

CITY OF SAN DIEGO RETIRED EMPLOYEES' ASSOCIATION
GENERAL MEETING MINUTES
Meeting of January 12, 2010
Veterans' Memorial Building Balboa Park

The meeting was called to order by President Nancy Acevedo at 11:00 a.m.

NEW SDREA BOARD: Nancy Acevedo introduced the outgoing board members and the continuing board members; then she called forth the new board members and administered the oath of office. The meeting was then turned over to new president Jim Baross.

BIRTHDAY CELEBRANTS: Several people announced their birthdays this month.

APPROVALS: the General Meeting Minutes and the Treasurer's Report were approved by the attendees. Also, the audit committee was approved, consisting of two board members (Jim Baross and Gary Hess) and one general member (Burnie Gipson).

RETIREMENT BOARD REPRESENTATIVE REPORT: Dave Hall reported that the CERS Board has changed its meeting dates to every six weeks starting on January 22. All of the Committees meet the Thursday prior to the Board meeting, starting with the Disability Committee at 8:30 a.m., the Business and Governance Committee at 10:30 a.m. and the Investment Committee at 1:30 p.m. Good News! As of our last quarterly report, ending in September 2009, the fund was up slightly over 11%. As of December 2009, the Fund value was over \$4.3 billion. The retired employee groups and others continue to work with SDCERS staff to improve the Disability Retirement Application process. Although improvements have been made to this very complex process, suggestions and recommendations for continued improvement are routinely discussed and considered. The quarterly meetings that take place among the Retired Employees Association, the Retired Police and Fire Association and SDCERS staff provide a structured forum to address Disability Retirement Application issues.

CHANGE OF VENUE: It was announced that the February meeting and luncheon will be held in the Balboa Park Club.

SPECIAL ANNOUNCEMENTS: Mary Bush announced the February 6 meeting of the San Diego Women's Connection at the Mission Valley Resort; Helen Phillips announced a blood drive at 8:30 a.m. to 3:30 p.m. on February 11th in the Balboa Park parking lot by the Hall of Champions.

TRIBUTE TO NANCY ACEVEDO: Joe Flynn gave the following tribute to outgoing REA President: "Nancy Acevedo has served as President of the City of San Diego Retired Employees' Association for eight years. During that time she worked tirelessly to keep the Association strong, and speak out for retirees. When there was question about paying the 13th Check because the only 95% of the money was available, Nancy worked with Retired Fire and Police Association to meet with the Mayor and Council, and organize a letter writing campaign. As a result, retirees received at least 95% of our 13th

Check that year. As head of the Retiree Issues Task Force she worked to reduce paperwork for our older members who retired before health care was provided. She has also worked with SDCERS to improve communication with retirees, and provide early notification of changes affecting members.

She has on numerous occasions appeared before Council and the SDCERS Board to make known the position of retirees in support of or opposition to proposed changes. Closer to home she has, without fail, provided direction to the Association Board of Directors, to keep the Board moving and to making progress. Each year she has chaired a Retreat for the Board to get a head start on issues of the next year.

And along the way, she has treated all members with dignity, respect, understanding, and heartfelt concern. Now, Nancy will be taking her place as Past President, but has agreed to work with the new President to ensure that the Association doesn't miss a beat in the transition.

PROGRAM:

Program Vice President Dave Twomey introduced Helen Phillips who introduced the guest speaker, Michael Zucchet, General Manager of the Municipal Employees' Association (MEA).

Michael pointed out that MEA's job is in bargaining for employees' wages, hours, and working conditions.

Michael said that retiree health care is established in law as a vested benefit, codified over the years. Even the City has not suggested that they have a right to change the benefits of retirees. Also, the Municipal Employees Association (MEA) cannot do anything to impact retired employee health care. He cautioned, though, that "we collectively have lost the public debate." For instance, there is a misconception that SPSP is given on top of social security.

Michael pointed out that current employees are suffering terribly in the current state of affairs. There are fewer employees: employment levels are back to the 1940's. He referred to the speed and callousness of the approval of the 18-month budget. This is the sixth year of a pay freeze or pay cuts.

In response to a question from the floor regarding retiree health-care provider choices, Michael pointed out that health care selections are the same as those for active employees: this is the one area where MEA agreements impacts retiree benefits.

On a question about the unfunded liability, he said that at \$1.3 billion, about half is shared by actives and the other half by retirees.

He asserted that the Retired Employees' Association can count on communication from MEA, giving clarity on what the City's position is.

The City has been required to make contributions to Medicare since 1986.

John Dunchak asked why the City couldn't address the shortfall over time; Michael said that that would open up the guarantees: the whole system is very complex. Bob West said that according to the accounting rules, the City must report the unfunded liability.

In talking about the Strong Mayor form of City government, Michael said that he was initially opposed to Strong Mayor, but after becoming more familiar with the way the City Manager system was working, he decided to support it. Looking at how it actually works, though, it seems as though, even though the Strong Mayor system gives a lot of power to the City Council, the council members won't take the power. The business community is very much in favor of codifying the strong mayor form of government.

Dave Twomey asked, should the Retired Employees Association be more aggressive? Michael said that we should focus on the 8 council members and the mayor and that we should increase our presence at the City Council.

At the end of his presentation, Michael was presented with a cup and a pen as symbols of REA's appreciation. The luncheon was \$7.00 per person, having been subsidized by REA with board approval.

Respectfully submitted,

Ruth Ann Hageman, Board Secretary