

**David Wescoe, SDCERS Administrator report to Council Budget and Finance Committee – Feb 21, 2007 with response on March 2, 2007**  
*Forward by Joe Flynn*

On Feb. 21, 2007, SDCERS Administrator David Wescoe appeared at the Council Budget and Finance Committee to provide and update on SDCERS progress and financial condition. One of the retirees, taped the session for me, and sent it to me recently.

In that presentation Wescoe covered the 2006 Actuarial Report, the status of the Comprehensive Annual Financial Report, the status of the Fund, our progress with the IRS Voluntary Compliance Program, and the current effort to negotiate a lease for office space. A question and answer period followed. Chair, Councilmember Toni Atkins thanked David for his accessibility and informative reports, and said, "I appreciate the very good work on behalf of the retirees."

Council Pres. Scott Peters asked, "What do you need from us - the City Council?" David replied, that SDCERS had sent over ordinances dating back two years that have not been docketed for Council and that we need resolutions regarding changes in the tax laws. He pointed out that the changes requested were necessary to ensure the tax qualified status of the plan. Councilwoman Donna Frye asked, "What happens if there is a difference between the Municipal Code and the IRS?" David replied, "IRS trumps the Municipal Code."

Committee questions had wound down when City Attorney Mike Aguirre entered the room. He began by asking Mr. Wescoe what his qualifications were to manage a pension system. David replied with his education and background; law degree from Columbia University, law practice as counsel for SEC Commissioners, an array of positions as Chief Finance Officer and General Counsel for New York Stock Exchange listed companies, and CEO of one of the country's largest broker-dealers. He concluded, that in view of the existing litigation [between The City and SDCERS] that he had been advised by counsel to answer no further questions. With that, he left the Committee Room.

Mr. Aguirre continued, stating that "Mr. Wescoe has fled," and saying that "he has no qualifications and no expertise to run a pension system." It went downhill from there.

Councilmember Jim Madaffer did say, "I take Mr. Wescoe at face value

Council Pres. Peters defended Cheiron and the actuarial report and said, "I have a different opinion of Mr. Wescoe. It was good of him to come, and I have a high opinion of him. He went on to say, "We must recognize that the

SDCERS Board is independent and has plenary authority. We should be very informed [on SDCERS] but the decisions by law are made by the Pension Board."

A number of the statements made by Mr. Aguirre incorrect. These were brought to Mr. Wescoe's attention. He then reviewed the comments and sent the attached memo to Councilmember Atkins and the committee members with corrections of the more critical misstatements.

Regarding Wescoe's qualifications: the Board selected him from a group of 200 prospects from across the US. My best day with SDCERS was the day we hired David. I saw that as a long term investment in the health of the organization. Everything to date has confirmed that hope.

*Joe Flynn, Retiree Rep. to the Board*

[Attachment: David Wescoe's response dated March 2, 2007](#)