

CITY OF SAN DIEGO RETIRED EMPLOYEE ASSOCIATION
BOARD MEETING MINUTES January 9, 2007

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

Guests: Carmen Lutes, candidate for retiree representative on SDCERS Board.

TREASURER'S REPORT: Sylvia Tatum

Grand Total Reserve-Operating Balance on 12/1/06	\$24,852.52
Receipts	\$3,812.36
Expenditures/Transfers	\$3,339.67
Operating Fund Ending Balance	\$3,652.72
Reserve Fund savings	\$2,013.97
Legal Fund Money Market ending balance	\$17,510.20
Money Market/Operating Fund	\$3,035.17
Grand Total Reserves-Operating Fund 12/31/06	\$26,212.06

ACTION ITEMS:

Revised Bylaws and Rules of Order- Maggie Smith/Ruth Ann Hageman Implemented Section 8, per CSDREA's August 2006 General Meeting request, regarding when and how to dissolve the legal fund. Terry Flynn motion which was seconded by Joe Flynn. Unanimously approved.

Corbett Issue Paper- Virginia Silverman

Ross moved to make changes on page 5, Terry seconded. These papers are appreciated as works in progress. Thanks to Virginia. Unanimously approved.

Audit Committee Appointments- Nancy Acevedo

Ruth Ann and Terry appointed. Maggie is Advisor. Mary Bush is General Member representative.

SDCERS Board Bi-monthly Meeting Proposal- Patricia Karnes

Concerns that if SDCERS was to go to bi-monthly meetings to save staff time, it would separate Board and staff, separate Board and members, delay disability and general member approvals, condense business, cut time for Board to discuss issues and members to make comments. Committees cannot make final decisions; the Board is still responsible. Maggie said that retirees would read it as a lack of interest in crisis. We still have a big problem and the Board should deal with it. Ruth Ann moved for CSDREA's Board to write a letter to SDCERS in support of the current monthly meeting schedule, with disability applicants as the first concern. Maggie seconded. Unanimously approved.

Annual Board Retreat Schedule- Nancy Acevedo

Mission Trails Park, 9:30a.m.

Suggested February 23rd date to be confirmed. Nancy will arrange lunch.

Retiree Representative Election- Nancy Acevedo

Carmen Lutes was special guest today, as the only candidate to file for election of retiree representative on SDCERS Board. Joe Flynn is her campaign manager. Carmen currently works at H&R Block from 3-8pm.

It is on SDCERS' agenda not to do an election, as there is only one retiree candidate. Joe explained that sending out the request for candidates was SDCERS' first attempt at the new election cycle and Christmas may not have been the best time.

Lack of Retiree Court Representation- Patricia Karnes

Should CSDREA write a letter to Judge Barton regarding retirees' representation in the Ann Smith/ Aguirre trial over benefits?

Nancy felt the Judge was insisting Aguirre inform each retiree in dollars/cents amounts if their check would be affected. She added that Judge Barton was not asking for representation of retirees that are not threatened with loss of specific MPI or MPII benefits.

Ross requested inviting a group of retired City Attorneys to our Board meeting for guidance, as our legal funds are limited. Virginia posed a sample question: "Can Aguirre attack purchase of service if it is part of MPI and covered over by the Corbett settlement?" Discussion noted that SPSP went into effect in 1982, employees could use SPSP to purchase service, SDCERS Board voted on purchase of service in Dec. 2003.

Nancy said current subpoenas are limiting retired attorneys' availability. Ruth Ann pointed out that not all retirees are in Ross' position. Nancy explained this is why CSDREA's Board voted to agree on supporting the more common retired interests of healthcare, Corbett, 13th Check and pension funding.

Holiday Luncheon Critique-Nancy Acevedo

The Holiday party had a loss of \$287.42 due to guests.

The award was \$173.06, expenses were \$52.11 for nametags, etc.

Recommendation to permanently present awards after eating to allow for late arrival of guest of honor.

Joe suggested contacting Gene Shepard at Police and Fire retirees as they have tried Shrine or Ranch catering at \$15.00 per person. Tom Ham's was \$19 for December 2006.

Sylvia recommended starting to plan in July. Jean Hughes will be asked to continue as Chair. A party committee will be recruited to help.

Next year's date, will continue to conflict with a SDCERS' meeting date, unless SDCERS schedule is changed.

Re-Organization of Treasurer Duties- Sylvia Tatum

Committee to consider how to divide tasks: Maggie, John Tsiknas.

RETIREE ISSUE TASK FORCE-Joe Flynn

Pre-1980 retirees, who didn't have health insurance, have an annual \$1200 reimbursable from the City for healthcare. The cost to pay and process the reimbursements is \$138 monthly, which includes \$93.50 for monthly Medicare. There is a recommendation to save processing costs by eliminating paperwork. The \$100 would be put directly in retiree's monthly checks.

RETIREMENT BOARD- Joe Flynn

Tax Compliance Program, requested by SDCERS and conducted by the IRS, is moving along well. The City will be getting a bill for past healthcare costs, etc. that SDCERS paid inappropriately in the past. The City is dealing with the IRS regarding this re-payment and the City's new financial monitor is following the issue.

DROP interest continues at 8%. A sub-committee will meet in February to discuss how DROP affects Disability retirements. The sub-committee will go over regulations.

Disability continues to be reviewed for fraud.

SDCERS is now at \$4.6 billion. Cheiron, SDCERS' actuary, will come to the January 2007 SDCERS Board meeting, with computer technology, to do new figures of how much SDCERS needs to be fully funded. Cheiron will also present what the City's annual contribution (ARC) will be July 2007.

Adjourned at 10:58a.m.

Submitted by Patricia Karnes, Feb. 10, 2007