

(O-85-214)

ORDINANCE NUMBER O- 16149 (NEW SERIES)

ADOPTED ON JUN 24 1985

AN ORDINANCE AMENDING CHAPTER II, ARTICLE 4, OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING SECTIONS 24.0404, 24.0907.1 AND 24.0907.2 RELATING TO ANNUAL SUPPLEMENTAL BENEFITS, SURPLUS UNDISTRIBUTED EARNINGS, AND CITY SPONSORED GROUP HEALTH INSURANCE FOR ELIGIBLE RETIREES; FURTHER AMENDING SECTIONS 24.0531, 24.0532 AND 24.1001 RELATING TO COST OF LIVING ADJUSTMENTS AND PURCHASE OF THE SIX-MONTH PROBATIONARY PERIOD; AND FURTHER AMENDING SECTIONS 24.0104 RELATING TO DEFINITIONS AND 24.1008 RELATING TO ANNUAL REPORTS.

WHEREAS, as a result of recent meet and confer negotiations between the City and various employee organizations, the matter of amending several sections of the Municipal Code retirement ordinances was agreed upon and submitted to a vote of the retirement system membership, as required by Charter section 143.1; and

WHEREAS, said vote was conducted and the ballots tallied on June 3, 1985 with a vote of 2,885-yes, 904-no, and 12-void; and

WHEREAS, the matters having been approved by a majority of the members of the retirement system, it is now necessary to process said ordinance amendments; and

WHEREAS, included within the amendments are some minor administrative changes not related to benefits, designed to clarify administrative procedures; and

WHEREAS, the above-cited section changes have been reviewed and approved by the Retirement Board, said Board now recommending approval by the City Council of the ordinance amendments; NOW, THEREFORE,

BE IT ORDAINED, by the Council of The City of San Diego, as follows:

Section 1. That Chapter II, Article 4, of the San Diego Municipal Code be and the same is hereby amended by amending sections 24.0104, 24.0404, 24.0531, 24.0532, 24.0907.1, 24.0907.2, 24.1001 and 24.1008 to read as follows:

SEC. 24.0104 SOCIAL SECURITY INTEGRATION AND DEFINITIONS

Subsections a. through c. - no change.

d. "Basic Final Compensation," wherever used herein means the following:

(1) For the years 1956 through 1958, \$350 per month or \$4,200 per year.

(2) For the years 1959 through the "withdrawal date," \$400 per month or \$4,800 per year.

Subsections e. and f. - no change.

SEC. 24.0404 ANNUAL SUPPLEMENTAL BENEFIT - QUALIFICATION AND DETERMINATION

Purpose and Intent - no change.

Subsections A. 1. through 4. - no change.

Subsections B. 1. through 3. - no change.

4. The total sum of qualified creditable years shall then be divided into the total of Surplus Undistributed

Earnings designated for distribution by the Retirement Board pursuant to section 24.0907.1 of this code to arrive at a per annum dollar value for each creditable year; provided, however, that in no event shall the per annum dollar value exceed thirty dollars.

Subsections B. 5. and 6. - no change.

Subsection C. - no change.

SEC. 24.0531 COST OF LIVING ADJUSTMENT EFFECTIVE DATES  
AND MAXIMUM ANNUAL CHANGE

a. The Board shall before July 1, 1971 and before each July 1 thereafter determine whether there has been an increase or decrease in the cost of living as provided in this section. Excepting those special class safety members whose retirement allowances are based upon  $\frac{1}{2}$  the amount of the current salary of their retired rank, every person receiving a monthly retirement allowance from this system on June 30, 1971 and each June 30 thereafter shall, on and/or effective July 1, 1971 and each July 1 thereafter, have his (or her) monthly retirement allowance then being received increased or decreased by that percentage determined by the Board to approximate the nearest 1/10th of one percent the percentage of annual increase or decrease in the cost of living which has occurred between the two previous January firsts, as shown by the Bureau of Labor Statistics Consumer Price Index, United States - All items. Such change, however, shall not exceed 1.5% per year and no decrease shall

reduce the monthly retirement allowance below the amount being received by any person on the effective date of his retirement or the effective date of the application of this section, whichever is later. The amount of any cost of living increase or decrease in any year which is not met by the maximum annual change of 1.5% in allowances shall be accumulated to be met by increase or decreases in allowances in future years.

b. Notwithstanding the above provisions, commencing July 1, 1985, the maximum cost of living adjustment for all active members on the payroll of the City on or after June 30, 1985 and who retire on or after July 1, 1985 shall not exceed 2.0%. Such cost of living adjustment shall be calculated and applied in the same manner as set forth in a. above.

