

CITY OF SAN DIEGO RETIRED EMPLOYEE ASSOCIATION
BOARD MEETING MINUTES September 12, 2006

Meeting called to order at 9:00a.m.

Minutes of August 8, 2006 approved as corrected. In order to streamline the meeting in the future, the minutes will only be mentioned if there are corrections. The Treasurer's Report will be available as a hand-out.

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

Guests: Don Robbins and Bob Headland.

COMMUNICATIONS: Nancy Acevedo

David Wescoe's response regarding the Supplemental COLA and Corbett issue papers suggested minor changes.

TREASURER'S REPORT: Sylvia Tatum

Grand Total Reserve-Operating Balance on 8-1-06	\$20,334.26
Receipts for August	\$1,999.45
Expenditures for August	\$1,688.38
Operating Fund Ending Balance	\$4,610.56

Legal Fund savings	\$10.00
Legal Fund Money Market ending balance	\$13,897.63
Money Market/Operating Fund	\$3,027.57

Grand Total Reserves-Operating Fund 8-31-06	\$21,545.76
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Terry Flynn moved and Virginia Silverman seconded, a motion to accept Sylvia's report and transfer of funds. It was approved unanimously.

Joe Flynn moved and Ross McCollum seconded a motion moving \$2000 from the operating fund into savings to improve interest savings. It was approved unanimously.

ACTION ITEMS:

Nancy appointed Virginia Silverman, Joe Flynn, and Ruth Ann to the Awards Recognition Committee to recommend a honoree for our annual December luncheon.

INFORMATION-DISCUSSION ITEMS:

General Meeting Planning-

Brief discussion of structure for David Wescoe's reception at 10:30a.m.

Decision to keep approximately three rows of chairs and to add more tables for the General meetings in the future.

McGuigan Proposed Settlement and Fairness Hearing-

Nancy forwarded the information that retiree rights were already waived by the Gleason Settlement if a member retired before 2004. Virginia was concerned that if 1996 benefits were declared illegal, some members would be possibly prohibited from suing the City by the class-action nature of the McGuigan Settlement. She also thought that only active employees can accept the McGuigan Settlement.

The CSDREA Board did not take a stand on the McGuigan Settlement.

Web Site Items- What to do with political commentary?

Group consensus to continue to have John Tsiknas generally exclude blogs/ café-type articles from our web site. Much appreciation to John for his efforts. Patricia will continue to forward a

broader range of voiceofsandiego.org articles to Board members for their awareness.

Web Site Assistant Needed

John Tsiknas is looking for a meticulous assistant.

Medicare Premiums Increases-

Medicare premiums increases in January 2007 will utilize all but \$2.00 monthly of pre-1980 retiree reimbursements. Recommended that SDCERS get out of the reimbursement business of requiring receipts as the amount is so small that it is not worth the time and expense to monitor. This recommendation will be carried to the Retirement Issues Task Force.

Draft for Free Spirit Article-

Nancy shared her updated draft for the Free Spirit with the Board and asked for email feedback, before she forwards it to Rebecca Wilson, Membership Services at SDCERS for the newsletter. Rebecca's deadline is Friday.

Issue Papers-

The final draft on DROP issue paper was given to Joe for SDCERS review. Final draft of the DROP issue paper was attached to last month's SDCREA Board agenda.

SDCERS completed review of the Supplemental COLA Benefit issue paper and the Corbett issue paper.

Under "Pending" below, the Corbett Issue Paper needs an attachment and minor corrections.

Proposed Reorganization of Treasurer Duties- Sylvia Tatum

Discussion to split the current Treasurer's duties, between a membership committee and the treasurer, has involved the Nominating Committee as it searches for candidates.

Nancy said the Bylaws will need to be changed if the proposed membership chair is to be an additional Board member.

John Tsiknas inquired about the flow of membership information to access our web site.

