

**CITY OF SAN DIEGO
RETIRED EMPLOYEES ASSOCIATION
BOARD OF DIRECTOR'S MEETING
OCTOBER 11, 2005**

ATTENDANCE

BOARD MEMBERS: Nancy Acevedo, John Casey, Jim Foley, Joe Flynn, Ruth Ann Hageman, Don Robbins, Sylvia Tatum, John Tsiknas, Bob West and Dave Wood.

ABSENT: Charles Buchanan, Patti Karnes, Adam Saling and Virginia Silverman

GUESTS: Rick Cumming III, Jim Gleason, Bob Headland and Maggie Smith

President Nancy Acevedo welcomed everyone and called the meeting to order at 9:30 a.m.

MINUTES

The minutes of the Board meeting of September 13, 2005 were approved with the addition, under communications, of "Board member William Shefler's letter in favor of waiver was also printed. Joe Flynn has also written on his position supporting waiver", and noting that Don Robbins was not in attendance.

COMMUNICATIONS

Nancy reported on a request from Eric Sigdestad, CFP, to make an announcement at our general membership meeting about an educational workshop he has scheduled to highlight changes affecting DROP retirees. It was agreed that the announcement be made, but that questions not be allowed.

Ruth Ann asked that it be noted that at the August meeting she voted for the motion about CSDREA remaining neutral, and wished her vote to be recanted.

TREASURER'S REPORT

Sylvia provided copies of her written report. Beginning Operating Fund Balance 9/1/05 - \$2,174.90, receipts - \$1,832.90, expenditures - \$1,088.31, ending balance 9/30/05 - \$2,919.49. Reserve Fund Total - \$10,397.51, for a Grand Total Reserve - Operating Fund of \$13,317.00.

Sylvia reported that the cost of the Holiday luncheon is in excess of \$18. Last year it was in excess of \$17 and we subsidized the excess.

MOTION: It was moved and seconded to set the price at \$18 and subsidize the excess. The motion passed unanimously.

PROGRAMS

In the absence of Adam Saling, programs planned were reviewed. Today's program is Deborah Steffen, County Office of Emergency Services Director; November 8 will be Evan McLaughlin, Voice of San Diego Reporter; and December 8 will be the Holiday Luncheon. A possible future program is Philip LaVelle, Union Tribune Reporter for January. Joe Flynn suggested James Bruce Joseph Sievers, Poet, "An American in Love With His Country".

RETIREE ISSUES TASK FORCE

Joe Flynn reported on the RITF meeting with Richel Thaler, who has replaced Cathy Lexin as the City's Human Resources Director. Current Task Force membership, in addition to Joe as chair,

consists of three general retirees, two fire retirees and two police retirees. CSDREA members are Nancy, Virginia and Bob West. Richel was briefed on retiree concerns. Our main concern was the need to protect health insurance benefits. The two main health insurance issues discussed were that retirees need to have a "place at the table" when this issue is being discussed with employee groups; and that pre-80 retirees, who receive \$1200 per year in reimbursement, should not have to submit receipts - with \$78.20 medicare being reimbursed automatically, this leaves only \$21.80 per month for medical expenses, which is a minimal amount and not worth the time that the Retirement Office spends gathering and checking documents submitted. Richel was provided with copies of CSDREA's issue papers on Health Insurance and the 13th Check.

RETIREMENT BOARD REPRESENTATIVE REPORT

Joe discussed the IRS' revised rules that affect how DROP funds must be distributed, and the time frame during which retirees affected must make a decision. He feels this time frame is too short and is trying to get exceptions. All those impacted will receive written information from CERS.

Funds are available for the 13th check and Corbett, but the final audit, which is a technicality, has not been completed.

COMMITTEE REPORTS

NEWSLETTER – Ruth Ann explained the proposal to expand the newsletter to four pages, at an additional cost of approximately \$200 each time. Discussion centered on whether this should be monthly or on another schedule or just as needed. Ruth Ann proposed that she appoint a committee to develop the plan.

MEMBERSHIP – No report.

ACTIVE EMPLOYEE ASSOCIATION REPRESENTATIVE - No report.

WEB SITE - John Tsiknas reported that there are now over 200 articles on the web site, and that he has expanded the index to add a short explanation of the reports.

ADVOCACY COMMITTEE – Ruth Ann presented an Advocacy Committee proposal to create an ad hoc committee on pension fund financing, to research and recommend solutions to bring the pension fund up to fuller funding. The committee should be mainly comprised of retired City financial professionals. Several names were proposed to be contacted to determine their willingness to serve on such a committee.

MOTION: It was moved and seconded to establish the ad hoc committee. The motion passed with Jim abstaining.

Ruth Ann agreed to draft a letter to be sent to potential members of the ad hoc committee.

NOMINATING COMMITTEE - Bob Headland again requested assistance from Board Members in identifying potential candidates for the positions of President, Vice President - Programs, Vice-President Advocacy, Secretary, and three Board Members. Officers terms are two years and Board Members terms are three years.

RECOGNITION/AWARDS COMMITTEE - Jim Foley presented his committee's recommendation for the award - Philip J. LaVelle, San Diego Union Tribune reporter. The committee, consisting of

Jim, John Tsiknas and William Schempers, noted that, "From early on, his outstanding factual reporting of the condition of the pension system has been a great contribution to our members and worthy of recognition."

MOTION: It was moved and seconded to select Mr. LaVelle to receive CSDREA's Annual Outstanding Contribution Award. The motion passed 7-1.

ACTION ITEMS

PROPOSED BY-LAWS REVISION - Nancy presented a proposed By-Laws revision to address the situation that Virginia is in, having vacated her Board position to accept the position of Vice President - Advocacy on an interim basis. The proposed change is to add, under Article V, Section 4, Vacancies, the following language, "If an elected member of the Board of Directors is appointed to fill a vacant officer position on an interim basis, that Director shall continue to serve the balance of his/her elected term of office as a Director after the officer position is filled by election.

MOTION: It was moved and seconded to recommend to the general members to approve the proposed By-Laws revision. The motion passed unanimously.

ACCEPTANCE OF JIM FOLEY'S RESIGNATION - Jim submitted his resignation as a Board member due to medical and personal reasons.

MOTION: To accept Jim's resignation, with regrets. The motion passed unanimously.

INFORMATION – DISCUSSION ITEMS

HEALTH INSURANCE ISSUE PAPER UPDATE - Bob West presented proposed changes to update this issue paper. By consensus, the changes were endorsed. Bob will prepare the final for distribution to the Board at our next meeting.

RETIREMENT BOARD COMPOSITION - Patti Karnes - Due to time constraints, this item was continued to the next meeting.

MONTHLY GREETERS REWARDS - Ruth Ann Hageman - Due to time constraints, this item was continued to the next meeting.

AN OPEN LETTER TO THE BOARD - Ruth Ann Hageman - Due to time constraints, this item was continued to the next meeting.

Nancy reported the Retirement Fund balance stood at \$3.9 billion, a loss of \$59 million from last month.

The meeting was adjourned at 11:00 a.m.

Respectfully submitted,

Nancy Acevedo
Acting Secretary