SEC. 24.0532 COST OF LIVING ADJUSTMENT PROGRAM SHARED  
BETWEEN EMPLOYER AND MEMBERS

a. The cost of any anticipated cost of living increase in allowances which is based upon services rendered after the applicable date of this Division 5-B shall be shared equally between the employer and the contributing member or safety member, with the individual member's contributions based upon his or her age at his or her nearest birthday at time of entrance into the Retirement System.

Commencing July 1, 1971 and until adjusted by the Board upon the recommendation of the Actuary, the contribution

requirements of members and safety members as contained in sections 24.0202 and 24.0302, respectively, plus surviving spouse contributions as contained in section 24.0521, shall be increased by 15%. These "cost of living contributions" will be separately totaled upon the retirement of members and safety members after July 1, 1971, and based upon the lifetime annuity value of that total as determined by the Actuary, a fixed sum will be added to the normal monthly retirement allowance of the retired member or safety member as provided for in this chapter. The cost of living adjustment provided for in section 24.0531 will not be applied until the amounts required exceed the additional fixed sum the retired member is receiving from the annuity value of his cost of living contributions.

b. Notwithstanding a. above, the contribution requirement for those members specified therein who are active members of CERS on or after June 30, 1985 shall be increased by 20%, such additional rate to be treated as "cost of living contributions" and to be calculated and applied in the same manner as set forth in a. above.

#### SEC. 24.0907.1 SURPLUS UNDISTRIBUTED EARNINGS

a. Surplus Undistributed Earnings shall be comprised of investment earnings received for the previous fiscal year, as defined below, less:

(1) an amount sufficient to credit interest to the contribution accounts of the members, City and the Unified

Port District at an interest rate determined by the Board and distributed in accordance with section 24.0905 and related Board rules;

(2) an amount sufficient to meet the budgeted expenses and costs of operating the System including all personnel and services for the fiscal year;

(3) an amount necessary to maintain such reserves as the Board deems appropriate on advice of its investment counselor and/or Actuary;

(4) an amount sufficient to pay premiums as may be necessary for the provision of City-Sponsored Group Health Insurance for Eligible Retirees, provided in section 24.0907.2 below;

(5) an amount sufficient to provide necessary funds to pay an annual supplemental benefit to Qualified Retirees, pursuant to the provisions and conditions set forth in section 24.0404. If, at the time of the annual determination, the amount provided for the supplemental benefits is less than \$100,000, no supplemental benefits will be paid in that fiscal year and the monies will be placed in a special reserve and be carried forward to ensuing years until such time as the amount to be provided for this benefit from ensuing Surplus Undistributed Earnings and the special reserve is \$100,000 or more.

b. At the beginning of each fiscal year, the Board shall credit to the Reserve for Employer Contributions, for

the sole and exclusive purpose of reducing retirement system liability, all Surplus Undistributed Earnings as defined above.

c. Investment earnings received shall include, by way of example but not limited to, all interest received (net of interest purchased) on notes, bonds, mortgages, short-term money market instruments, and savings accounts; cash dividends received on stock investments; and all realized gains and losses from the sale, trade or conversion of any investments. It is the intent of this section that investment earnings for the purpose of distributing annual supplemental benefits to Qualified Retirees shall be determined on a cash basis, except that investment earnings shall be increased or decreased by the amount of the annual amortization of purchase discounts or premiums on interest-bearing investments earned in accordance with generally accepted accounting principles for financial reporting purposes. No subsequent changes in the method of accounting for the System shall affect the determination of investment earnings received. Surplus Undistributed Earnings shall be determined by the City Auditor and Comptroller in accordance with the definitions of this section and shall be certified by the City's independent public accountant.

SEC. 24.0907.2 CITY-SPONSORED GROUP HEALTH INSURANCE  
FOR ELIGIBLE RETIREES

From and after January 8, 1982, The City of San Diego shall provide a City-Sponsored Group Health Insurance Program for all eligible retirees. Eligibility for retiree participation in the Program shall be as follows:

(a) The plan shall be limited to:

1. All employees eligible for general membership in the City's Retirement System; or
2. Legislative officers; or
3. Safety members covered by Social Security coverage as of December 31, 1981.
4. All other safety members effective July 1, 1985.