The Nominating Committee is charged with considering duties and structure of the proposed membership committee that will extend beyond John Casey's role in recruiting new retirees. Ross McCollum said he was only the designer of the new member campaign.

Follow up at the October Board meeting by the Nominating Committee of Don Robbins, Terry Flynn and Ruth Ann Hageman.

RETIREE ISSUES TASK FORCE: Joe Flynn

The new representative, for the retiree issues, from the Mayor's office is JoAnne SawyerKnoll. Nancy, Virginia, Bob West and Joe will meet at SDCERS' office on Friday, Sept. 15th, along with Fire and Police retiree representatives. Agenda includes healthcare reimbursement for pre-1980 retirees, Corbett and 13th check payments, COLA's, and Corbett disability.

CORBETT AND DISABILITY

Nancy sent a letter regarding Corbett benefits for post July 2000 disabled retirees to Mayor/Council 7/06/06.

MEA appealed to the City Council today, during non-agenda public comment. They asked for a wording change in the Corbett settlement to allow the disabled retirees to receive Corbett benefits.

One impacted disability retiree has said he was told by a Council aide that Aguirre will sue any Council member addressing or getting involved in pension issues. Was this an excuse, or perhaps garbled information, from a Council member's assistant? Implications for CSDREA would be major if this is true. (Also note that the IRS is requiring SDCERS to follow only the Charter and Ordinances as "plan documents". Resolutions would not count. Therefore the Council needs to re-vote pension related Resolutions into Ordinances if the City wishes to provide

those benefit it granted only in Resolutions. SDCERS is in discussion with the Mayor/Council on needed changes.)

RETIREMENT BOARD: Joe Flynn

Joe commented that SDCERS was already making changes that appear on Kroll's list of recommendations, because many of the recommendations had been listed previously in the Navigant Report. The Kroll report was broader than a study of SDCERS.

SDCERS' Navigant committee, attended by Virginia Silverman, has rolled over into the Business and Governance Committee. It meets Sept. 14th at 8:30a.m.

SDCERS' Investment Committee meets Sept. 14th at 1:30p.m.

SDCERS' Board meets Sept. 22nd at 8:30p.m.

COMMITTEE REPORTS

Advocacy Committee: Ty Rogers. Virginia and Ruth Ann were on vacation. John Casey was not available. Patricia Karnes has withdrawn for the moment. Jean Hughes attended in the past as a guest.

Newsletter- Request to re-instate officer and contact information.

PROGRAMS SCHEDULED

Sylvia Tatum will introduce John Kaheny at the Nov. 14th CSDREA General meeting. Specific focus questions are being prepared. Kaheny is seen as controversial and so he may draw a good crowd.

SDCERS FUND BALANCE

As of Sept. 11, 2006--- \$4.397 billion, up \$33 million over last month. (Question: What was the increase in SDCERS' obligations that current employees earned for the month?)

PENDING ITEMS:

Holiday Lunch- Jean Hughes

Potatoes have been negotiated. Cranberry is under discussion. Menu deadline is Dec. 14th. Cost was later verified to be \$19.00 (\$15.00 plus tax and gratuity) with 85 people. Jean will send the menu to our newsletter in October to promote interest in signing up.

SDCERS' Revised Bylaws & Rules of Order-
Pending review of IRS implications.

Corbett Issue Paper- Reviewed by CERS- Needs attachment.

Waterfall Information Paper-

"15 year Amortization"- Prop G.

(Discussed later by Wescoe at the General session: while it was not legal to require SDCERS to use the 15 years amortization, SDCERS will be evaluating various amortization schedules with their actuary before January 2007, when SDCERS' 2007-08 annual "bill" is to be sent to the City. It will be sent in a more timely fashion than last year's "bill". Note: The final year of the Gleason Settlement determines the amortization schedule for 2007-08.)

Meeting adjourned 10:20a.m.

Corrected version submitted by P. Karnes 9-24-06