

CITY OF AN DIEGO RETIRED EMPLOYEES ASSOCIATION

GENERAL MEETING MINUTES, May 12, 2009, War Memorial Building, Balboa Park

The minutes of March 10 and April 14 were approved.

First time attendee Joe Vizzers, who retired from the Park and Recreation Department, was welcomed.

Nancy reported that Marco Thorne, retired City Librarian, and his wife Dorothy celebrated their 66th anniversary on May 8. They are soon to be 95 and 97 respectively.

Retiree Representative Report: Dave Hall announced that Mark Sullivan is President of the Board. Dave is now chair of the Disability Committee.

Paul Twomey won the raffle.

Dave Hall introduced the speaker, Thomas Hebrank, retiring member of the SDCERS Board.

Mr. Hebrank discussed some of the accomplishments of the board, including enacting reforms, making some changes in the actuarial assumptions, and the smoothing method to evaluate returns. Under "smoothing," they take the normal changes in returns and smooth out the unusual ones. There is a corridor, with a floor and a ceiling in which limits smoothing.

Retiree Bob West asked if using the corridor method helps the City not to have to make such a large contribution. The reply was "yes."

With regard to the comments that April Boling had made to the group, concerning the idea that the money owed by the City to the Retirement System should be a decision put back upon the Mayor and City Council, Mr. Hebrank was very complimentary of Ms. Boling but disagreed with her recommendation. He referred to what other retirement systems are doing, and said that it is unrealistic give the bill to the Mayor and City Council and have them face the problem.

Retiree Virginia Sullivan thanked Mr. Hebrank for his courtesy to retirees who came before the Board.

The City used to have land assets as collateral against Retirement Funding. This still could be done, but SDCERS does not want to manage real estate operation, maintenance, etc.

There was a question of the credibility of the SDCERS newsletter.

It was asked where is the money to come from for the Purchase of Service lawsuit.

Dick Wilkins made a statement that he felt the decision of the judge had been misread. When the judge said that there was no compliance with the law, that does not mean that the system has to change.

Mr. Hebrank said that the process the board went through was proper: they had talked to all stakeholders, and looked at all options. The money will be collected through the unfunded liability.

There was a major repricing in the Purchase of Service.

Making Mark Sullivan chair of the Board was an easy decision because of his competence and willingness to be responsible to all retirees. Joe Flynn commented that there is a great benefit from Mark Sullivan's leadership because he knows the system.

Respectfully submitted,

Ruth Ann Hageman

Board Secretary