

CITY OF SAN DIEGO
RETIRED EMPLOYEES ASSOCIATION
BOARD RETREAT
Tuesday, March 20, 2007
9:30a.m. - 4:00p.m.
Mission Trails Regional Park Visitor and Interpretive Center

PRESENT: Nancy Acevedo, Ty Rogers, Ruth Ann Hageman, Virginia Silverman, Lynn Swanson, Dora Garcia, Sylvia Tatum, Joe Flynn, John Tsiknas, Robert West, Terry Flynn, Ross McCollum, Maggie Smith, Patricia Karnes, John Casey Carmen Lutes, Al Hardtarfer.

President Nancy Acevedo called the meeting to order.

BOARD OF CSDREA TO MEET WITH RETIRED FIRE AND POLICE ASSOCIATION
March 27, 2007 at Mission Trails Regional Park Visitor and Interpretive Center to explore similar interests.

OFFICER AND COMMITTEE REPORTS:

RETIREE ISSUES TASK FORCE- JOE FLYNN

Joe reported on the issue of the widower retiree who remarried after he retired as to whether or not the second wife would be eligible for his pension should he predecease her. The actuarial point of view is that the second wife would not be a beneficiary. Nancy asked that an information paper be prepared because there seems to be an argument to be made that other factors could enter into this actuarial decision. Ross agreed to write this paper. This issue may be raised in the upcoming Retired Issues Task Force meeting with JoAnn SawyerKnolls. Jay Goldstone, Retired Fire and Police and CSDREA (represented by Nancy and Joe).

Joe reported on the issue of simplifying the healthcare reimbursement process for pre-1980 retirees. There were 619 pre-1980 retirees as of January 2006; at present, there are 524. (Only half of these are receiving Medicare, so the other half get no medical benefit. The paperwork for processing the \$1200 reimbursable payment is burdensome, both for the retiree and for the Retirement Office. This issue may have to go back to the full Board, but some thought it could be done as an administrative procedure.

Joe said that efforts are being made to incorporate the payments for Corbett and the supplemental benefit into Retirement liabilities and including these payments in the monthly retirement payments. There is a question on whether, or not, this change is needed to be incorporated into the Municipal Code Ordinance which initially put these payments into place as part of a "waterfall" of "surplus earning". The concept of "excess or surplus earnings" no longer exists. This issue will come back to the Board on April 10th. If these payments were to be removed from the Municipal Code, then their continuation would depend on future City Councils recognizing them as an obligation rather than a nice-to-have benefit. Virginia asked if SDCERS and the IRS recognize these payments as a vested benefit. John Casey suggested that the 13th check is a separate ordinance. There was concern expressed that the convenience of making/receiving these payments on a monthly basis could be outweighed by the security of having these obligations in the Municipal Code.

Joe suggested that someone other than the retiree SDCERS board member be appointed chair of the Retired Issues Task Force. Ross suggested that the chair be rotated between CSDREA and Retired Fire and Police, perhaps once every six months. There was a question of the participation of the Association of Unclassified Employees.

MEMBERSHIP - JOHN CASEY / ROSS McCOLLUM

Note: a number of the items below were referred to Nancy for discussion at our joint meeting with

retired Fire and Police on March 27, 2007.

On April 10th, at the CSDREA's Board meeting, there will be an informational summary of that joint meeting.

An outline of the Membership Program Benefits included:

- 1) Current Programs (one free lunch to newcomers; free membership for retirees receiving minimal benefits and for those over age 80; free Christmas lunch for those recruiting 5 new members; brochure with membership application, also on the web site; welcome for newcomers.
- 2) Proposed New Programs.

Of the proposed programs, Nancy is undertaking the request to reactivate the pre-retirement seminars, the invitation to Retired Fire and Police to join our June health-providers question-and-answer meeting and the establishment of quarterly meetings between CSDREA President and David Wescoe, Retirement Administrator. The Program Chair will set up an annual program called "Mix and Mingle with David Wescoe" to be sponsored and funded by CSDREA.

