

# City of San Diego Retired Employees Association Newsletter September 2005

Vol. 12, Issue 9

Visit our Website at [www.csdrea.com](http://www.csdrea.com)

September, 2005

## September 13<sup>th</sup> Meeting in War Memorial Building Balboa Park

Board Meeting.....9:30 a.m.  
General Meeting.....11:00 a.m.  
Program..... 11:30 a.m.  
Luncheon..... 12:00 a.m.

### Program

**Retirement Board President Peter Preovolos** will be our speaker for the September meeting.

Mr. Preovolos was appointed to the Retirement Board by then-Mayor Dick Murphy on March 14, 2005 (later confirmed by the City Council) as “part of the City’s efforts to reform the pension system.”

Mr. Preovolos was introduced by the Mayor as President and Chairman of the Board of Alpha Omega Financial Management Consultants, “a consulting firm specializing in trust audits and accounting.” His credentials included the following: an Accredited Pension Administrator, Past President of the National Institute of Pension Administrators and a Registered Investment Advisor. Mr. Preovolos has a degree in the History of Economics from the University of Arizona.

\* \* \* \* \*

### Today’s Menu

**Baked Ham, Country Potatoes, Vegetarian  
Quiche, Caesar Salad,  
Dessert: Pineapple Upside Down Cake,  
Coffee, Tea, and Lemonade**

Price: \$11

**Reservations: call before Fri., Sept. 9 at noon**

Alice Anglim (619) 239-4190 or  
Dora Garcia (619) 464-8595 or  
Sylvia Tatum (858) 272-0494

## Message from President Nancy Acevedo

At our August meeting, our Pledge of Allegiance was led by distinguished Navy veteran Yvonne Paczulla.

Our speaker was Richard Kipperman, who is a recently appointed member of the CERS Board and also, by occupation, a professional receiver and bankruptcy expert. He began by cautioning us that he is not an attorney and nothing he would say should be considered legal advice.

Receivership, he said, is a harsh measure that a judge would impose only as a result of very bad investments or corruption. He did not think it could be imposed just to force the CERS board to drop attorney-client privilege.

In the case of CERS, he said it could be “an uphill battle” to have receivership imposed. (NOTE: At a meeting of five association members with City Attorney Aguirre on Friday, August 5<sup>th</sup>, he stated that receivership “may not be necessary.”)

A receiver’s role is determined by the court, for whom the receiver works, and the receiver can only do what the court determines, which is usually very well defined. Generally the receiver does not take over an operation, but just provides oversight. A receiver would ask the judge to clarify and decide questions when the interests of the City conflicted with the interest of CERS retirees.

In response to questions, Mr. Kipperman said that if CERS were placed in receivership and retirees were subsequently harmed, they could appeal.

Mr. Kipperman also expressed his opinion that defined benefit retirement plans, such as ours, are a thing of the past, as they are just too expensive and all risk is with the company or agency. Most private companies now have defined contribution plans (for example, 401K’s) and he sees public agencies moving in that direction in the future.

**--Nancy**

## Board Notes:

There have been recent comments to the effect that with the current City financial situation, newer and older retirees' interests are in conflict. Our organization's Bylaws stated Purpose reads as follows:

*“The Association is a non-profit association whose function is to provide strong, dignified and responsible representation for the purpose of improving the economic benefits and the physical and social welfare of all retired City of San Diego employees, and all beneficiaries, including spouses, of the City of San Diego Retirement System.”*

At our August 9th meeting, your Board of Directors agreed that the operative word here is “all.” We then unanimously approved a motion which reads, “In the matter of retirement benefits, our organization is to remain neutral, and we should be advocating other concepts that promote the entire welfare of all retirees as stated in our bylaws.”

\* \* \* \* \*

## Retirement Trust Fund Board Update by Our Representative, Joe Flynn

The Board will be meeting twice a month; the second Friday of the month for all financial matters and the third Friday for all other items...The SDCERS Pension fund Audit is nearing completion; it is expected at the October Board meeting...A recent report on investment performance shows SDCERS investment portfolio in the top 25% of all pension funds. The investments are doing well and are a continuing source of optimism.

## Your ideas, opinions & questions

Each month, when we have space, we can publish a brief statement from you concerning ideas, opinions & questions on issues that affect City of San Diego retirees. If you would like to send a statement, please email it to [hageman1@san.rr.com](mailto:hageman1@san.rr.com) by the 15<sup>th</sup> of the month prior to publication. Statements will be chosen by the editor.

## Wouldn't You Like to Know...?

Here are just some of the recent items you can find on our website <http://www.csdrea.com>: *Intense Council Meeting Drew New Battle Lines and Threw Out Old Ones - Voice of SD dtd 08/15/2005; Another Pension Fund in the RED (Part three of four-part series) - Voice of San Diego dtd 08/18/2005 Pension Board Avoids Waiver, Seeks Outside Audit Experts - Voice of SD dtd 08/16/2005*

**Mark your calendar!**

**Next CSDREA Meeting**

**Tuesday, October 11, 2005**

**War Memorial Bldg, Balboa Park**

### CSDREA Roster

President, Nancy Acevedo	(619) 579-5930
V-President, Programs, Adam Saling	(858) 271-4556
V-President, Advocacy, Virginia Silverman	(619) 224-1876
Treasurer, Sylvia Tatum	(858) 272-0494
Secretary, Joan Lundy-Boyd	(619) 850-5287
Newsletter Editor, Ruth Ann Hageman	(858) 270-8530
Retirement Board Rep., Joe Flynn	(619) 588-7078
Hospitality, Dora Garcia	(619) 464-8595
Sharon Beach, Sunshine Lady	(858) 273-4067
(Call Sharon Beach to send cards to members who are ill.)	