

City of San Diego Retired Employees' Association

Newsletter April 2009

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April 2009

Nancy Acevedo, President (619) 579-5930
Dave Hall, SDCERS Board Representative via website only
Sharon Beach, Sunshine Lady (619) 934-8202
(Call Sharon Beach to send cards to members who are ill.)

April 14th Meeting

War Memorial Bldg -Balboa Park

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

WELCOME TO NEW MEMBERS THIS MONTH

Laurie Agnew, Kathleen Healey, Robert Hendrix, William Mc Guigan, Erlinda Soriano

Program

April Boling, a San Diego native, is a graduate of Hoover High School and the University of San Diego where she attained a degree in Accounting.

As a Certified Public Accountant, Ms. Boling has an impressive background beginning as a Budget Analyst for the Department of the Navy. Later, as a Tax Manager for the San Diego office of Price Waterhouse. In 1989, April Boling started her own CPA practice where she has provided tax/accounting services to families, businesses and political clients. She is a leading expert in campaign finance, helping to make the political process more open.

Using her expertise, she has participated in and led several public service organizations. She served as the chair of both the San Diego Convention Center Corp and the San Diego County Taxpayers Association. Also as campaign treasurer for political candidates, including Brian Maienschein, Kevin Faulconer, former mayor Dick Murphy and City Attorney Jan Goldsmith. Ms Boling chaired the city's Pension Reform Committee and is knowledgeable on all pension issues.

April married her husband, Tom, in 1976. They have two grown children.

Meeting Report by Joe Flynn

George Murray, former SDCERS Board Trustee was our March keynote speaker with an excellent recap of the recent history of the Pension fund trials and tribulations. He was dressed for the occasion in a green sweater, and was introduced by member Joe Flynn wearing a green shirt and a green Derby (all a gentle reminder of St. Patrick's Day on March 17th.)

George left San Diego in 1955 for a career in finance in New York and retired in 2001 as Senior Director of Prudential Securities. After his return to San Diego he was appointed to the newly constituted Retirement Board in 2005, served his appointed term and an additional 17 months until his successor arrived. This was a time when Mike Aguirre had been elected as City Attorney and just before Jerry Sanders was reelected to a full term as Mayor. One of Sanders' first acts as Mayor was to request the resignation of all appointed members of the Board. And as you know, with the exception of an appointee who had attended one half of a Board meeting, the rest, including George Murray, politely and resolutely declined. The taxpayers had voted for an "Independent Retirement Board" and that is what they got.

George talked about the City's past unbudgeted needs such as the Republican Convention, and Petco Park and the City's earlier suggestion of foregoing their annual contribution to the Pension fund. A financial crisis followed, which he called the result of "compassionate stupidity." But the new Board coalesced under the leadership of Peter Preovolos who brought focus, hope and direction to the Board and staff. After the loss of the Administrator and General Counsel to indictments, the Board sought outside legal counsel, funded an independent investigation of SDCERS, and hired a new Administrator and General Counsel, and worked with IRS to ensure compliance. He referred to David Wescoe, SDCERS Administrator, as "a perpetual motion machine" and expressed astonishment at the dedication, zeal, and expertise of SDCERS staff.

George pointed out that since WW II the US has experienced 11 recessions, and recovered from all of them. George characterized the markets as an atmosphere of collective investor attitude. In recent years, uncertainty

and fear was overcome by greed resulting in irrational exuberance. Now the markets are hampered by irrational pessimism which must be overcome to begin the recovery.

George's observations were well received and the Q&A session ran to some length (ended at 12:30pm). George was thanked for his discussion, service, and dedication.

During our Business meeting, Dave Hall, our retiree representative on the SDCERS Board, discussed the DROP interest rate reduction (effective July, 2009) from 7.75% to 3.59% for active DROP accounts and 5% to annuitization of those accounts when those members retire. He also gave some background on his vote in opposition. He indicated that he understood the need for the reduction but was troubled by the collection of bonds and treasury bills used as reference points. He emphasized that the change in DROP interest rates apply only to current active DROP members. Not to retirees.

Cynthia Queen, SDCERS Director, Member Services, reported on the current counseling sessions SDCERS is scheduling to answer questions of current active DROP members. It is anticipated that a large number of active DROP members may retire before July 1, 2009 in anticipation of the change in interest rates. She also reminded members of the information and updates available on the new and improved SDCERS website.

JOE

SDCERS Retirement Trust Fund Board Update by Patti Karnes

(The SDCERS Board convened on Friday, March 20, 2009. Full notes are posted on the website

and in the email version of the newsletter. Notes here represent only a fraction of Patti's notes because of space limitations).

President Tom Hebrank is retiring in April. A new President will be elected and new employee representatives will be announced. A new Fire Rep will replace John Thomson who is leaving.

SDCERS actuary will present responses of other pension systems to handling losses, amortization policies, asset smoothing and valuation of assets.

Total invested assets of the City, Port & Airport as of February 2009, were \$3.389 billion
Patti

THANK YOU March Greeter: Janet Burgess

Winner Trader Joe's Gift Card - Mary Lynn Hyde

HAPPY ANNIVERSARY

March 11th - Violet & Ralph Brown - 37th
March 21st - Susan & Terry Flynn - 50th

HAPPY BIRTHDAY

March 6th - Joe Flynn - (he says 39 again)
March 6th - Hugh McKinley - 90th

IN MEMORIAM - Richard A Davis, Joe Hale.

Do you know of a member who is ill or hospitalized, or who is over 80 years old and having a birthday?
Notify Sharon Beach (619-934-8202).