

**UC Davis Retirees' Association
Spring Meeting
Monday, May 5, 2008
University Club
2:30-4:00 PM**

Bob Halferty welcomed everyone to the meeting.

Announcements:

- Thursday, May 8, the Emeriti Association would be holding its monthly lunch and talk. Guest speaker, Bill Lacy will give an update on the International programs at UCD. Thursday, May 22, Dr. Elizabeth Applegate will be the guest speaker at the Emeriti Association's spring general meeting. She will talk about Nutrition and Fitness in the Senior Years.
- Saturday, June 7 is the 2nd annual Retiree Center's Steak Bake at the Rec Pool Lodge.
- The Mondavi Center has announced that retirees will receive discounts for the 2008-09 season. Thirty percent for season tickets; 25% for "Choose Your Own Series", and 10% for single tickets.
- Immediately following today's meeting, a special tour of the Schaal Aquatics Center has been arranged.

Scholarship Award:

Corinne Cooke, Chair of the Scholarship Committee of RA announced that two scholarships, at \$500 each, will be awarded. Cooke went on to give some background on the scholarship program.

Treasurer's report:

Carol Kurtz reported a beginning balance of \$9,944; \$3350 from memberships; less expenses of \$2450, \$1000 scholarships, \$539 new brochure just printed, and approximately \$200 expenses from today's meeting. Approximate balance to carry forward into next year of \$9250. Membership: 175 whose membership ending date 2008-09; 335 life members and one associate. 143 signed up who received the newsletter and are still on roster but whose membership expired 6/30/07.

Bylaw Revisions:

A thorough review of the bylaws was conducted by Beverly Brooks, Ted Hillyer and Bob Ernisse. The committee's recommended amendments were approved by the Board at its April meeting.

Brooks reviewed the recommended amendments, after which Norma Rice motioned for approval and Arleen Kasmire seconded the motion. Motion carried.

Election of Officers 2008-09

Slate of officers and Board members:

Gary Schultz: President; Yvonne Marsh 1st Vice President and President Elect; 2nd VP – Ted Hiller. (Schultz and Marsh currently serve as 1st VP and 2nd VP respectively.) If Ted is elected 2nd Vice President, he will need to resign his position on the Board. Then the Board will appoint Micki Eagle to complete Hillyer's term.

A motion was made by Gary Schultz and seconded by Anne Gray that the slate of candidates be voted and approved as a group. Motion carried.

The nominating committee was made up of Schultz, Sandy Filby, and Linda Bentley.

Program Portion of Meeting:

Yvonne Marsh introduced Lor Shepard, who spoke about "Applying Investment Principles in Scary Times." He talked about the quality of investments available, and presented his observations, principles for investment and its meaning for the environment.

- Primary goal is to not lose money; small risks; conflicts of interest are valid (but perhaps unspoken).
- Buying on-line is fine. Don't have to pay sales commission. If not going to look out for investments yourself, then pay a financial expert. Find a fee-based financial planner.

- Risks and Rewards

Illustrate Point:

Concepts of Reward and Risk

3 kinds of investments: Cash Equivalents (expected return 3%; Risk 0)

Bonds (expected return 5 percent; Risk 3%)

Stocks (expected return 10%; risk 17%)

Focus on risk:

Principles: Much better off with stocks; short term money: don't put in stock market; retirees: don't want to have all money in stock market because of variations in the market.

Huge amount of return from stocks to cash equivalents.

Biggest risk: living too long! Not keeping up with inflation.

A pension is a great asset. Think about pension fund as a bond fund.

- Income producing like bonds.

If don't need money coming out of savings vehicles, you can afford more risk. You can rely on stocks if don't need funds for a while. If needs are met, can be more speculative.

Risk and Reward extend to real estate

Unleveraged (expected return 12%; risk 6%)

Leveraged 1:1 (expected return 20%; risk 12%)

Leveraged 2:1 (expected return 30%; risk 18%) Real estate allows us to borrow against it.

Real estate rentals need to be managed. It could make sense to help your children buy a house.

Current investment environment: not to be scary/pessimistic: but

Advantages we have as UCRS retirees: Defined benefit plans; social security; health care paid for. These are the good news.

The bad news: soaring deficits, wars, and subprime rates/inflation. Each of these problems has a common thread: solutions are well known. For each of the problems, there are solutions: "admission of fault." Answers are known but we are not willing to admit to our mistakes.

Do not have large amounts of money in the stock market at the present time.

Summary: Be defensive. In the long run, stocks and real estate provide the best returns and will provide the greatest benefit for our children.

Closing remarks: trust your own instincts.

Question and answer session followed.

Bob thanked Shepard and the meeting was adjourned.

Norma Rice, Secretary