

City of San Diego Retired Employees' Association

Newsletter May 2009

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Visit our Website at www.csdrea.com

May 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.)

Diego Retired Employees' Association and its members.

May 12th 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

**Roland E. Camacho; Charles Edwards; Carol Hein;
Michelle Nickols and Jimmy I. Valle**

Program

Thomas C. Hebrank, outgoing president of SDCERS and chairman of the SDCERS Investment Committee, is our speaker for May. He will tell us about the challenges faced and accomplishments the SDCERS Board made under his very capable leadership. Don't miss hearing him speak.

Message from President Nancy Acevedo

A committee of the Board has been discussing ways to "enliven" our meetings. You'll be hearing more about their ideas in the near future. One change already made is to play CD's before the meeting starts. If you'd like to bring in your favorite CD to play, just let me know. They have also developed a survey to send to a sampling of our members - if you've been called, and agreed to complete the survey, thanks for your participation.

Our April speaker was, aptly, April Boling, CPA, who chaired the Pension Reform Committee. Her outstanding work at that time was recognized by our association, by presenting her with our "Annual Outstanding Contribution Award", which annually recognizes a person who has made a significant contribution to the improvement of the City of San

April cautioned us that as the City's required payment to SDCERS continues to grow, she expects the City to return to the SDCERS Board to seek their abandonment of their fiduciary responsibility to the system and plan participants in favor of their fiduciary responsibility to the City. She said the SDCERS Board has the responsibility to present the "true bill" to the City, showing the actual annual required obligation as determined by the actuaries. Agencies may or may not pay the full bill - if they don't pay the full bill, future bills will include interest on the amount not paid. For at least the last four years, the City has paid the full amount, but until last year had not paid any principal - only interest.

April estimated that the unfunded liability as of the end of this fiscal year will be around \$2.1 billion, a huge increase from June 2008. Since the bill to the City is based on the prior year end, the City's bill for the coming fiscal year is based on the June 2008 figure.

April stressed that retirees need to be vigilant, and make sure that the Board does not agree to relaxing actuarial assumptions. She warned against eliminating a provision known as "the corridor", which could reduce the City's required payment - but which she said, if it occurs, would amount to MP3! We all know what damage was done to the system by underfunding agreements known as 1996's MP1 and 2002's MP2, so we need to make sure there is not a repeat impact on the soundness of our retirement system. To quote, April's concern, ". . . is that this whole calculation is so arcane, new board members who may not be familiar with how this works could be convinced it's not necessary."

We all need to heed April's warning and continue to be vigilant, bringing our concerns to the SDCERS Board and City Council.

Recently I received an e-mail about the costs charged for prescription drugs versus the cost of their general active ingredients. It was shocking to say the least. For example, two common drugs that were listed cost \$130 and \$215 for 100 tablets, while their general active ingredients cost \$0.60 and \$0.71 respectively. The e-mail further recommended shopping around for the best

price. It recommended Costco, and said you can go to their web site and look up any drug and get its online price. We checked with the Costco pharmacy in La Mesa and were told a person does NOT need to be a member to use their pharmacy. Further, the person can show their insurance card, such as HealthNet, and insurance will be processed. If you have high prescription bills, you might want to check it out.

Nancy

SDCERS Retirement Trust Fund Board Update by Patti Karnes

The following business was conducted at the April 17, 2009 SDCERS Board meeting:

Terry Flynn thanked outgoing Trustees Peter Prevolos, William Sheffler and President Tom Hebrank for their leadership and coming aboard SDCERS's ship when it had been hijacked.

Franklin Lamberth and Steve Meyer were re-elected General representatives, and sworn in with new Fire representative, Alan Arrollado.

City Attorney Goldsmith is reviewing "how to formalize the City delegation of banking and check issuance procedures to SDCERS", said CIO Mark

Hovey. SDCERS will then have an independent checking account to issue pension checks.

TOTAL PORTFOLIO VALUE as of March 31, 2009 is \$3,416,267,568 for City, Port and Airport. Patti

THANK YOU April Greeter: Janet Burgess

Winner Trader Joe's Gift Card - Sylvia Tatum

HAPPY ANNIVERSARY

April 5 - Robert & Geraldine Snowden - 57 years

May 21 - Charles & Lola Calabrese - 60 years

***IN MEMORIAM* - Frances L. Davis**

Frances L. Davis (nee Tierney) passed away April 14 after suffering a stroke. One of three daughters surviving is Jan Tierney (a member of CSDREA). Frances was widowed in 1985; her other two daughters are Maureen DeBolt and Christine Davis.

She pioneered her way into becoming the first female Building Inspector for the city and retired as head of the Housing Division.

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).