

CITY OF SAN DIEGO RETIRED EMPLOYEE ASSOCIATION BOARD MEETING MINUTES

March 10, 2009, War Memorial Building, Balboa Park

Present: President Nancy Acevedo, Alyse Ford, Joe Flynn, Terry Flynn, Burnie Gipson, Ruth Ann Hageman, Dave Hall, Pat Karnes, Ty Rogers, Maggie Smith, Jean Struiksma, Lynn Swanson, Sylvia Tatum, John Tsiknas and Bob West.

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

Minutes for the February 10, 2009 were approved.

Communications: President Nancy Acevedo announced the following communications:

- 1) Thank you from Todd Gloria.
- 2) Letter from SDCERS that our articles will no longer be included because they do not necessarily reflect the position of the Retirement Board/Staff. Nancy asked Dave Hall if he would include our comments/concerns, as expressed at the RITF Meeting in his article in the SDCERS newsletter. Dave agreed to do this.
- 3) Board insurance was renewed.
- 4) Email from Gene Cubbison, saying that his station had gotten information that it was the City not the County who had investment problems, and this proved to be wrong. There was an inside page comment in the newspaper on the County's investment problems.
- 5) New member of the Retirement Board: Gregory Bych.

Treasurer's Report: Sylvia gave the following report:

Opening Fund Beginning Balance: \$ 5,303.88

Total Available Operating Fund: \$ 7,174.88

Operating Fund Ending Balance: \$ 5,676.45

Legal Fund Savings: \$ 2,448.56

Legal Fund CD: \$40,077.21

Op Fund CD: \$ 8,838.05

Grand Total Reserve and

Operating Fund: \$57,040.27

New member contacts: Nancy announced the following new members: Patricia Cones, Pamela Gonzalez, Kathy Henderson, Robert Holmgren, James Kralau and Debra Terry. Ty Rogers, Lynn Swanson and Ruth Ann Hageman will make contact with these new members.

Association Revitalization Ad Hoc Committee: Maggie Smith, chair of this committee, announced progress that had been made in the first meeting: It was a good meeting, a questionnaire is being developed for contacting retirees who do not now attend the meetings. The broad spectrum was discussed of what the issues are in communication and attendance, such as the meeting attendance, meals, the provision of social environment, satellite meetings (but keeping the more serious program meetings), the effectiveness of our communications (the internet, etc.), the diversity of those who attend, what retirees want to hear, etc. A big question was how can we attract people who want to protect their benefits, particularly the health benefit. More meetings are to follow.

Hand-in-Hand Ad Hoc Committee: Ruth Ann Hageman reported that progress has not yet been made on establishing this committee.

Restaurant Research: Joe Flynn. Joe talked with Lin Schoeneberg who had checked four different locations Guadalajara, 94th Aero Squadron, Bali Hai, Tom Ham's Lighthouse. Mission Trails Golf Course might also be a possibility. On the Border is another possibility that Terry brought up. Luncheon: At the chicken pie shop about 8 or 10 people came last time. Terry invited people to join he and Sylvia for lunch today at On the Border.

SDCERS: Patti, Ty and Joe will be attending the March 20th 8:30 meeting of SDCERS.

Programs: Patti Karnes

April Boling, April 14

Tom Blair, May 12

Health Care, June

Councilmember might be available for August:

The Police Pistol Range was discussed as a possibility for a picnic in July or August.

Health Insurance Care Counsel Evaluation: Burnie Gipson has not been able to make contact with people in the City to see what is going on.

Newsletter will be done by Lynn Swanson next month, so send to Lynn with cc: to Jean. She will do the newsletter for May.

Membership Committee/Brochure: Joe Flynn had talked with Cynthia Queen on those meetings.

DROP Issues: Ty saw a number of City employees at the SDCERS meeting on the change in the 7.75% interest rate on DROP funds. Several of these people went right over to the Retirement Office. Joe pointed out the change in the interest rates. 90 day extension. In regard

to the purchase of service credits: that is a giveaway. Dave Hall: set of indices: T-bills, Corporate Bonds and CD's, and use as a comparison in calculating rate of return. Rate of return for DROP accounts in the annuities. A little bit of ambiguity: DROP was supposed to be cost-neutral. Actuary: what they use to make their assumptions. DROP encourages people to retire earlier. People are then pulling out of the retirement plan earlier. Staff is having people to set up appointments to calculate their retirement benefits. Patti: lawsuits regarding MOU's. Joe: the City is still saving money on DROP. City is going to lose 300 or more people at the top level. Lynn: during DROP people are not making contributions to the Retirement System. Bob West: when DROP came about, there were a lot of jurisdictions that were doing this. Significant factor per Nancy and Dave: if you are leaving solely for money, you might miss the enjoyment of your work.

Unless you are a retiree, you don't have a retiree perspective. Important to bring that message forward to staff.

Active Employee Representative: Lynn Swanson. HealthNet is not going to be offered by the City next year: they will offer Kaiser plus another plan, but not HealthNet. Might be going back to something that is better. They have had many complaints about HealthNet. Also, Court Case numbers: Case against Judy Italiano (General Manager). Tony Ruiz is the President. Michael Zucchet now works for MEA.

Website: John Tsiknas reported that the listing of the Board at the end of the electronic newsletter has been fixed.

Treasurer/Membership Functions Ad Hoc Committee: no action this month.

Health Benefit Information Paper has been forwarded to SDCERS for review. Have not heard from Cynthia on this. Joe: UT is now onto the Health Insurance issue. We are going to need to use our pre-1981 files. Jean has 1982 files, including legal opinions. Anything on the Andrews case. The Andrews case had to do with the board setting a maximum amount.

Meeting adjourned 10:55 a.m.

Ruth Ann Hageman, Secretary