The CSDREA Board also referred the topic "Leisure Service/Activities" as a future monthly program to Ruth Ann, Program Chair.

After the demographics study is done, CSDREA will consider free membership to specific groups, such as those who receive less than \$500 per month and/or to widows or widowers of deceased members.

Nancy will also discuss with David Wescoe, the sponsorship by CSDREA (and other retirement associations) of an appreciation/information exchange with Retirement Office Counselors. Some wanted to add health benefits people to this exchange. (It was pointed out, however, that part of the purpose of targeting the counselors was to make them more aware of the retirees' option of joining CSDREA.)

Under the purview of Membership, Alan Hardtarger and John Tsiknas presented an outline of a Feasibility Study of Demographics of Retired City Employees. An outline is available as to the proposal, and it was generally felt that the feasibility study should proceed as outlined. Later in the meeting, CSDREA Board was advised that such information might be available under the Freedom of Information Act (Section 6250c) as long as personal information (such as name and address) were omitted and only sociological information were included. (Editor note: Geographic areas could be determined by zip code.) Also, requests for records need to be made with specificity.

INFORMATIONAL PAPER - "DEATH AND SURVIVOR BENEFITS"

Ross will draft an informational paper on death and survivor benefits for the April 10th CSDREA Board meeting.

NEWSLETTER -LYNN SWANSON

Board agreed to adding new member names, "In Memoriam", and adding photos of special events in occasional four page editions. Multi-pages will be used as needed and not regularly in order to keep contents focused on essentials.

ACTIVE EMPLOYEE ASSOCIATION REPRESENTATIVE

- JOHN CASEY / LYNN SWANSON

Active members want to keep healthcare choices in current negotiations.

Judie Italiano, MEA General Manager, asked that CSDREA's President, Nancy Acevedo, forward a letter to the MEA President, Howard Guess, (via Italiano) listing concerns of retirees when City Union negotiations begin, as generally, retirees receive the same healthcare choices as active employees.

Howard is a lawyer employed as a legal assistant in the City Attorney's Office.

Ross' motion, Virginia seconding, to approve Nancy sending letter of concerns was passed unanimously.

RETIREE REPRESENTATION- GROUP DISCUSSION

Retirees may join MEA as individuals for health insurance purposes. Casey was concerned that potential members are joining MEA as retirees. Joe pointed out that we have no representation currently.

Searching for retiree representation, the suggestion was made for CSDREA to join MEA, as a Chapter, or as individuals, modeled after the Police retirees affiliation with the Police Officers Association.

Maggie Smith stated the need for a written agreement and firm commitment, if we joined, to assure representation and ability to "divorce" if the representation was not to CSDREA "interests". Further discussion concluded that due to the diversity of retiree benefits, that the "interests" of some retirees are in conflict with the "interests" of other retirees, as well as the possibility that the "interests" of current employees as represented by MEA, may conflict with CSDREA "interests" in the future. Ruth Ann was concerned how we would influence MEA if we did not like the direction that they were taking.

Robert West asked if retirees have the legal right to be represented. Casey noted that it is five votes from the City Council, not the Mayor, who is the final power.

HOSPITALITY / LUNCHESES - DORA GARCIA

Ruth Ann voiced appreciation to Dora for her efforts and attention to details in order to improve lunch by adding colorful table cloths, and theme items.

Tsiknas moved and Swanson seconded a motion for \$100 budget to Dora in order to continue the table cloths. Passed unanimously.

Discussion on possible ways for members to contact other members at Dora's table. Later in our meeting, our Board approved reviving the sign-in for meetings.

Ross introduced the phrase: "Mix-It-Up-A-Little" to add other ways of members to mingle over food, beside a \$10 lunch. Perhaps ½ sandwich and drink for \$3.00. Sylvia recalled successful picnic potlucks. Al remembered cold cut sandwich bars. Request that Dora not be limited to break even and go for more turn out of members. Tsiknas moved, and Virginia seconded, for Dora, and possible committee, to work on "Mix-It-Up" events in lieu of some lunches. Passed unanimously.

