

CSDREA ADVOCACY COMMITTEE May 2, 2006
Mission Valley Library 10:00a.m. until 11:45a.m.

Present: Ty Rogers, Chair, Virginia Silverman, Patricia Karnes, John Casey, Lynn Swanson, Jean Hughes. Guest: John Swanson.

The Advocacy Committee is considering preparing a monthly page covering issues impacting retirees for CSDREA's Board. The purpose would be to consolidate Board discussion and focus the Advocacy Committee's goals and effectiveness for CSDREA. It would be sent out before meetings.

Casey inquired into the possibility of finding someone, such as a retiree City attorney, to explain what is happening with current court cases. Concerns were "vested interests" and time availability of an attorney willing to "volunteer".

ACTION ON HEALTHCARE ISSUES?

According to the IRS, SDCERS cannot use pension funds for healthcare insurance costs or administration of healthcare. (The City should repay SDCERS for past expenses.)

New rules for accounting for future retiree health costs for public employees have been implemented by GASB (Government Accounting Standards Board), Virginia noted. The rules require government agencies to project future health care costs for retirees and to disclose those costs, and if they are setting aside funds for the future. Virginia thought that the City could still pay for health costs on a pay-as-you-go basis, but this will reflect negatively on the City's liabilities and assets sheet.

Mayor Sanders' revised budget for retiree healthcare showed a reduction to \$8.8 million (SDUT May 2-06 page B5) according to Andrea Tevlin. (The SDUT said on April 29, 2006, page B3, "Two of the mayor's recommendations for funding promised retiree health benefits also are missing from his budget, according to Tevlin's report." SDUT, in the side-bar to the article noted: "...the mayor failed to account for portions of his \$21 million proposal to fund health care expenses and all of a "\$5 million fund for future medical costs. Sanders said he will correct the omissions.")

What are the rules and vesting of retiree health care? Can they be changed? Will retirees need to sue?

SDCERS has paid for Care Counsel (retiree's health insurance ombudsman) in the past. Where will the funding come from in the future? Flynn emailed that this issue can be directed to the Navigant Committee (meeting May 17, 2006, Wednesday at 1:00p.m.)

Representation of retirees:

Many of SDCERS' responsibilities for the Retiree Issues Task Force and the Health Advisory Committee have been shifted from SDCERS to the Mayor and City Council, due to the funding shift to the City. CSDREA will be looking into contacting the City regarding the issue of retiree representation.

Health issues that remain in SDCERS will be covered by SDCERS' Business and Procedure Committee (meeting Thursday before the 3rd Friday of the month in the morning).

SDCERS BOARD MEETING ISSUES

Patricia noted that SDCERS is in process of settlements with the IRS' Voluntary Compliance Program. Under the current legal description of SDCERS, the Port and Airport are currently also responsible for liabilities to City retirees. Cheiron (SDCERS' actuary) and Brown Armstrong (SDCERS' auditor) are expected to do presentations at SDCERS Board meeting on May 19th. (Prevolos has invited the City Council, according to the voiceofsandiego.org)

Next ADVOCACY COMMITTEE meetings: Tuesday, June 6 at 10:00a.m. and Thursday, July 6 at 10:00a.m at Mission Valley Library's Seminar Room. (If you are interested working with the Committee contact President Nancy Acevedo).

Submitted 5/10/06 Patricia Karnes