

City of San Diego Retired Employees Association
BOARD MEETING MINUTES FEBRUARY 14, 2006

Board Present: Nancy Acevedo, Ty Rogers, Ruth Ann Hageman, Virginia Silverman, Sylvia Tatum, Terry Flynn, Lynn Swanson, Ross McCollum, Maggie Smith, John Casey, Jean Hughes, John Tsiknas, Joe Flynn, and Patricia Karnes

Guests: Bob Headland and John Swanson.

Minutes for January CSDREA Board Minutes(John Tsiknas moved, Lynn seconded) and Retreat (John Tsiknas moved and Ty seconded) approved 14-0, with recommendation to separate Board and Guests present in the future.

COMMUNICATIONS

SDCERS INVITATION TO APPOINT "STAKEHOLDER REPRESENTATIVE" TO NAVIGANT REPORT COMMITTEE STAKEHOLDERS REPRESENTATIVE from CSDREA:

Nancy received a letter, dated Feb. 8, 2006, from this Navigant Report Committee (Sullivan, chair, Hebrank, Kipperman, Sheffler) inviting CSDREA to identify and register someone from our organization as a Stakeholder Representative to the NRC. Nancy appointed Virginia, with Patricia as alternate, as there were no others willing to share this workload. Joe Flynn plans to attend.

Purpose of committee - to implement Navigant recommendations regarding:

- * Restoring Funding Level and Actuarial Soundness
- * Governance and Education
- * Safeguarding and Maintaining Independence
- * Contingency Planning in Event of City Bankruptcy
- * Retiree Health Care

Stakeholder Representative does not have voting privileges. Stakeholder Representative will:

- * Attend each NRC meeting
- * Participate in the substantive discussions of the Committee.
- * Be given an opportunity to ask questions and, with advance notice to the Board Secretary, (48 hours before the meeting) make presentations (up to 15 minutes) on topics or proposed actions noticed on the agenda
- * Communicate back to their representative organizations any questions, Committee developments, or requests for information from the Committee.

LETTER TO MAYOR REGARDING RETIREMENT BOARD'S LACK OF DIVERSITY

Nancy wrote the Mayor on this issue January 16th. Copy provided to Board.

FAX REQUESTING MEETING WITH MAYOR

Nancy faxed the Mayor's office to request an opportunity to meet. "Accompanying me will be Joe Flynn, Chair of the Retiree Issues Task Force, which is the group previously authorized to speak for retirees with the City Manager's Office. The purpose of this meeting is to get acquainted and to exchange information on issues of interest to retirees, and to offer any assistance that our organization may be able to provide to the Mayor and/or his staff."

TREASURER'S REPORT

Sylvia Tatum reported:

Grand Total Reserve-Operating Balance on 1/1/06	\$14,754.05
Receipts for January	\$1,590.51
Expenditures for January	\$1,082.90 (Note 38 lunches in January)
Grand Total Reserve-Operating Balance 1/31/06	\$15,281.06

PROGRAMS- Ruth Ann Hageman

- Feb. 14 Top Gun Capt. L. Robert "Bob" Canepa, USN Ret.
- Mar. 14 Doug McCalla, Investment Officer, SDCERS
- Jun. 13 Health Insurance Panel
- Jul. 11 UCSD Prof. Steve Erie, author of "Beyond Chinatown: the MWD, Growth and Environment of So. Calif."
- Dec. 14 Holiday Luncheon- Tom Ham's Lighthouse

RETIREE ISSUES TASK FORCE - Joe Flynn

Joe reviewed the release of the Navigant Report at SDCERS's January 20th meeting, establishment of the Navigant Report Committee to discuss implementing Navigant's recommendations, and January 30th Special Meeting of the full Board responding to the Navigant Report.

Healthcare costs: Joe reported on how Pacificare was pressured to go along with the increase in healthcare costs. After pointing out that the U.S.A. prescribes more drugs than the whole rest of the world combined, he discussed drug price differences between Canada and the United States.

Interview of new custodial banks: Joe would be leaving at 12:30p.m. to chair the interview committee at SDCERS to select a custodial bank today, as it is routine bid time.

There are currently nine members on the SDCERS Board, Joe said. James Hearty resigned as the Mayor requested. Joe expect the winner of the run-off election for Torres' position to be known in March.

