

# City of San Diego Retired Employees' Association

## Newsletter October 2008

Vol. 15, Issue 10

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

October 2008

Nancy Acevedo, President (619) 579-5930  
Dave Hall, SDCERS Board Rep Via website  
Sharon Beach, Sunshine Lady (858) 273-4067  
(Call Sharon Beach to send cards to members.)

### October 14th 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

Gary DeBusschere; Alfredo E. Gallardo, Jr.;  
Charles E. Mueller, Jr.; Robert Philley; Paul Seiley;  
and Joe Vissers

#### LUNCH SURVEY

SDREA offers lunch for \$10 per person after the monthly general meeting. The caterer who serves the lunch requires that we pay for a minimum of 20 meals. Occasionally when there are less than the required minimum, SDREA has to pay the difference.

**Please vote whether we should continue to offer lunch after the meeting using this link:**

<http://www.csdrea.com/lunch-survey.htm> or telephone a CSDREA Board Member

#### Menu \$10

Chicken  
Cheese Enchiladas w/salsa  
Green Salad / Rice & Beans / Chips  
Mexican Dessert  
Coffee/Tea/Lemonade

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

**John Tsiknas** won the lunch drawing in September. The prize was a \$25 gift card for Trader Joe's and a future free lunch.

**Reservations: Call B/4 Friday, Oct. 10th NOON**

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

### SAVE THE DATE!

**December 11th**

**Holiday Lunch - Tom Ham's Lighthouse - \$24 pp**

**Reserve by December 5<sup>th</sup>**

**Make checks payable to SDREA and mail to  
4185 Galt St., San Diego, CA 92117**

### October Program

Our guest speaker for October is **Carl DeMaio**. On June 3, 2008 Carl DeMaio was elected to the San Diego City Council to represent District 5. DeMaio made history as a non-incumbent taking a Council seat by the widest margin in a primary—winning 66% of the vote.

Prior to winning his seat on the City Council, Mr. DeMaio was best known in San Diego as a City Hall Watchdog. He helped uncover the city's financial and ethical problems. After years of prodding city leaders to enact reforms, a frustrated DeMaio decided to run for City Council. Come hear him tell us how he plans to clean up City Hall.

### Message from President Nancy Acevedo

Instead of our regular meeting, we attended SDCERS "first annual" report of the status of SDCERS. Retirement Administrator David Wescoe reviewed actions taken to ensure the continued stability of our retirement system, and introduced key staff members who reported on their specific areas. I was told that the next Free Spirit publication will recap the information for all retirees. I was surprised to find that SDCERS had not notified all retirees of this meeting - being told by Mr. Wescoe that since City of San Diego Retired Employees' Association and Retired Fire and Police Association had notified their members they didn't find it necessary, stating, "If they are not members of your organizations they aren't interested enough to attend anyway." I happen to disagree with this attitude - I think all retirees should have been notified and will be making this clear in future meetings with SDCERS.

And for one of those FINALLY - For updated versions of our information papers on "Death and Survivor Benefits", "Deferred Retirement Option Plan (DROP),"

and "Post-Retirement Health Benefit", check our website. These are information papers that we submitted to SDCERS to review in 2006 and 2007 and have just now received back following their review and recommended changes. If you do not have access to a computer and would like copies, just give me a call.

Nancy

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

At the September 17<sup>th</sup> SDCERS Board meeting, Dave Wescoe, SDCERS Administrator/CEO reported that SDCERS' investment return for the quarter ended June 30, 2008 was +0.19%. For the fiscal year ended June 30, 2008, the portfolio's preliminary return was -4.64%. For the three and five fiscal years ended June 30, 2008, SDCERS annualized return were +7.77% and +10.76%, respectively. Over a ten-year period, Trust Fund assets have more than doubled from \$2.13 billion to \$4.69 billion." Mr. Wescoe further stated, in part, that "SDCERS has weathered turbulent economic times in the past and will weather these as well. Because any public pension plan such as SDCERS is investing for the long-term, periods of short-term under performance are offset by years when marketing performance is better, such as fiscal year 2007 when the Fund was up +16.25%. Sound, well-diversified investment strategies have enabled SDCERS to ride out difficult times and to consistently deliver on its obligation to pay benefits."

The Board adopted the complete package of assumption changes that Cheiron, SDCERS' actuary, recommended. The expected investment return was reduced to 7.75% from 8%. And the inflation rate was

reduced to 4% from 4.25%. Cheiron thought this "balancing" would result in annual costs close to last year and was more conservative for the plan sponsors. Mark Hovey, SDCERS' CFO, noted that assumption changes are amortized over 30 years. Amortization of the UAAL is still 20 years.

Due to the IRS requiring specific interest rates, the City Council voted in 2008 to put the specific interest rate for DROP into SDCERS' Board Rules. The Trustees may update interest rates via the Board Rules. Currently Board Rules state the interest on active DROP is 8%. DROP interest rates are reviewed annually in November. Retired DROP interest rates are permanently set when active DROP goes to retired DROP, pursuant to the IRS.

Patti

**THANK YOU September Greeters Dora Garcia, Wendy Cramer, Marylynn Hyde and Janet Chelberg! VOLUNTEER TO BE A GREETER.** Give some time for CSDREA. Call Dora (619) 464-8595.

Do you know of a member who is having an anniversary, who is ill or hospitalized, or who is over 80 and having a birthday? **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.

**City of San Diego Employee Assistance Program (EAP)** is available to city retirees. This assistance is confidential. Contact EAP at 619-533-3460.

**SDREA WEB News!** Logon <http://www.csdrea.com>

Members only section for the latest news.