

City of San Diego Retired Employees Association

Newsletter May 2006

Vol. 13, Issue 5

Visit our Website at www.csdrea.com

May, 2006

May 9th Meeting

Mission Trails Park Golf Club 7380 Golfcrest Dr. (flier enclosed)

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

Program: San Diego District Attorney

May's speaker is the Honorable Bonnie Dumanis, the first woman to serve as District Attorney for San Diego County. Sworn in on January 6, 2003, she immediately dealt with an inherited \$14 million dollar budget deficit, initiated a major reorganization of the District Attorney's office, and hired the first Hispanic Assistant DA as second-in command. She leads a staff of over 290 attorneys, 150 plus investigators and over 600 support staff. The office files over 18,000 felony cases a year and has a 94% conviction rate, one of the highest in the state. Ms. Dumanis began her career in the San Diego DA's office as a junior clerk typist. She received her Juris Doctorate degree from Thomas Jefferson School of Law in 1976. She was a prosecutor for 12 years under former District Attorney Ed Miller. In 1994 she was elected to the Municipal Court and in 1998 to the San Diego Superior Court. She created one of the first Drug Courts and a Domestic Violence Court. Both are national models. Throughout, Ms Dumanis has been a supporter of community and civic organizations. She cares about people and aspires to "justice for all."

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Menu \$11

**Angel-Hair Pasta & Tri-Colored Rotini
Meatballs/ Marinara & Alfredo Sauces
Caesar Salad/Garlic Bread
Coffee, Iced-Tea, Lemonade
Lemon Cake**

Reservations: call before Fri., May. 5th at noon

Dora Garcia (619) 464-8595 or
Sylvia Tatum (858) 272-0494

Message from President Nancy Acevedo

Our speaker, Bill Sheffler, served as a member of the Pension Reform Committee and is a current member of the CERS Board. In private business he is an actuary. In defining an actuary, he told of two men in a balloon who yelled at a man on the ground and asked, Where are we? The man answered, Fifty-two feet above the ground. The ballooners replied, You must be an actuary - your information is totally accurate and totally useless. The actuary replied, And you must be politicians - you don't know where you are or where you are going, and you're trying to blame someone else. On a more serious note, Mr. Sheffler said that determining actuarial valuations is very complicated and difficult to explain. To arrive at an actuarial valuation requires numerous financial calculations on each participant in the system - active, retired and those whose retirement is pending. Items considered include pension amounts received, cost of living increases expected, beneficiaries, life expectancies, etc. In the case of CERS, that amounts to over a million calculations. Minor assumptions changes are then made to determine what effect such changes would have. Mr. Sheffler said that there are numerous changes that he would recommend as to how CERS reaches their determination, such as recognizing the Annual Supplemental Benefit (13th check) and Corbett benefit as liabilities, which, if done, would raise the unfunded liability (UAAL) figure from about \$1.4 to \$1.6 billion. However, the methods and assumptions that are used to develop these determinations are frozen for another two years due to stipulations in the legal settlement reached between the City and Attorney Michael Conger in the Gleason case. It was very helpful to have this complicated process explained, and to get a better understanding of how the resulting figures impact our retirement system. Mr. Sheffler, who volunteers his time to serve on the CERS Board, was thanked for all his efforts on behalf of our members, both as a member of the Board and his prior service on the Pension Reform Committee

--Nancy

Timely News

Find up to date articles & reports about your retirement issues on our own website. Regularly updated to keep you informed of breaking news.

SDREA WEB - Logon to <http://www.csdra.com> and visit the **Members-Only** area..

Posted recently:

* MAYOR SANDERS' BUDGET released on April 14th which includes his plans for payment to our pension and health care funds.

* BANKRUPTCY EXPLAINED - At the March 8 Navigant Report Committee meeting, bankruptcy expert Harvey Leiderman discussed the laws governing municipal bankruptcy, and the possible effects of a City bankruptcy on SDCERS. Meeting notes are on our website under Retirement Board News- Leiderman's slide presentation is under 'Official Documents'

For **members who use library computers** to access the web site, you may contact us to get the passwords, so you can read these interesting members-only articles.

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GREETERS can earn their meal at our December Holiday Luncheon. Volunteer now. For details call Dora Garcia (619) 464-8595.

**THANK YOU - our May Greeters
James Veasley & Marlene Campbell**

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Retirement Trust Fund Board Update

By Retiree Representative Joe Flynn

The Ret Bd on Apr. 21, hired **David B. Wescoe** as the new Administrator of SDCERS. Mr. Wescoe is an attorney, with extensive investment and management experience. I have high hopes for him. We also have **two new Bd members**: Peter Q. Davis, former Mayoral candidate and chair of Centre City Development Corp. and V. Wayne Kennedy a top administrator of UCSD. Only vacancy is Mayor's rep.

The **full report of Cherion**, the Bd actuary, is due on May 19. Included will be the required annual Pension Fund contributions of the city and employees. Currently the Fund stands at \$4.2 billion - 70% of which has come from investment earnings.

Speaking of earnings, the Fund has passed the \$112.6 million threshold for payment of the 13th Check and Corbett; fiscal year earnings on Mar. 1. stood at \$281.7 million.

The Ret. Bd. is going back to the committee system, temporarily set aside in the flurry of first year activity . Initial plans call for discontinuance of the Health Advisory Committee as the city resumes payment of health care. This committee met as needed. Health issues handled by SDCERS will be covered by the Business and Governance committee, of which I am a member. For more info attend the May 10, 1 PM meeting of the Navigant Report Committee in the SDCERS board room. The topic is Retiree Health Insurance. This should be an informative and important meeting; be there if you can. **Joe**