

# City of San Diego Retired Employees' Association

## Newsletter August 2008

Vol. 15, Issue 8

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

August 2008

Nancy Acevedo, President  
Dave Hall, SDCERS Board Rep  
Sharon Beach, Sunshine Lady  
(Call Sharon Beach to send cards to members.)

(619) 579-5930  
Via website  
(858) 273-4067

First Reading of Ordinance to correct the Waterfall: Version A passed 6-1, with instructions to pay Corbett, 13th Check and Supplementary COLA determined by a similar formula but not using the Waterfall as a funding source.

The IRS had already required SDCERS to drop "excess surplus earnings" as a source to pay special benefits. Special benefits are now listed as a liability when figuring the City's Annual Required Contribution. The IRS told SDCERS that they must follow the City's pension plan document as it appears in the Municipal Code. (Example: Non-industrial disability retirees have no Corbett because the IRS said there is nothing in the Municipal Code that allows it.)

SDCERS to be invited to answer questions before the second and final reading of the Ordinance. Council on legislative recess in August. No date yet.

- Excerpt from notes by Patti Karnes-

### Message from President Nancy Acevedo

Our July program was presented by Dale Ambler, of Ambler Tours and Travel. This is the oldest travel agency in town, begun over 50 years ago by Dale's father. They don't advertise so all business is by "word of mouth." Two of our board members have utilized their services and been very satisfied. Dale showed slides of some of their early tour groups. Two things that pop out are the dress - women in dresses and hats and men in suits - standing on the airport tarmac ready to climb aboard! We were all given a gold dollar along with a folder of information on some of their upcoming tours and that included a new crisp dollar bill. If you are interesting in checking them out, their office is located at 1010 Second Avenue, Suite 1800, San Diego 92101; phone (619) 232-6888.

After Mr. Ambler's presentation, Patti Karnes had arranged for a short presentation by Gadabout Vacations, who had dozens of handouts on their tours. Their office is at 1801 E. Tahquitz Canyon Way, Suite 100, Palm Springs, CA 92262; phone (760) 325-5556 or toll free (800) 952-5068, [www.gadabouttours.com](http://www.gadabouttours.com)

### August 12th Meeting

#### War Memorial Bldg -Balboa Park

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

\* General Members Welcome!

#### WELCOME TO NEW MEMBERS THIS MONTH

**Nora Brooks; Arthur P. DeBolt; Mary Ellen Kruse;  
Timothy M. Long; Carol Parkhurst; and Robert H.  
Wilson.**

#### Menu \$10

Assorted Sandwiches  
Salad / Chips  
Dessert  
Coffee/Tea/Lemonade

Write your name on the back of your lunch ticket for a chance to win in the August drawing!

**Alice Brown** won our July luncheon drawing for a \$25 Trader Joe's gift card and a future free lunch.

**Reservations: Call B/4 Friday, Aug. 8th, NOON**

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

### Program

Our guest speaker for August is **Mark Hovey**, Chief Financial Officer for SDCERS. Mr. Hovey will give us an update on making the SDCERS trust stronger, safer and more secure. He will tell us how SDCERS has done catastrophic preparedness and how pension checks would continue, and many other reassuring facts. Please don't miss this important meeting.

**WATERFALL ITEM AT CITY COUNCIL -**  
Monday, 2:00pm on July 21, 2008 -

Between these two companies, there is something for everyone! Feel free to call and get on their mailing list to receive information on day trips and upcoming tours.

With the stock market volatility, we've been wondering whether we could count on the Annual Supplemental Benefit (13th Check) and Corbett (for pre-2000 retirees) this November. According to a report at our meeting by Dave Hall, our Retiree Rep, they don't anticipate a problem in meeting the required threshold, but it's not a done deal until all the statutory actions have been taken.

It's that time of year again - for a nominating committee to be formed of two Board members and one General member. The Board appointed Bob Korch and Ty Rogers and the General members elected Joe Flynn. Positions to be voted on this November are: Secretary, Treasurer, and three Board members. Let a member of the committee know of your interest to become more involved in our Association. **Nancy**

**SDREA WEB News!** Logon <http://www.csdrea.com>  
Members only section for the latest news.

### **SDCERS Board Update by CSDREA Board Member Patti Karnes**

Plan Sponsors advanced contributions paid on July 1st for FY 2009 totaled \$172 million. These contributions were used to rebalance SDCERS' total portfolio closer to the target policy allocations. The remaining funds were reserved for three months of benefit payments and operating expenses, pending real estate capital calls and other asset allocation adjustments.

The Board will vote next month on assumptions for mortality, retirement, turnover, inflation and disability. Two recommended changes would balance

each other out, and therefore not increase the City's annual costs in the next evaluation: (1) Reduce Expected Inflation from 4.25% to 4%; (2) Reduce Investment Returns from 8.00% to 7.75%, which will decrease interest crediting to Employee and Employer Reserves. Lower expectations would lower risk to SDCERS.

SDCERS was given written notice under the Government Tort Claims Act that former Union Presidents Judie Italiano, Gary Collins, Harry Eastus, James 'Bill' Farrar and the POA are asserting claims against SDCERS for breach of contract, breach of pension agreements, negligence, breach of fiduciary duty, misrepresentation and, in the case of Italiano/MEA, deprivation of due process. The claimants are seeking specific performance and/or damages, including damages for emotional distress and attorney's fees. **Patti Karnes**

**THANK YOU July Greeters: Burnie Gipson, and  
THANK YOU Marylynn Hyde and Janet Chelberg** at the lunch table.

**VOLUNTEER TO BE A GREETER.** Give some time for CSDREA. Call Dora (619) 464-8595.

Do you know of a CSDREA member over 80 years old having a birthday, a couple having an anniversary, or a member who is ill or hospitalized? **Notify Sharon Beach (858) 273-4067** so the word gets passed along and a card is sent. Also, if you know of someone who has died, please let us know. You may also submit a short bio of that person for publication.