Regarding the indemnification of Lori Chapin, SDCERS General Counsel, and Larry Grissom, Retired Head Administrator, Joe noted that they were indemnified until they were indicted. He followed the City's model of indemnifying for civil, but not criminal indictments. Lynn's questioned whether it was better for those indicted to ask for repayment by SDCERS if they are found innocent, or asking them to repay SDCERS if they are found guilty. Joe said the decision to indemnify came before those questions. Don't assume that all the indictments, or charges by, the U.S. Attorney and SEC are over, he added.

Due to Chapin's and/or Grissom's attorney's schedules, there will be a delay to March for the automatic re-vote on their indemnification by SDCERS Board. The Board will automatically re-vote each month until there are either seven votes for, or seven votes against indemnifications.

Bob Headland asked if it appropriate for CSDREA members to vote on indemnification issues. John Tsiknas pointed out that the diversity of opinion on this issue would result in endless discussions and a vote would never be arrived at. The Board also had concerns that we don't know enough yet and voting would present a view, of us, that is less than representative.

Joe concluded with a lighter note: the St. Patrick's Day Parade out of Balboa Park on March 11th at 11:00a.m. It is the biggest St. Patrick Parade west of the Mississippi.

PROBLEMS WITH NOTICING MEETINGS BY SDCERS

Virginia will do a non-agenda comment at the SDCERS Board on Friday regarding the many changes in meeting times and days, without much notice in advance. Nancy will write a letter to the SDCERS Board on this issue, also.

LIAISON OF SDCERS STAFF TO CSDREA GENERAL MEETINGS

Nancy announced that she had asked SDCERS to send a representative monthly to CSDREA general sessions. Today's attendee will be Bob Wilson, transferred from the City auditor office to be Assistant Administrator and Rebecca Wilson Public Information Assistant. The Board looked forward to SDCERS socializing with CSDREA members.

(Note: Later after lunch, Bob said that the Navigant committee plans to meet each Wednesday before the third Friday of the month (SDCERS Board meeting), at 1p.m.)

COMMITTEE REPORTS

PROGRAMS: Ruth Ann appreciated working with Adam Saling, who had pointed out that the

most important thing was to grow the organization.

Lynn volunteered to use the existing supplies in the storage cabinet here, to make name tags with name and office for Board Members to bring to each General Meeting.

Lynn's suggestion for signs with our organization's name, was moved by Patti and seconded by Ty, for two signs - one for the podium and the other sign for the hall table that would be the largest sign that could be easily handled and still fit, in the storage cabinet. Passed 14-0.

MEMBERSHIP: Casey asked for SDCERS to inform him of the dates of the next retirement seminar so he could recruit new members. Nancy inquired into the cost of invitations to join CSDREA. Later she estimated the cost was \$300 for this year's budgeting.

ACTIVE EMPLOYEE ASSOCIATION: Lynn attended the six hour meeting.

WEB SITE: John Tsiknis announced that John Swanson is his web assistant.

ADVOCACY COMMITTEE: Ty requested discussion of reimbursement of parking expenses up to \$10 for attending court hearings. Nancy noted the importance of CSDREA's presence at court cases and will put the request for reimbursement on March's agenda, when we have more time.

Nancy also reviewed the By-laws that guide the Advocacy Committee to report back to the Board on issues, and limit Advocacy's independent action in acting as a representative of CSDREA, without Board approval. She encouraged individual participation in non-agenda comment at SDCERS, for example, as long as we give a disclaimer that we are speaking for ourselves, and not as a Board member of CSDREA.

AUDIT COMMITTEE: Maggie, Bob Headland and Ruth Ann expect to finish in March.

ACTION ITEMS

BUDGET ADOPTION: Nancy added an estimate of \$300 for invitations to join CSDREA. Ross and Lynn moved and seconded the budget. Vote: 14-0.

LIABILITY INSURANCE RENEWAL: Nancy handed out the policy for review.

INFORMATION-DISCUSSION ITEMS

POSSIBLE ALTERNATIVE MEETING SITE: Terry Flynn has been investigating alternate sites, with the idea that we may pick up new members who are used to a more sophisticated setting. On Wednesday, Feb. 22nd, at 11:00 a.m., Board members are meeting at Mission Trails Golf Course to check out the ambience. Our group has been offered free meeting room (about 1/2 the size of the cold room we meet in) in exchange for ordering meals. Our \$11 lunch would cover expenses and because the facility is City owned, some revenue would flow back to the City.

SDCERS FUND BALANCE: As of Feb. 14, 2006 -\$4.032 billion, down from last month's \$4.17 billion.

ADJOURN

Prepared by Patricia Karnes