SUNSHINE -SHARON BEACH

No report.

WEB SITE -JOHN TSIKNAS

John reported that the site gets about 1400 hits a month. Three hundred twenty three members are on the E-mail address list out of 1000 members. John also reported that exactly three years ago the board "brain-stormed" as to what would be included in the proposed web site and that it was launched in April of 2004. He gave credit to the board members for many enhancements to the site. The latest new feature is the "subject index".

VICE PRESIDENT - PROGRAMS - RUTH ANN HAGEMAN

Joe will present Peter Prevolos (former SDCERS President) in April.

Long Term Care Issues in May.

Health Benefits in June.

SDCERS RETIREE REPRESENTATIVE - JOE FLYNN

Joe informed us that Chris Waddell has done legal research and advised appointees, whose terms have expired, that they can stay until the Mayor appoints replacements. Prevolos and Murray will stay up to three months.

Bob West added that SDCERS needs 7 Board members in order to vote.

Joe has a meeting with SDCERS on verification/completion of CSDREA Papers on Health, as well as, DROP.

VICE PRESIDENT - ADVOCACY - TY ROGERS
Advocacy continues to observe trials and SDCERS meetings.

Ty requested that an Advocacy committee member be appointed to the Retiree Task Force.

SECRETARY - PATRICIA KARNES
No report.

TREASURER - SYLVIA TATUM
Sylvia will be meeting with Maggie, Karen Anderson and John Tsiknas to discuss splitting up treasurer duties.
John Tsiknas reported he had successfully received the monthly membership update electronically, a major step in easing Sylvia's tasks.

REVIEW OF 2006 ACCOMPLISHMENTS - Nancy Acevedo

Brochures Created and Distributed to CERS
CERS Board Agreed to Print/Distribute Survivor Booklet
Web Site Expanded and Enhanced
Bylaws Revision to Add Legal Fund
Free Memberships for Low Income Retirees (\$250)
Participation as Stakeholder on Navigant Committee
Corbett Information Paper Completed
Updated Health Insurance Info. Paper (to CERS to review)
DROP Information Paper (to CERS to review)
Signs and Nametags Prepared
New Letterhead Developed
New Accounts Created for Legal Fund
Meeting with RF&P Board Scheduled

BUDGET -Review 2006 and Proposed 2007

Nancy introduced the budget.

Ross presented a 2007 budget overview of our operating fund, which would allow for flexibility and extras, but not extravagance, as we offer new activities/incentives for members. Moved and seconded to approve the budget, as shown, for 2006. Approved unanimously.

Our Board will continue to approve requests by President Nancy Acevedo for "extra" expenditures to develop membership. For example, Dora reported that new incentives are needed to recruit greeters, who have already volunteered twice and earned their free Holiday Lunch. One idea was to budget \$50 for door-prizes. (Annual dues total \$11,000.)

Al recommended identifying goals before raising revenues, and keeping dues low. Joe pointed out that our organization has been torn between being the "Humming Bird Lady" and the Legal Defense Fund.

While Casey recommended raising membership dues, Ty suggested implementing a dues increase only for more recent retirees, using a sliding scale. Joe reminded us that some retirees are on a tight income. Nancy added that any increase of dues could only be voted on by the membership in October, according to our rules.

Motion to establish our goals and then decide how much money is needed, made by Tsiknas and

seconded by Virginia and Ruth Ann. Passed unanimously.

It was agreed that the top two goals were:

#1 Preserve Current Benefits (Health Insurance, Supplemental COLA, Annual Supplemental Benefit, Corbett).

#2 Increase Membership.

Ross and Casey will compile ideas for the next meeting.

