

City of San Diego Retired Employees' Association

Newsletter December 2007

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Visit our Website at www.csdrea.com

December, 2007

Nancy Acevedo, President (619) 579-5930
Carmen Lutes SDCERS Board Representative via website only
Sharon Beach, Sunshine Lady (858) 273-4067
(Call Sharon Beach to send cards to members who are ill.)

Search and Rescue Team, Task Force 8.

Thursday, December 13th Meeting Holiday Lunch-Tom Ham's Lighthouse 2150 Harbor Island Drive 11:00 a.m. to 2:00 p.m.

Tickets are still available

\$19.00 per person

Reserve by December 5th

**Mail checks payable to Treas. SDREA
4185 Galt St, San Diego, CA 92117**

THANK YOU to our November Greeters: James Veasley & Alyse Ford

***** **TELL US WHAT YOU THINK** *****

What is your preference for CSDREA meetings?
Choices: Meet once every month **OR** every other month **OR** 4 times per year. Also, what kind of speakers & topics would bring you to the meetings? To give your answers send email to Vpprgrams@csdrea.com or by phone to Virginia 619 224-1876 or Lynn 619 698-1522

Program

December's speaker is **Tracy Jarman** who was appointed **Fire Chief** for the City of San Diego on June 26, 2006. Her city service began as a fire fighter in 1984 & she went up through the ranks to become the Asst Fire Chief in May 2003. Her duties have included Logistics areas of the Department for all Fire, Emergency Medical and Lifeguard Services & she also served as Deputy Chief overseeing the 911 Fire and Emergency Medical Services Dispatch Center.

Chief Jarman holds a Fire Science Degree, a Bachelors Degree in Biology and a Masters Degree in Public Administration. She is a State certified Fire Officer and a Hazardous Materials Specialist plus was a member of the countywide Hazardous Materials Incident Response Team (HIRT), and a Plans Officer for San Diego's Urban

Message from President Nancy Acevedo

Our November speaker was William Sheffler, who was appointed by Mayor Dick Murphy to the Pension Reform Committee and who later accepted an appointment to the SDCERS Board. He reviewed the history of the "Purchase of Service Credit" program, which was to be cost neutral, and possible solutions to its estimated deficit of \$146 million. The action he anticipated the Board to take is what happened at their November 16th meeting, where, "...by a unanimous vote of 8=0 to allow the existing purchased service contracts to remain as formulated and to continue to amortize the shortfall through the existing unfunded actuarial liability." That was good news as it means no change for those retirees who purchased years of service credits.

Each year our Association Board of Directors selects one person whom they believe has contributed the most to the interests and welfare of our members. Normally, this award is presented at our Holiday luncheon, but due to the demands of business on our honoree, the presentation was moved to our November meeting. It was a coincidence that our 2007 Outstanding contributor of the year was our speaker, Mr. Sheffler.

Among the many reasons he deserved this award was that after he was appointed to the CERS Board, all Board members were named in a lawsuit brought by the City Attorney. As a result, four members resigned. But Bill Sheffler stayed to maintain a quorum. He has been a tireless advocate for open government and sound fiscal policy. As an Actuary, he is an inside expert who asks all the right questions. We retirees are very fortunate to have Bill serve as a member of the CERS Board.

More good news is that also at their November meeting the CERS Board voted to authorize payment of the Annual Supplemental Benefit (13th Check) and the Corbett Settlement benefits to eligible retirees, in accordance with the requirements of the Municipal Code. These payments should be included in the pension payment you receive November 30.

At our November CSDREA meeting, a slate of officers was presented and voted in by the members in attendance. Changes from the current Board were to replace Directors Ross McCollum and Virginia Silverman (who chose not

to run) with Alyse Ford and Bob Korch. Also, Ruth Ann Hageman and Patti Karnes are switching positions and will now be Secretary and VP Programs respectively. We have been advised that over 101 retirees' records have been requested by the City Attorney's Office. According to the Retirement Office, all those involved have been advised by letter or phone. We have requested, and the Retirement Office has agreed, that copies of any records given to the City Attorney's Office will also be provided to the retiree involved for his/her information. Hoping to see you at the **Holiday Luncheon**, and that all of you have a happy holiday season.

Nancy

SDREA WEB News! Logon SD City Retired Employees Assn www.csdrea.com Members only section for the latest news. If you need the password, call or e-mail one of the board members. This month we have included more material by Ann Smith, the attorney representing the SD Municipal Employees' Association (MEA)

**SDCERS Retirement Trust Fund Board Update
by Carmen Lutes , Retiree Rep. to the Board**

This great summary of the November SDCERS Board meeting was written by Joe Flynn. Thanks Joe!

The SDCERS Board was held on Friday, November 16, 2007 meeting, and they were busy. First order of business was hearing public comment on the Purchase of Service Credits, for those who had not spoken at the previous special meeting. There were a few speakers who covered the "contracts" with clarity. I added a few comments. I did not have the opportunity to take part in the PSC program, but I did outline the city's practice in tight budget years of offering improvements in pension benefits in lieu of pay raises.

The Board then went into closed session to review and discuss the matter with Staff Attorneys and Fiduciary Counsel. When they reconvened they announced action by the Board ". . .by a unanimous vote of 8-0 to allow the existing purchased service contracts to remain as formulated and to continue to amortize the shortfall through the existing unfunded actuarial liability." That means, no change. (A press release was available there and should be on line shortly.)

Part 2. The Board also voted to authorize payment of the 13th Check and the Corbett Settlement benefits to eligible retirees, in accordance with the requirements of the Municipal Code. These payments should be included in the pension payment due at the end of November.

Part 3. Concerning DROP Accounts, the Board voted to continue the current rate of 8% (the same rate as the actuarially assumed rate for the Pension fund) for the coming year, with a caveat. The IRS has not yet released its final regulations for implementing the Pension Protection Act (PPA) of 2006. Of concern is guidance on the impact of "market rate of return" provisions in that Act. The effective date of the related section of the PPA is July 1, 2008. If those regulations tied DROP accounts to "market rate" an adjustment could be required from the 8% rate assumed for the Pension Fund to whatever the rate of return of the market is at that time. Short hand: the 8% is good at least to July 1, 2008, but may change after that depending on IRS guidelines. Holders of DROP accounts should keep an eye on this one.

For previous reports and announcements about when meetings are scheduled, please logon to our website at www.csdrea.com