

CITY OF SAN DIEGO RETIRED EMPLOYEE ASSOCIATION
BOARD MEETING MINUTES March 13, 2007

PRESENT: Nancy Acevedo, Ruth Ann Hageman, Ty Rogers, Sylvia Tatum, Joe Flynn, John Tsiknas, Ross McCollum, Bob West, Alan Hardtarfer, John Casey, Maggie Smith, and Lynn Swanson.

Member/Guests: Bob Headland and Mary Bush.

The meeting was called to order at 9:30a.m. The February minutes were amended to omit the sentence that read, "If the concept of 'Surplus Earnings' is done away with, the 'waterfall' could then go to monthly pension checks." The minutes were unanimously approved as amended.

COMMUNICATIONS: Nancy Acevedo

We had a communication from Jean Emmons protesting the annual \$30 charge made against those who do not have automatic payroll deduction for dues. Sylvia explained that with the individual dues payments, there is extra cost each month (envelope, postage, the receipt required by the audit) as well as extra volunteer time to process. With the automatic payroll deduction, there is no cost to the organization nor volunteer time needed to process. Nancy will respond to this letter.

We also had a communication from an organization that wants to keep our minutes for us, at a cost. It was decided to decline this offer.

TREASURER'S REPORT: Sylvia Tatum

Our dues are \$2 month per member. We deposit \$1 from each member to the General Operating Fund (checking account #2) and \$1 from each member into the Legal Fund (account #8). If a member options to pay \$30 annually, \$18 goes to the General Operating Fund and \$12 goes to the Legal Fund. An asterisk (*) on these membership income items, in our monthly financial report, indicates an expense/transfer action to these two accounts: General Operating Fund and Legal Fund.

Grand Total Reserve-Operating Balance on 2/28/07 \$28,881.88

Receipts \$6,098.17

Expenditures/Transfers \$1,717.85

Operating Fund Ending Balance 2/28/07 \$4,380.32

Grand Total Reserve-Operating fund 2/28/07 \$28,771.77

Legal Fund Money Market ending balance \$19,446.30

Money Market/Operating Fund \$3,038.85

The Treasurer's report also included a revision to the January 2007 Financial Statement as follows:

Statement of Reserve Funds: 08 MM/Legal Fund deposit amount revised to \$922.

Ending Balance is revised to \$18,478.39

Grand Total Reserve-Operating Fund on 2/01/07 is revised to \$27,633.59.

Moved and seconded to approve Treasurer's Report, passed unanimously.

ACTION ITEMS: Nancy Acevedo

Pre-retirement seminars-

Ross McCollum and John Casey presented their proposal for CSDREA participation in the Retirement Office's Pre-Retirement Seminars.

The proposal was to authorize the CSDREA President to:

- 1) Invite Police and Fire Retirement Associations to join with us.
- 2) Request the Retirement Office to hold a "Pre-Retirement Seminar" for those contemplating retiring in the near future.
- 3) Authorize an amount not to exceed \$150 to offset the costs of cosponsoring said event.

An alternative would be to authorize the President to independently request the Retirement Office to reinstate the "Pre-Retirement Seminars."

Benefit to CSDREA: Provide access to potential Retirement Association members; provide pertinent information to those considering retiring from the City; allow for Question & Answer forum so accurate information is available for decision-making; and improve working relationship with the Retirement Office and other retirement associations.

It was decided to go ahead and fund at \$150 even if we were on our own.

INFORMATION-DISCUSSION ITEMS

Joint Board Meeting of CSDREA and Retired Fire & Police-
March 27 at Mission Trails Park.

During "mix and mingle" activity scheduled for March 27 with the other retirement associations, the suggestion was made to use a few minutes of the get-together to discuss ways we can mutually work together on projects such as the "Pre-Retirement Seminars."

Also, we could have joint meetings such as our yearly June health providers question and answer session and we could establish quarterly joint meetings with David Wescoe and the three retirement associations.

CSDREA Board Retreat Agenda-
March 20, 2007 9:15a.m. to 3:00p.m.

Draft Agenda for the CSDREA Board retreat was attached to the CSDREA Board agenda. There were no additions or suggestions for deletions.

Budget-

The budget for next year will be decided upon at the Retreat.

Demographic Study-

Alan Hardtarfer suggested adding the possibility of our association doing a study of demographic data of retirees to the Retreat agenda.

Annual Liability Insurance-

Nancy let us know that the bill has been paid for annual liability insurance (protecting board members).

RETIREE ISSUES TASK FORCE: Joe Flynn

Joe Flynn talked about issues being discussed by the task force. One is trying to eliminate the paperwork associated with health reimbursement for pre-1980 retirees, saving the City about \$20,000 a year. Another issue involved the possibility of changing the beneficiary rules for the second wife married after retirement. The actuary opined that that would not be possible unless there were a vote of the people on the issue. The complex actuarial tables are based on individual circumstances at the time of retirement age, life expectancy, married state, etc. Nancy recommended that a study be done jointly with Retired Fire and Police.

RETIREMENT BOARD: Joe Flynn

Joe Flynn talked about DROP investment rules that have come in that DROP beneficiaries need to find out about.

The issue of the amortization period for the unfunded liability was summarized.

The Gleason agreement was for 30 years (that agreement expires in 2008). Even though there was an affirmative vote of the people on Proposition G for a 15-year amortization period, the State Attorney General's opinion is that the Retirement Board alone has the authority to establish the amortization.

With regard to Retirement Board vacancies, the Board's General Counsel has opined that each

board member can serve until their replacement is appointed by the Mayor. There will be four appointments in the near future. Three terms have expired, and Peter Q. Davis resigned.

COMMITTEE REPORTS:

Newsletter-Lynn Swanson

Lynn thanked those contributors to the newsletter who get their work in before or on the deadline.

Program Committee- Ruth Ann Hageman

President Prevolos, view from Chair of retirement Board , April 10

Long Term Care Issues, May 8

Annual Health Benefits Presentation, June 12.

Advocacy Committee- Ty Rogers

No report.

Membership Committee-John Casey/Ross McCollum

See "Pre-retirement seminars" under "ACTION ITEMS" and

"Joint Board Meeting of CSDREA and Retired Fire & Police" under "INFORMATION AND DISCUSSION".

Active Employee Association Representative- John Casey/Lynn Swanson

Presentation of concept of CSDREA having an affiliate membership with MEA-

Lynn Swanson and John Casey talked about the possibility of individuals in the CSDREA having an affiliate membership with MEA and the advantages of members having such an affiliation.

Web Site- John Tsiknas

No report.

Audit Committee- Ruth Ann Hageman, Terry Flynn, Mary Bush

No report.

Treasurer/Membership Service Reorganization- Sylvia Tatum, Maggie Smith, John Mattis, Karen Anderson.

No report.

PENDING ITEMS:

- Issues Papers being reviewed by SDCERS- Joe will check on the progress of DROP and Health Benefits Issue Papers at SDCERS.

- Proposition G (Amortization of SDCERS' UAAL)- Continue watching.

- Disability Retirees Corbett Issue - No activity in this area.

- Obtain Retired Attorneys' Input- Nancy arranging for CSDREA Board Retreat.

Adjourned at 10:50a.m.

Notes from March 13, 2007 and draft of March 14, 2007 by Ruth Ann Hageman, substituting for Patti Karnes.

April 5, 2007, respectfully submitted, Patricia Karnes, Secretary.