(b) Employee must be on the active payroll of The City of San Diego on or after January 1, 1982, except that all safety members covered by 4. above must be on the active payroll on or after June 30, 1985; and

(c) Employee must be eligible for and receive a retirement allowance from The City of San Diego; and

(d) Employee must retire on or after January 8, 1982.

(e) Safety member must retire on or after July 1, 1985.

Retiree premiums shall be paid by the City from Investment Earnings as provided in section 24.0907.1 above. The Auditor and Comptroller shall set aside from such account an amount sufficient to pay premiums as required. If



sufficient funds are not available for the payment of health insurance premiums under this section, it shall be the responsibility of the City to provide such funds from the General Reserve. Premium rates for eligible retirees shall be determined and established by the City. Health plan coverage for eligible retirees and eligible dependents is subject to modification by the City and the provider of health care services, and may be modified periodically as deemed necessary and appropriate.

Eligible retirees may elect to continue group health insurance coverage for eligible dependents at their own expense. Premium rates for such dependent coverage shall be determined and established by the City.

SEC. 24.1001 PURCHASE OF SIX-MONTH PROBATIONARY PERIOD

Any member who does not have creditable service for any period of eligible City service during his or her initial six-month probationary period of employment with the City shall have the right to elect to receive credit for such service at retirement providing that, within the 45-day period prior to retirement, said member pays a lump sum into the System in an amount equal to the contributions which would have been made to the Retirement System if the employee had been a member during that portion of the six-month probationary period. The amount payable shall be computed by multiplying the average rate of contribution of General or Safety Members as determined by the Retirement Board times

the compensation received by the employee during that portion of the probationary period concerned, rounding the monthly salary off to the nearest \$100, plus an average interest of four and one-half percent (4½%) per year from the date of entrance into the System until the date of retirement.

SEC. 24.1008 ANNUAL REPORT

The Retirement Board shall prepare an Annual Report at the completion of each fiscal year for the information of all active members of the System. Copies of said Annual Report will be provided to all members that specifically request a copy of the Report. The Retirement Administrator shall maintain on file in his office a copy of said Report for review and information.

Section 2. Pursuant to the agreement reached in meet and confer negotiations and the vote of the membership thereupon, the above-stated amendments to benefit provisions in sections 24.0404, 24.0531, 24.0532, 24.0907.1, 24.0907.2 and 24.1001 shall and are hereby declared to be effective June 28, 1985.

Section 3. This ordinance shall take effect and be in force on the thirtieth day from and after its passage.

APPROVED: JOHN W. WITT, City Attorney

By

  
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Jack Katz, Chief Deputy

JK:smm  
6/7/85  
Or.Dept:Ret.  
O-85-214  
Form=o.none

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by the following vote:

Councilmen	Yeas	Nays	Not Present	Ineligible
Bill Mitchell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bill Cleator	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gloria McColl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
William Jones	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ed Struiksma	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mike Gotch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dick Murphy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Uvaldo Martinez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Roger Hedgecock	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

ROGER HEDGECOCK

Mayor of The City of San Diego, California.

CHARLES G. ABDELNOUR

City Clerk of The City of San Diego, California.

(Seal)

By Ellen Board, Deputy.

I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on

JUN 11 1985

JUN 24 1985

~~I FURTHER CERTIFY that said ordinance was read in full prior to its final passage.~~

I FURTHER CERTIFY that the reading of said ordinance in full was dispensed with by a vote of not less than a majority of the members elected to the Council, and that there was available for the consideration of each member of the Council and the public prior to the day of its passage a written or printed copy of said ordinance.

CHARLES G. ABDELNOUR

City Clerk of The City of San Diego, California.

(Seal)

By Ellen Board, Deputy.

Office of the City Clerk, San Diego, California

Ordinance Number 016449 Adopted JUN 24 1985

Passed and adopted by the Council of The City of San Diego on JUN 24 1985  
 by the following vote:

Councilmen	Yeas	Nays	Not Present	Ineligible
Bill Mitchell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bill Cleator	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gloria McColl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
William Jones	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ed Struiksm	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mike Gotch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dick Murphy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Uvaldo Martinez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Roger Hedgecock	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

ROGER HEDGECOCK  
 Mayor of The City of San Diego, California.

CHARLES G. ABDELNOUR  
 City Clerk of The City of San Diego, California.

(Seal)

By Ellen Board, Deputy.

I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on

JUN 11 1985, and on JUN 24 1985.

