

CITY OF SAN DIEGO RETIRED EMPLOYEE ASSOCIATION
BOARD MEETING MINUTES JUNE 12, 2007

Present: Nancy Acevedo, Ruth Ann Hageman, Ty Rogers, Carmen Lutes, Virginia Silverman, John Tsiknas, Ross McCollum, Sylvia Tatum, Lynn Swanson, Patricia Karnes.

Past Board Members: Joe Flynn and Bob West

Meeting called to order at 9:30a.m.

Minutes for CSDREA Board 5/8/07 reviewed and unanimously approved.

COMMUNICATIONS: Nancy Acevedo

Letter from Marco Thorne, former City Librarian.

E-mail from Michael Conger-

Nancy sent a letter, authorized by our Board, to Judge Strauss, asking for a "correction" of the \$1 payment to Attorney Mike Conger for his contingency basis on the McGuigan Case.

Conger thanked us for our letter. The court hearing on the payment is scheduled for July 25, 2007 at 9:30a.m., Dept. 75.

TREASURER'S REPORT- Sylvia Tatum

Grand Total Reserve-Operating Balance on 5/1/07 was \$30,318.07

Receipts \$1,899.38

Expenditures/Transfers \$1,549.24

Operating Fund Ending Balance 5/31/07 was \$4,285.62

Grand Total Reserve-Operating Fund on 5/31/07 was \$31,576.62

Legal Fund Money Market ending balance on 5/31/07 was \$22,224.26

Note: Sylvia revised the April 30, 2007 treasurer's report. The correct check number for Phoenix Mail Service was #1928. The amount was the same.

Sylvia announced that the checking account balance is nearing \$5000 after expenses and she recommended that we decide in July whether we move some of those funds to Money Market or Savings.

ACTION ITEMS: Nancy Acevedo

PRESENTATIONS BY CANDIDATES FOR MAYOR AND CITY ATTORNEY-

Dan Coffey, Columnist/City Attorney Candidate, had contacted CSDREA and offered to speak.

As many candidates are putting in their names, and the filing deadline is March 6, 2008, our Board decided to have separate forums for Mayor candidates (in April) and City Attorney candidates (in March), rather than individual speakers. Lynn/Ross offered an amendment to invite the Police and Fire retirees to attend, and also help with the planning. Virginia suggested adding a "meet and greet" opportunity for individual contact with candidates after the program. Unanimously approved.

Endorsements have never been done by CSDREA and would need the vote of the membership, Nancy pointed out. When the question arose if we should endorse the

candidate who would protect our benefits, Carmen asked what would happen if our endorsed candidate failed, and what our criteria would be for endorsing.

MEETING SCHEDULE CHANGE - NOVEMBER 2008

From November 11, 2008 (Veterans' Day) to November 18, 2008.

CHAIR FOR MEETING CHANGE- JULY 2007

Ruth Ann Hageman will cover for Nancy in July.

INFORMATION-DISCUSSION ITEMS:

STATUS OF PROPOSED "WATERFALL" REVISION-Virginia Silverman

The earliest dates that the City Council will revisit the Waterfall issue are July 9 or July 10, as there was a 30 day continuance from June 5th. (The City Council has continued the item five times: April 10, April 17, May 1, May 14, and June 5).

The City Attorney rejected the suggestions from SDCERS working with a Deputy City Attorney and the Council's Independent Budget Analyst, on new instructions to pay retirees Corbett, 13th check, plus Supplemental Cola for retirees prior to 1980.

Conflicts centered on:

- 1) Does the IRS' demand to drop the concept of "excess surplus earnings", require an Ordinance (SDCERS position) or Resolution (City Attorney). Chris Waddell, General Counsel for SDCERS, will check, although Aguirre does not recognize Waddell's authority as attorney for SDCERS or the quality of Waddell's credentials.
- 2) If these benefits are no longer contingent on reaching a certain level of earnings, and were paid annually, is this an increase in benefits that would require a public vote (Peters)? Does SDCERS retain the interest on Corbett on the years the trigger is not met, and payments to retirees are delayed (Peters)?
- 3) Does using a certain level of "excess surplus earnings" as a trigger for payment violate the IRS' request to eliminate the Waterfall (City Attorney) or is it acceptable to the IRS (SDCERS)? (Note: SDCERS was told the City's plan would lose tax-free status on earnings if IRS' guidelines are not met, and become "disqualified".)
- 4) What is the trigger that determines when these benefits, obtained from Court Settlements, are paid? Are the instructions, on when and how to pay these benefits, an administrative action that SDCERS Board can determine (City Attorney) or the City's responsibility as plan-designer of benefits (SDCERS view)?
- 5) Aguirre said he is "unscrambling the egg" and wants the SDCERS Board to re-write the plan, rather than give the Council new instructions on how to pay these annual benefits. He repeated that the SDCERS Board base their decisions on their fiduciary responsibilities. However, at our CSDREA Board meeting, Joe pointed out that SDCERS cannot designate benefits, only administer them. Patricia wondered how the plan would be re-written in time to pay retirees in November?

