

CITY OF SAN DIEGO RETIRED EMPLOYEES ASSOCIATION
BOARD MEETING MINUTES MARCH 14, 2006

9:30a.m. President Nancy Acevedo called the meeting to order.

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

Guests: John Swanson, Bob Headland, and B. Chris Brewster (Lifeguard)

MINUTES

Minutes of February 14, 2006 were approved as submitted.

COMMUNICATIONS: Nancy Acevedo

Letter to San Diego Municipal Credit Union to transfer funds to the legal fund. Motion to transfer funds was approved, see under ACTION ITEMS.

Letter of Appreciation to Park and Recreation Director on the change of chair setup for our association by Carl Fost.

Letter of Appreciation to Captain Canepa for our February program.

Corporation "Statement of Information" Biennial Report to the Secretary of State with \$20 check required to file about our organization.

TREASURER'S REPORT: Sylvia Tatum

Grand Total Reserve-Operating Balance on 2/1/06 \$15,249.08

Receipts for February \$2,118.68

Expenditures for February \$1,396.80

Grand Total Reserve-Operating Balance 2/28/06 \$15,988.51

Legal Fund Total: (See April 2006 Minutes for amounts)

V.P. & PROGRAM CHAIR: Ruth Ann Hageman

March 14 Doug McCalla, Investment Officer, SDCERS, will be introduced by Ross McCollum

April 11 William Sheffler, SDCERS Board, will be introduced by Patricia Karnes

May 9 Our program will be at Mission Trails Golf Course

June 13 Health insurance panel. Monty Pereto has taken Jan Beaton's position at SDCERS. Valerie Van Deweghe and others also plan to be there, including someone from Social Security.

July 11 James Slevers, "An American In Love With His Country" will be introduced by Joe Flynn. Books and CDs will be available for sale.

August 8 UCSD Professor Steve Erie, author of "Beyond Chinatown: the MWD, Growth and the Environment in Southern California, will be presented by Wilbur Smith. Books for sale.

Sept. 12

Oct. 10

Nov. 14

Dec. 14 Holiday Luncheon.

Jean Hughes will take over making reservations at Tom Ham's Lighthouse.

RETIREE ISSUES TASK FORCE (Meeting in Mayor's Office)

Joe Flynn and Nancy Acevedo met with Lisa Briggs regarding the Retiree Task Force, focusing on communications.

They told her 522 retirees, or 8% of retirees, receive less than \$500 a month. Twenty-four percent of retirees receive under \$1000.

They also said that retirees are concerned about healthcare and they desire representation regarding healthcare issues. While pre-1980 retirees are reimbursed up to \$1200 a year, they do not have healthcare coverage. Joe recommended they just be given the \$100 month to save on paperwork.

Nancy noted that Lisa Briggs was on the negotiating team with the City and so Lisa appreciated information on the history of healthcare.

Virginia commented that healthcare benefits depend on the MOU that a retiree retired under. When she retired, it was made contingent on the City employee level. Robert West pointed out that the Municipal Code says retirees "may" be represented in negotiations.

RETIREMENT BOARD: Joe Flynn

Joe announced that Franklin Lamberth is the newly elected General Board Representative to SDCERS. Also, the City Council is in the process of approving two citizens that Mayor Sanders selected for the Board: Peter Q. Davis and V. Wayne Kennedy (former vice chancellor for UCSD's administration, who handled a \$9 million budget).

The SDCERS' Board is no longer combining all committees with the Board meeting and several committees are being established for other days.

Discussion of SDCERS' new actuary Cheiron and SDCERS' auditors, for 2003, 2004, 2005 Comprehensive Annual Financial Reports (CAFR), Brown Armstrong. The actuary is expected to state what the City's Annual Required Contribution will be at the morning session of the March SDCERS Board Meeting.