~~I FURTHER CERTIFY that said ordinance was read in full prior to its final passage.~~

I FURTHER CERTIFY that the reading of said ordinance in full was dispensed with by a vote of not less than a majority of the members elected to the Council, and that there was available for the consideration of each member of the Council and the public prior to the day of its passage a written or printed copy of said ordinance.

CHARLES G. ABDELNOUR  
 City Clerk of The City of San Diego, California.

(Seal)

By Ellen Board, Deputy.

Office of the City Clerk, San Diego, California	
Ordinance Number	<u>016449</u> Adopted <u>JUN 24 1985</u>

CERTIFICATE OF PUBLICATION

THE CITY OF SAN DIEGO  
OFFICE OF THE CITY CLERK  
202 "C" STREET - 12TH FLOOR  
SAN DIEGO CA 92101

IN THE MATTER OF

NO.

AN ORDINANCE AMENDING CHAPTER II, ARTICLE 4, OF THE  
SAN DIEGO MUNICIPAL CODE

**ORDINANCE NUMBER 0-16449 (NEW SERIES)**  
**ADOPTED ON JUNE 24, 1985**  
ORDINANCE AMENDING CHAPTER II, ARTICLE 4, OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING SECTIONS 24.0404, 24.0907.1 AND 24.0907.2 RELATING TO ANNUAL SUPPLEMENTAL BENEFITS, SURPLUS UNDISTRIBUTED EARNINGS, AND CITY SPONSORED GROUP HEALTH INSURANCE FOR ELIGIBLE RETIREES; FURTHER AMENDING SECTIONS 24.0531, 24.0532 AND 24.1001 RELATING TO COST OF LIVING ADJUSTMENTS AND PURCHASE OF THE SIX-MONTH PROBATIONARY PERIOD; AND FURTHER AMENDING SECTIONS 24.0104 RELATING TO DEFINITIONS AND 24.1008 RELATING TO ANNUAL REPORT.  
This ordinance amends the retirement ordinances of The City of San Diego contained in the San Diego Municipal Code by amending sections 24.0404, 24.0907.1 and 24.0907.2 relating to Annual Supplemental Benefits, Surplus Undistributed Earnings and City-sponsored Group Health Insurance for Eligible Retirees. Section 24.0404 is amended to include a provision currently governed by Retirement Rule in regard to establishing a maximum per annum value of distribution purposes. It is also intended to effectuate the intent of Council when the original ordinance was promulgated; section 24.0907.1 clarifies the definition of Surplus Undistributed Earnings and sets forth payments to be made from system earnings prior to the purpose of arriving at the calculation of Surplus Undistributed Earnings; section 24.0907.2 amends the coverage of sponsored Group Health Insurance for Eligible Retirees by including therein safety members not previously covered. Sections amended are sections 24.0531 and 24.0532 by increasing Cost of Living Adjustment for all active members to 2%, effective 7/1/1985 and adjusting the COLA contribution rate accordingly for the specified members. Section 24.1001 is amended by allowing any and all members who have not purchased system credit for his or her initial six-month probationary period of employment to do so by paying an appropriate amount, as specified, into the system. Sections 24.0104 and 24.1008 are amended to clarify definitions of distribution of the Annual Report.  
A complete copy of the ordinance is available for inspection in the office of the City Clerk of the City of San Diego, 12th floor, City Administration Building, 202 "C" Street, San Diego, CA 92101.  
Introduced on June 11, 1985.  
Passed and adopted by the Council of The City of San Diego on June 24, 1985.  
ATTESTED BY:  
ROGER HEDGECOCK,  
Mayor of The City of San Diego, California.  
CHARLES G. ABDELNOUR,  
City Clerk of The City of San Diego, California.  
(SEAL)  
ELLEN BOVARD,  
Deputy City Clerk.  
Pub. July 8, 1985. 24900

I, Michael L. Ungashick, am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above-entitled matter. I am the principal clerk of the San Diego Daily Transcript, a newspaper of general circulation, printed and published daily, except Saturdays and Sundays, in the City of San Diego, County of San Diego, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of San Diego, State of California, under the date of January 23, 1909, Decree No. 14894; and the

ORDINANCE NUMBER 0-16449 (NEW SERIES)

is a true and correct copy of which the annexed is a printed copy and was published in said newspaper on the following date(s), to wit:

July 8, 1985

I certify under penalty of perjury that the foregoing is true and correct.

Dated at San Diego, California this 8th day of July, 1985.

Michael L. Ungashick  
(Signature)

5/4 x 2 x 9.76 = 100.04

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