ESTABLISH GOALS FOR 2007

#1 Preserve Current Benefits (Health Insurance, Supplemental COLA, Annual Supplemental Benefit, Corbett)

#2 Increase Membership

Also: Continue Pro-active Advocacy Committee

Eliminate Medical Reimbursement Paperwork for Pre-80's

CERS Complete Review of Information Papers

CERS Restart Pre-retirement Seminars

CERS Reestablish Health Advisory Committee

Reinstate Corbett for Disability Retirees

Obtain Demographic Statistics

DEMOGRAPHIC STATISTICS - AL HARDTARFER

Alan handed out, and presented, "PROPOSAL" for "FEASIBILITY STUDY FOR CSDREA DEMOGRAPHICS". Al discussed the project with David Wescoe, SDCERS administrator. Some issues were:

1. De-personalizing data from SDCERS.
2. SDCERS must keep an unbiased view.
3. Project would need to be run through the SDCERS Board.
4. Possible conflicts if information is used for advocacy or other organizations. This would not be a problem if the information is public.

Carmen added that retirees' interest in keeping their benefits must continue after retirement.

Motion seconded by Ruth Ann, for Al to do a feasibility study of possible demographics. Passed unanimously.

NEW GOAL: TO BECOME MORE ACTIVE WITH RETIREES

Motion and second to add the goal to become more active on a personal basis with retirees, (examples include Care Counsel, assistance with Boy and Girl Scouts, etc.). Passed Unanimously.

LEGAL Panel - Ted Bromfield, John Kaheny, Alan Sumption

Our legal panel was invited for clarification in selecting future association goals.

In a series of questions/ answers/discussion the following topics were covered:

Healthcare- Retirees receive the healthcare that they had when they retired.

Retirees pick from choices given to employees, or the monetary equivalent.

Retirees do not have "representation" regarding the benefits that Unions negotiate, but they may comment in the public eye of the City Council. Retirees would have a voice in Superior Court if the City Council tried to rescind healthcare benefits. Some retirees have stronger cases and retirees after 1986 have Medicare coverage. Benefits can not increase as that would be seen as a "gift of public funds", as the City no longer receives our labor. However, if mistakes were made there is the possibility of new legal settlements.

Retiree Action-

"City not looking out for us anymore".

Retirees hold the history of benefits and must educate employees as to what is missing in the Municipal Code and plan pitfalls. As fewer current employees have "history" this becomes an essential activity.

Check with the City Clerk's office to see if we need to register as lobbying.

Lawsuits-

Rule #1 YOU CAN'T INJURE YOURSELF.

Before we use CSDREA legal funds, we must check that everyone is affected equally.

Example: A common interest is if everyone's benefits were cut, even if by different percent, or the City stopped making payments to SDCERS.

If CSDREA's legal fund is spent, it should be for all retirees' benefits. Example of injury to ourselves: Winning the "Post-1996 retiree benefits" may cause the "Pre-1996 retirees" to have less secure funding due to limited dollars.

"Amicus Status"- CSDREA may wish to hire an attorney to monitor the current situation, with specific guidelines on amount of time to spend. Monitoring, the current situation, does not affect members.

"Intervenor Status" - Active representation for CSDREA would cost \$200,000.

SDCERS does not have to defend our benefits and would not litigate if the City changes benefits. SDCERS administers benefits. The City is the sponsor.

The IRS wants the pension plan in the Municipal Code and the concept of "surplus earnings" removed. On April 10th, the City Council will re-visit the concept of "surplus earnings" and using the "Waterfall" payment plan for the 13th check, Corbett and Cola. Ron Saathoff commented on the issue to the City Council on March 5th. What will this do to benefits from SDCERS? How will the 13th check, Corbett and Cola be paid? There is nothing in the Municipal Code regarding an alternate payment method. How would SDCERS handle it under the IRS eye?

Membership in MEA-

Allowing representation by MEA, may not always be what you wish.

With so many things wrong today, representation is hard. Retired employees have many varied legal interests.

Meeting adjourned.

Notes on "Retiree Issues Task Force" and "Membership" by Ruth Ann Hageman.

Respectfully submitted, Patricia Karnes, Secretary, April 9, 2007.