

RESOLUTION NUMBER R- 263367

ADOPTED ON JUN 10 1985

A RESOLUTION OF THE CITY COUNCIL EXPRESSING THE "SENSE" OF THE COUNCIL REGARDING DEVELOPMENT OF A PROGRAM OF DIVESTMENT OF RETIREMENT TRUST FUND INVESTMENTS IN COMPANIES WHICH DO BUSINESS IN SOUTH AFRICA.

WHEREAS, The City of San Diego has established a retirement system for all eligible employees of said City, pursuant to the provisions of sections 141, et seq. of the Charter of The City of San Diego; and

WHEREAS, the system is a defined benefit program with the employees designated as participants and beneficiaries thereunder; and

WHEREAS, Charter section 144 establishes a Retirement Board (hereinafter "Board") and vests therein the sole and exclusive duty and responsibility to administer and invest retirement funds; and

WHEREAS, Charter section 145 designates such retirement funds as "trust" funds to be used only for the purpose of providing authorized benefits to participants and beneficiaries; and

WHEREAS, said trust funds are collected, managed, invested and accumulated by the Board in a trustee role, subject to all the laws established and developed for trustee and trust fund governance; and

WHEREAS, Charter section 144 establishes parameters within which the Board may conduct and has conducted investment activity; and

WHEREAS, the City Council Rules Committee has entertained communications and considered agenda items in regard to the matter of selling off [divesting] retirement trust fund investments in companies, otherwise legally authorized for investment, that conduct business in South Africa; and

WHEREAS, the City Manager and Rules Committee Consultant have provided several analyses and reports about that matter in response to requests by the Rules Committee [see City Manager Reports No. 85-44, 85-169 and 85-237; see also Rules Committee Consultant Analyses 85-3 and 85-6]; and

WHEREAS, the President and Secretary of the Retirement Board have similarly provided reports to the Rules Committee in respect to the entire matter by memoranda dated January 22, 1985 and February 2, 1985; and

WHEREAS, the City Attorney, at the request of the Rules Committee, provided a legal opinion [85-1, dated May 8, 1985] addressing the issue of the City Council's role and authority vis-a-vis its ability to direct the Board's investment actions and fiduciary responsibilities; and

WHEREAS, at its regularly scheduled meeting of May 13, 1985, the Rules Committee accepted additional public testimony and discussed and considered the various reports, opinions and options available in respect to the subject of divestment of

retirement trust funds invested in companies doing business in South Africa; and

WHEREAS, it was determined by the Rules Committee and approved by a 4-0 vote, to process a resolution expressing the "sense" of the Council in regard to requesting the Retirement Board to achieve or seek a program of divestment by the end of fiscal year 1986, within the bounds of prudent investment principles as determined by Board, with the approval of independent investment counsel, as required by the City Charter; and

WHEREAS, the Rules Committee directed the Board and City Manager to report back to the Committee from time-to-time during the above specified period; and

WHEREAS, the Rules Committee now forwards the matter to the full Council for consideration and action as may be deemed appropriate; NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, that there is hereby expressed a sense of the Council requesting that the Retirement Board of Administration take all necessary action, as the Board within its discretion deems appropriate and proper, upon and with approval of independent investment counsel, to divest the retirement trust fund of investments in companies doing business in South Africa by the end of fiscal year 1986.

BE IT FURTHER RESOLVED, that the Retirement Board and City Manager be and they are hereby directed to report back to the Rules Committee from time-to-time during the above specified

period regarding progress and/or promulgation of plans as may be determined by the Board to be appropriate.

APPROVED: JOHN W. WITT, City Attorney

By Jack Katz
Jack Katz, Chief Deputy

JK:smm
6/6/85
Or.Dept:Rules
R-8-2300
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JUN 10 1985

Passed and adopted by the Council of The City of San Diego on _____,
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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
William Jones	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ed Struiksma	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Mike Gotch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dick Murphy	<input type="checkbox"/>	<input checked="" 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.

(Seal)

CHARLES G. ABDELNOUR

City Clerk of The City of San Diego, California.

By *June A. Blackwell*, Deputy.

Office of the City Clerk, San Diego, California

Resolution Number R-263367 Adopted JUN 10 1985

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