See the SDCERS' web site for information on the Navigant Report and the IRS' Voluntary Compliance Program in the next few weeks. Ice Miller, tax counsel for SDCERS, began with the Presidential Leave issue and added DROP, Corbett, 13th Check, Purchase of Service, and Healthcare costs.

Meanwhile the Mayor has been approached about technical compliance issues involved in the IRS review.

NAVIGANT REPORT COMMITTEE: Virginia Silverman

The March topic was considerations the SDCERS Board should make if the City was to declare bankruptcy. The Navigant Report estimated SDCERS was good for 20 years. Before bankruptcy can be declared, the City must prove they are insolvent and develop a plan to be approved. Flynn added that under bankruptcy all the participants (SDCERS too) would have to approve the plan. It cost Orange County \$100 million, he said.

Virginia suggested that perhaps the City would pay for a lawyer for CSDREA if this occurred. Ruth Ann asked if this was City bankruptcy or SDCERS bankruptcy? The only bankruptcy being discussed was the City of San Diego.

John said there was a question of original "457" and "401K" deferred benefits being tampered with by the City. West asked how long can those accounts be left in there?

NEWSLETTER: Lynn Swanson

Flynn told the printers to use the most recent list that they have.

Ruth Ann's motion, to explore the cost of sending our newsletter to all retirees, was approved by all.

West reminded us that spouses are qualified to receive the newsletter.

Regarding the suggestion to give free membership for the first six months, Sylvia said the trial members would need to be reimbursed.

McCullum suggested selling the newsletter to out of town retirees.

MEMBERSHIP COMMITTEE- John Casey

Joe Flynn told Casey that a new meeting of future retirees is in the planning stages.

ACTIVE EMPLOYEE ASSOCIATION REP. COMMITTEE- Lynn Swanson

Lynn announced that Judie Italiano reported on Sharp Healthcare and the news wasn't good, so MEA wants to look around. Flynn said that future costs must be recognized. Nancy reported that a Channel 8 reporter called regarding the Mayor's news conference on \$1 billion healthcare costs.

WEB SITE: John Tsiknas, John Swanson

John Tsiknas thanked John Swanson for his work.

Ross suggested adding the web site address and email address of our organization to the membership brochure, filtering email inquirers through the web site.

Tsiknas said program information is being added to the web site.

ACTION ITEMS

Audit committee- Maggie Smith, Bob Headland, Ruth Ann Hageman

See Report dated March 14, 2006: Annual Audit, Year 2005 Financial Records.

One area of concern was establishment of a sub-account for savings of legal funds. A committee will draw up rules for the use of the legal fund to ensure that they are used to the benefit of CSDREA as a whole. These rules should go into CSDREA By-Laws to assure retirees.

Another area of concern was establishment of an operating reserve of \$3000 to earn interest and be used for unbudgeted expenses. Including software for auditing, said Headland.

Nancy appointed Smith, Headland, Hageman to the Ad Hoc committee. She invited others to participate and John Casey volunteered. They will work on the software and By-Laws. Terry made the motion to set up the legal fund, as well as, an operating reserve of \$3000, and Joe seconded. Motion approved unanimously.

ADVOCACY COMMITTEE : Ty Rogers

Ty will introduce himself as Chair of the Advocacy Committee at the March SDCERS Board Meeting.

Ty presented a reimbursement proposal for parking expense. Members plan to car-pool if at all possible to court cases. A decision on reimbursement for parking will be made at the April Board meeting.

RENEWED INSURANCE POLICY: Sylvia Tatum

Copy of United States Liability Insurance Company policy to 3-11-07 was passed out.

CSDREA BANNER, SIGNS AND NAME TAGS: Lynn Swanson

Thanks to Lynn for name tags and signs. Funds were approved to pay for the banners, name tags and signs.

SDCERS FUND BALANCE as of March 13, 2006 increased \$49 million over the previous month.

Meeting adjourned due to time for the General Session.

Fourth revision- April 10, 2006

Submitted by P. Karnes