

CITY OF SAN DIEGO RETIRED EMPLOYEE ASSOCIATION
BOARD MEETING MINUTES June 13, 2006

Meeting called to order at 9:30a.m.
Minutes of May 9, 2006 approved.

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

Not present: Sylvia Tatum, Ty Rogers, Terry Flynn.

Guests: Bob Headland.

COMMUNICATIONS: Nancy Acevedo

Letter to David Wescoe regarding Corbett and Supplementary Cola information papers.
Call from David Wescoe acknowledging receiving information papers, stating, "You're doing our job," and pledging cooperation. Mr. Wescoe will be joining our meeting at 10:45a.m. to introduce himself.

TREASURER'S REPORT Sylvia Tatum/Maggie Smith.

Grand Total Reserve-Operating Balance on 5-1-06 \$17,331.77
Receipts for May \$2,280.38
Expenditures for May \$2087.21
Grand Total Reserves-Operations Balance 5-31-06 \$18,419.16

Legal Fund ending balance \$3,692.03

ACTION ITEMS

DROP Issue Paper- Jean Hughes/Ross McCollum was continued to the next meeting at Jean's request.

Elimination of Corbett for 180 Disability Retirees- Joe Flynn

Joe said Corbett benefits were overlooked for Non-Industrial, post July 1, 2000 Disability retirees according to SDCERS' tax counsel, Ice Miller, and the IRS.

Virginia suggested an alternative: divorcing their situation from Corbett (since references are vague in the Corbett settlement and the IRS has problems with Corbett). Instead, grant disability retirees a 10% increase in percentage applied to final salary (from 33.3% to 36.6 for general members and from 50% to 55% for police/fire).

A motion (Ross/ John Tsiknas) was unanimously approved, to send a letter to the City Council to correct the inequity for current and future Non-Industrial, post July 1, 2000 Disability retirees. Ross recommended a follow-up second letter to the Council when the issue appears on the Council docket.

Joe recommended talking to Ann Smith and Conger, lawyers involved in that settlement, about also sending letters.

INFORMATION-DISCUSSION ITEMS-

Board Member Resignation/Replacement.

Nancy announced that Lynn Swanson was resigning due to commitments. John Casey was appointed the Board's MEA representative. A newsletter editor will be needed.

PR Brochure- Ross McCollum

Ross was commended for his finished PR brochures. Blue folders explained why to join and were for Board Members recruiting new members, and yellow folders were for all CSDREA Members to carry and use to sign up new members.

Retiree Health Care Administration- Nancy Acevedo/Joe Flynn

Joe reported that SDCERS' tax attorney firm, Ice Miller, and the IRS are not happy with SDCERS paying health care administration. Joe is encouraging SDCERS be reimbursed by the City for health insurance administrative to take care of the tax issues. He is seeing a staffing cut at Risk Management and no particular plan to transfer that function from SDCERS to the City by the Mayor. Joe will speak to the SDCERS Board.

The CSDREA Board approved writing a letter to SDCERS supporting reimbursement for health care administration.

Virginia also pointed out that medical insurance deductions/credits are done via SDCERS monthly pension check paperwork and it seemed more efficient for the City to reimburse SDCERS. She plans to speak at the June 14th Navigant Report Committee meeting on this issue. The Navigant Report Committee will be receiving a report on IRS issues and health care issues tomorrow (not on SDCERS fiduciary soundness as announced previously).

Joint Meeting with RF&P- Lynn Swanson/Joe Flynn

Currently there are scheduling conflicts, Joe reported. RF&P are trying to get their retiree representation from the POA, etc.

New Member Campaign- Ross McCollum

Two thousand retirees have not joined our 1000 CSDREA members. Ross presented the concept of incentives for members to want to recruit. Bob Headland recommended using cash to avoid bookkeeping problems with using deductions. Casey will distribute the yellow folders to MEA. Now that Wescoe has joined SDCERS, a new Free Spirit should be going out to all retirees with an article from CSDREA.

Nancy will plan a meeting/workshop to work on the new membership campaign at a time earlier to a Board meeting or a special time.

COMMITTEE REPORTS

Advocacy Committee- Virginia and Patricia waived a report due to time constraints. (However Ross McCollum's excellent blue brochure noted: "Provide advocacy by collecting information on current and emerging retirement and health benefit issues and developing recommendations for consideration by the Board of Directors and or general membership on issues and positions to be advocated.")

Newsletter Editor- Lynn Swanson

Lynn will possibly do the next two monthly issues. Please send material by the 17th of the month, Joe can send his information on the SDCERS Board meeting in later.

David Wescoe of SDCERS

Wescoe appeared at 10:35a.m., with Rebecca Wilson who is a SDCERS Communication Specialist. Wescoe said he had been a lawyer for the SEC, worked in a broker dealer firm and had done investments. So when he read the letter from a Chief Administrative Officer candidate, who refused Grissom's old job as too difficult, he told his psychiatrist wife, that he thought the job could be done. He said that he wanted to make San Diego a better place for his Jr. High School age children. He asked that the rest of his comments (message: SDCERS is "under control") not be in the Minutes and commented when Patricia lifted her pen. Time overtook adjournment of the Board meeting, as Board members hurried to the General meeting at 11:00a.m.

Revised 7-02-06

Submitted by Patricia Karnes