

CSDREA Advocacy Committee Meeting January 3, 2006

Submitted by Patricia Karnes

Present: Virginia Silverman, Patricia Karnes, John Casey, Joe Flynn. Invited, but absent: Ty Rogers, Nancy Acevedo, Ruth Ann Hageman. A topic for CSDREA, in January, is filling of a minimum of five slots in the Advocacy Committee.

NAVIGANT WILL REPORT TO SDCERS BOARD

Joe announced that Navigant will present their illegal acts investigation to the SDCERS Board on Friday, Jan. 20th, so be sure to come to the meeting. John Casey, former SDCERS Board member, said that he has not been interviewed by Navigant as of January 3, 2006.

SDCERS vs City of SD Declaratory Relief ---Virginia said that this Friday, Jan. 6, at 10:30am in Chamber 73, that Judge Denton will be hearing an attempt to get the Unions out of Aguirre's lawsuit. She will be attending. (It was postponed to January 13, 2006.)

ADVOCACY PRIORITIES DISCUSSED

There was a discussion of the Advocacy priorities, with focus on eliminating the "waterfall", informing retirees on what the 13th check was about (Joe's project), and "no actions that favor one group of retirees over another-neutrality". Joe recommended staying focused on the City paying for granted benefits, and not fighting among ourselves. Virginia thought the funded ratio is now 58%. Patricia still wonders where the City is going to find that money to pay active and retirees' benefits in the future.

TRANSFERRING CITY PROPERTY TO SDCERS

John said that it has been the policy of the SDCERS Board not to be involved with local property and that accepting City property would be a political bomb.

LEGAL REPRESENTATION FOR RETIREES

John announced after the meeting that he would be encouraging Ty to make CSDREA more political in order to eventually have a legal representative for retirees. This is somewhat related to Virginia's concern about SDCERS Board rule 7.01, enacted in the 1980s, that removed retirees from eligible voters on certain issues, she will be researching this and will present us with information regarding a situation in which the interest of retirees and actives are thrown against each other, and retirees have no voice.

REPLACING LARRY GRISSOM, SDCERS ADMINISTRATOR

John announced that he had applied for Larry's job because he believes some powers-that-be want to gut the remaining pension funds and that the City has never understood pension funds just "sitting there". John said he had not heard from the interviewing firm. At the December SDCERS' Board meeting, it was announced that the firm had five applicants for the SDCERS Board to interview. Joe has heard nothing newer.

DIVERSITY ON SDCERS BOARD

There are no women on the Board and perhaps the upcoming Tuesday CSDREA Board meeting will take up a request to the Mayor to appoint one. Currently, Patricia noted that the SDCERS Board is very much into male-teamwork, not much discussion, and has become a little difficult for women to follow. The group reminded her, that in the nine months since the new SDCERS Board started in April, the SDCERS Board has changed over 50% of their members, and maybe as few as four Board members understand issues. Because of his experience in working with several past presidents, Patricia asked John if he thought Preovolos had taken on more responsibility than previous presidents. (Example: Preovolos, after closely working out details with Grissom/Chapin, asking the Board to pre-approve legal powers for Preovolos to act on matters that the Board has not been informed about yet.) John answered that he thought the new Board lets Preovolos do that and is not limiting the presidential power as much as possible. Pierce didn't

have that range of power.

(From Virginia Jan 5, 2006)

Board Rule 7.01 was amended in April, 2003 (don't know when it was first adopted). I did a hasty reread when I came home from the meeting. There was much discussion over two meetings, with Diann Shipione objecting, saying that retirees should not be excluded. Jim Gleason also testified against it. I still don't know why this action was taken, but the justification for it was that the City Charter distinguishes between the two classes of employees (current and retired). Maybe that should be one of our research priorities - to look into past actions and make recommendations to return power to the retirees.)

INDEMNIFICATION

Joe pointed out that on the issue of SDCERS staff indemnification, the Board had kept their power to approve legal coverage on Grissom/Chapin.

Question arose if Chapin had taken the 5th or merely claimed she didn't speak because of attorney-client privilege. Does anyone know?

Retirees are lucky to have Joe bring his expansive experience in Planning, working with City community groups, and wonderful humor to these issues.