

# City of San Diego Retired Employees' Association Newsletter December 2006

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December, 2006

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Sharon Beach, Sunshine Lady (858) 273-4067  
(Call Sharon Beach to send cards to members who are ill.)

## Last Chance to join us for the CSDREA annual festivities



**December Holiday Luncheon**  
Tom Ham's Lighthouse/Harbor Island  
California Room  
**Thursday, December 14, 2006**  
11:00 a.m. til 3:00 p.m.

Make reservations- send your check payable to  
CSDREA for \$19 per person to  
CSDREA, 4185 Galt St., San Diego, CA  
92117 by **December 10, 2006.**

**Delicious Buffet**  
Hot entrees, salads, vegetables, fruits  
Tasty Dessert

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### Message from President Nancy Acevedo

First, let me say **SEASON'S GREETINGS** and a very **HAPPY 2007** from the CSDREA Board and me! Even with the tensions relating to the City's pension problems, we have finished this year with some of those issues already being settled and the promise of future resolution of the rest. By now you have your 13th check and your Corbett payment and are looking forward to the holidays. On that note let me start with the news we all like to hear.

**Good news** for the month was that the retirement fund has continued to grow - as of November 13, it was \$4.582 billion; an increase of \$81 million from October.

In honor of Veterans' Day, Yvonne Paczulla who had marched in the Veterans' Day parade and was quoted in the newspaper, led our flag salute.

Our November speaker, John Kaheny, who served as Assistant City Attorney under John Witt (before becoming Chula Vista's City Attorney), was not able to discuss the current City lawsuit regarding "illegal" benefits as he had been subpoenaed to testify in the case. In fact, the evening before our meeting he was notified to appear to testify at 11:00 the next day, the same time he was to speak to us. A coincidence? I think not. Since the required notice had not been given to the other attorneys, he was released by the court and able to speak to us on schedule. He told us that years ago ex-City Attorney John Butler predicted that the City would change from Council nominations by District and elections Citywide to District elections, and that this would result in problems that would result in changing from a City Manager to a Strong Mayor form of government. Unhappily, this is what has occurred. After District Elections were approved, each Councilmember was motivated to bring home the "pork" to their District, and only the mayor had a City wide view - and all that "pork" over the past several years has resulted in the City's dire financial situation. And true to the prediction, we now have a Strong Mayor form of government (even though it is temporary, unless approved by the voters to be permanent).

John stated that since salaries and benefits are set in response to the "market place," he did not think the new law requiring a vote to increase retirement benefits would have any real fiscal impact. In order to recruit and retain a qualified workforce, public agencies must provide a competitive combination of salary and benefits. If retirement benefits cannot be improved, other benefits will be enhanced or salaries will be changed in response, which ultimately will result in higher retirement pay. In response to questions about retiree health care benefits, John reviewed the agreement to get out of social security in the early 1980's which required providing retiree health care benefits because the City employees at that time were no longer covered by Medicare - and referred to it as a

“contract.” The City was brought back into the Medicare system for new employees in the mid 1980's. John also stated that SDCERS assets are continuing to grow but there is a long term funding issue that can be resolved over time. We would all like to hear more from John once he is not stifled by the current lawsuit situation.

In our October newsletter, I advised you that your Board of Directors had determined not to take a position on the McGuigan lawsuit. Subsequently, the Settlement Agreement was revised to address concerns that had been raised by the various unions. Attorney Michael Conger made a presentation to our Board on the changes, and assured us that the only thing being given up in exchange for the City investing an additional \$173 million in the retirement fund, was the right to sue again on the same issue. That being the case, the Board voted to notify the court that they were in support of the settlement and I provided a letter to Mr. Conger to that effect.

### **Retirement Trust Fund Board Update by Joe Flynn, Retiree Rep. to the Board**

By now you should have received the good news; the Board voted on Nov. 17 to approve the 13<sup>th</sup> check and Corbett payment. At that meeting we had our new Gen. Counsel Chris Wardell, our near

new Administrator David Wescoe, new Compliance Officer Roxanne Story Parks, and 12 of our 13 members. SDCERS now has a full management team and is working to fill a few staff vacancies. We have a good crew and a Board with diverse talent, training and experience. We have come a long way.

Recently I advised CSDREA Pres. Nancy Acevedo and Retired Fire and Police Assn. Pres. Keith Enerson that I will not be seeking another term on the Retirement Board. SDCERS has not yet announced the election cycle but the new Retiree Rep. would take office in April of 2007.

It has been a privilege and an honor to serve in this capacity and work closely with CSDREA, RFPA, and unaffiliated retirees and active members. In school, on the track team I specialized in the 100 yard dash, the hurdles and the 440 relay. On the Ret. Board I believe I have completed the first two events and am now beginning the first leg of the relay, and looking for a teammate to take the baton. For the remainder of my term, I will continue to serve as I have thus far; all ahead full, and stand and fight if we must. In addition, I will work with whoever is elected as Retiree Representative to assist them in any way I can and to ensure continuity. I thank you for all of your support.