ACTION: Email notification via "blast mail". Web Site updates. Joe asked everyone to fill out speaker slips at the Council, even if not speaking on the Waterfall or future issues, as the speaking time can be given to other speakers when necessary. (Note: Don't assume other retirees are representing you at the Council. On June 5th, Joe, Virginia and Patricia spoke. Meanwhile, Jim Foley looked around for the rest of you, and saw only Ty Rogers, and a few others retirees.)

The City Council is waiting for the City Attorney's office to prepare several other required corrections to the SDCERS pension plan, some for over two years. Patricia suggested watching how Aguirre handles the Council's voting on June 18th to approve 2 separate

trusts under the SDCERS, for the Port and Airport, which would prevent their assets from being used by the City plan, if there was bankruptcy.

REBUILDING TOGETHER SAN DIEGO-Nancy Acevedo

Lynn will put a general announcement of house maintenance help available to seniors in our newsletter.

RETIREE ISSUES TASK FORCE: Joe Flynn and Nancy Acevedo
Ron Moskowitz, from retired Police and Fire, will take over as Chair.

Joe is still trying to obtain a list of the pre-1980 retirees regarding \$1200 reimbursements as 51 had not applied for it. Perhaps they have health insurance elsewhere, he hoped.

RETIREMENT BOARD MEETINGS: Carmen Lutes

Business and Governance Committee on June 14th and full Board on June 15th.
Carmen attended training at the Wharton School for pension trustees.

Carmen asked what communications, that retirees want from her. Also, the SDCERS Board secretary forwards news articles on SDCERS to Carmen, which she can forward to retirees if they let her know their emails.

Lynn asked Carmen for an abbreviated report for the paper edition of our monthly newsletter and an expanded column in the email version.

Tsiknas wanted a recap of retiree issues from the SDCERS Board meetings for the web site.

COMMITTEE REPORTS:

INFORMATION DISTRIBUTION AD HOC COMMITTEE - Virginia Silverman and Lynn Swanson, with Tsiknas and Alan as technical advisors.

Ross/Virginia moved/seconded Lynn's request to send \$36 more for blast mail, in order to put more than 5 photos in the email version of the newsletter. Unanimously approved. Lynn took photos of CSDREA's Board members for the email newsletter.

Membership Committee- John Casey/Ross McCollum

Ross reported that there is feedback from the retirement seminar presentations. He also requested that Lynn ask for new retirees' email addresses in order to send them email newsletters, as reminders to join CSDREA.

Program Committee- Ruth Ann Hageman

June 12 - Health benefits for FY 2008-2009.

July 10 - Andrew Donohue, Ex. Editor of Voice of San Diego.org

August 14 - "2young2retire"with Al Paton's presentation.

Sept 11 - Tom Hebrank, CERS new Board President.

Oct 9 - not confirmed

Nov 13 - Bill Sheffler, CERS Board and private actuary.

Dec - Holiday Party

Advocacy Committee- Ty Rogers, Virginia Silverman, John Casey, Patti Karnes, Ruth Ann Hageman

Efforts directed to attending the "Waterfall" issue at the City Council, updating the web

site and email notifications.

Newsletter Editor- Lynn Swanson

No news. (See INFORMATION DISTRIBUTION AD HOC COMMITTEE)

TREASURER /MEMBERSHIP SERVICES REORGANIZATION- Sylvia Tatum, John Tsiknas, Maggie Smith, and Karen Anderson

Sylvia reported that the membership roster was transferred to Karen Anderson from John Mattis.

SDCERS Fund Balance , closing as of June 11, 2007, was \$4.907 Billion (minus \$15 million since last month).

Meeting adjourned at 10:53p.m.

Submitted by P.Karnes June 22, 2007