worry about," Low said. "The key will be if the Supreme Court decides to break away from decades of precedent and dozens of decisions."



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NAACP

Eureka, CA Branch

Black History Month

BOOK DRIVE

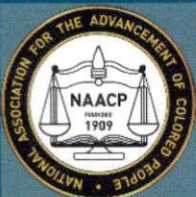
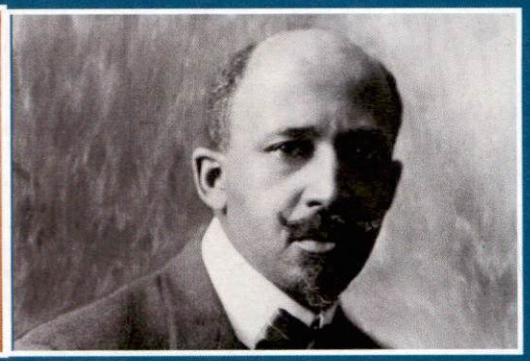
February 1st - 25th 2018

The Eureka branch of the NAACP is hosting a book drive for Black History Month as a way to engage with the local community. We are collecting books for three weeks in February with the goal of 200 books about Black history, Black culture or by Black authors. At the end of the month, these books will be donated to a local elementary and high school.

Seeking New & Used Books

Get involved!

- *HSU Students & Faculty*
- *Community Members*
- *Organizations*
- *City & County Staff*



Eureka NAACP Phone Number: 707-502-2546

Email: contact@EurekaNAACP.org

Book Drop Off Locations: KHSU (Lorna Bryant), African-American Center For Academic Excellence, Humboldt County Office of Education, & Arcata Library

To: Anyone

Subject: ~~the~~ questions

When you experienced in real world
realities is limited, what would you do?
What would you do if ~~you~~ ^{what} you learned
was ignored?

Charles L. Ciancio

P.O. Box 172

Cutter, CA 95534

707-443-2179

(An old tired Forester no one gives any attention
and
who has lived in a warlike man's world,