

City of San Diego Retired Employees' Association Newsletter January 2007

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Visit our Website at www.csdrea.com

January, 2007

Nancy Acevedo, President (619) 579-5930
Joe Flynn SDCERS Board Representative (619) 588-7078
Sharon Beach, Sunshine Lady (858) 273-4067
(Call Sharon Beach to send cards to members who are ill.)

HAPPY 2007 TO ALL!!

January 9th Meeting

War Memorial Bldg -Balboa Park

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

Today's Menu \$10

Beef Burgundy/Chicken

Vegetables/Salad/Bread

Coffee, Tea, Lemonade/ Dessert

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

Dora Garcia (619) 464-8595 or

Sylvia Tatum (858) 272-0494

Program:

Installation of Officers/Board Members:

Secretary: Pat Karnes; Treasurer: Sylvia Tatum; member: Alan Hardtarfer; and Re-election of board member John Tsiknas, our website manager.

Following the installation of officers, there will be a surprise guest speaker.

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Message from President Nancy Acevedo

Our annual Holiday Luncheon was well attended and enjoyed by all. One of our guests was David Wescoe, the new Retirement Administrator. David reviewed recent actions and assured retirees that SDCERS is heading in the right direction and that checks will continue to arrive on time.

Each year our Association selects one person whom we believe has contributed the most to the interests and welfare of retirees. Joe Flynn introduced our honored guest, and the 2006 Outstanding Contributor of the year, Peter Preovolos, President of the

SDCERS Board of Trustees. Among the reasons Peter deserves this award are: As President, he held the Board together in the most difficult situation SDCERS has experienced;

He established the independence of the Board and the Board's right to its own attorney; He was instrumental in selecting a new management team and new direction for SDCERS. Shortly after the new Board was seated, all members were named in a lawsuit brought by the City Attorney. Four members resigned, but Peter and Bill Sheffler stayed to maintain a quorum, which prevented the Board from going into receivership. And with his leadership, SDCERS hired two of the best people in the business - David Wescoe as Administrator and Chris Waddell as General Counsel.

When Peter was first asked to volunteer to serve on the Board, he was told it would require about 8 hours per month. Instead, he has devoted many times that per week! His efforts have resulted in a more secure financial future for retirees. We all owe Peter Preovolos a debt of gratitude. Peter was presented with a Tivoli radio with an engraved plaque that reads, "Peter Preovolos, President of SDCERS Board, Outstanding Contribution Award 2006, Presented by City of San Diego Retired Employees' Association".

During our luncheon, David Wescoe announced Judge Barton's rulings in "Phase I" of the City Attorney's lawsuit to void what he calls "illegal benefits". Barton ruled the 1996 benefit improvements cannot be challenged due to the Corbett Settlement; also the 2002 benefit improvements cannot be challenged for anyone who retired prior to July 2004, due to the Gleason settlement. This was a big win for the employee groups and SDCERS.

Attorney Michael Conger requested that I inform you that the McGuigan lawsuit Settlement Agreement was approved by the court, resulting in an additional \$173 million into the retirement fund. Of that, \$100 million was already paid by the City (using Tobacco funds), and the remaining \$73 million will be paid over the next five years **HAPPY NEW YEAR!**

-Nancy

SDREA WEB News! Logon

<http://www.csdrea.com> Members only section for the latest retiree news. If you don't have password, CALL us

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SDCERS Retirement Trust Fund Board Update

The review of existing disability retirements is continuing. So far, 30 cases have been referred for medical exam, and some of these have been sent to an adjudicator for hearing. Municipal Code requires this review annually to prevent fraud. SDCERS tax compliance program is on track. Looks like the Pension fund will have a clean bill of health with the IRS; very important for the continuing tax exempt status of the Fund.

We finished 2006 with a swirl of litigation. And the end is not in sight. The DA's case was sent back from the State Supreme Court with an order to show cause why it should not be dismissed. The U.S. Attorney's case is in Federal Court and the Judge is looking carefully at the result of the DA's case.

Meanwhile, in Municipal Court, Judge Jeffery Barton let a lot of air out of the City Attorney's case declaring most retirement benefits a done deal. Most estimates on what remains in contention center

around \$35 million – down considerably from escalated estimates. The City Attorney has said he will appeal, but the Council President, and others, believe it will be too many attorneys chasing too few dollars. Most would agree.

2006 was a productive year one for SDCERS. We completed the Navigant Investigation on time and under budget, and were ahead of the Kroll report on recommended changes. We hired a new administrator, a new general counsel, and appointed a compliance officer. New procedures are in place and earnings were considerable. **A very good year** Retirees will have the last paper ballot to elect my replacement. After this election, we vote via phone.

Joe Flynn, Retiree Rep. to the Board

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BIG THANK YOU to our **GREETERS!**

January - James Veasley.

December 2006 - Carmen Lutes, Catherine Meyer, Ross McCollum and Joe and Evelyn Sediway.

Remember, **GREETERS** can qualify for a complimentary buffet at our December Holiday Luncheon. Volunteer a few minutes of your time. For details call Dora Garcia (619) 464-8595.