

(O-88-77)

ORDINANCE NUMBER O- 16992 (NEW SERIES)

ADOPTED ON DEC 7 1987

AN ORDINANCE AMENDING CHAPTER II, ARTICLE 4 OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING SECTIONS 24.0105 24.1102 AND 24.1103 RELATING TO PROVIDING RETIREMENT BENEFITS OF CERS PLAN TO SAFETY MEMBERS FROM AND AFTER JANUARY 1, 1988 AND OTHER RELATED MATTERS; AMENDING SECTION 24.0515 TO DELETE WORKERS COMPENSATION OFFSET FOR SAFETY MEMBERS EFFECTIVE JANUARY 1, 1988; AMENDING SECTIONS 24.0103 AND 24.0301 RELATING TO FINAL COMPENSATION FOR SAFETY MEMBERS AND CONTRIBUTIONS IN CONNECTION THEREWITH; AMENDING VARIOUS SECTIONS IN CONNECTION WITH THE ABOVE CHANGES TO CORRECT AND CLARIFY EXISTING SECTIONS AND PROVISIONS.

WHEREAS, last Spring the Council authorized the Management Team to meet and confer with the San Diego Police Officers Association (POA) and Local 145 regarding improvements in retirement benefits; and

WHEREAS, such negotiating occurred and agreement was reached between the parties in respect to such changes which included granting CERS benefits to safety members from and after January 1, 1988 with certain conditions, but precluding any right of buy-back for previous CERS service; eliminating workers compensation offset for safety member disability retirees effective January 1, 1988; and using as final compensation for retirement purposes for safety members the highest one-year compensation, for all safety members retiring on or after July 1, 1988, with a concurrent increase in contribution rates of 4/10 of one percent (1%) to be effective January 1, 1988; and

WHEREAS, these changes were voted upon by all safety members and vote count certified on the second day of November 1987 with a vote of YES - 1,868, NO - 23, and VOID - 18, said certification attached hereto as Attachment A, the results of which will be reported to the Retirement Board at its next following regularly scheduled meeting of November 20, 1987; and

WHEREAS, the Retirement Board also considered the matter of amending the code to permit unclassified salaried employees who, by virtue of the code provisions, are foreclosed from joining any pension plan provided by the City; and

WHEREAS, such matter was approved by the Retirement Board on February 27, 1987 to so amend the code to permit unclassified salaried employees to join the Retirement System, either in the CERS Plan or 1981 Plan, depending upon dates of hire and eligibility therefor; and

WHEREAS, it is also necessary and appropriate to amend various sections for purposes of clarifying the code in respect to ambiguous terms or provisions and/or typographical errors;
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 24.0103, 24.0105, 24.0301, 24.0312, 24.0403, 24.0515, 24.0901, to read as follows:

SEC. 24.0103 DEFINITIONS

Subsections a. through d. - no change.

e. "Member" means any person who participates in and contributes to the Retirement System and who is thereafter entitled, when eligible, to receive benefits therefrom. There are three classes of members: General, Safety and Legislative.

f.(1) "General member" is any member not otherwise classified as a Safety or Legislative member.

(2) "Safety member" means any person who is either a sworn officer of the Police Department of The City of San Diego employed since July 1, 1946, a uniformed member of the Fire Department of The City of San Diego employed since July 1, 1946, or a full-time employed lifeguard of The City of San Diego; provided, however, that Police Cadets, persons sworn for limited purposes only, and all other members of the Police and Fire Departments and lifeguard service shall not be considered safety members for the purpose of this article.

(3) "Legislative member" means the Mayor and any Councilmember.

Subsections g. through k. - no change.

l.(1) "Final compensation" means the highest average annual compensation earnable by any member,

except as provided in (2) below, during any period of three (3) consecutive years during membership in the system for which creditable service is granted.

(2) "Final compensation" for safety members means the compensation earnable based on the highest one-year period, for those safety members who are on the active payroll of The City of San Diego on or after January 1, 1988, and who retire on or after July 1, 1988. The Retirement Board shall adjust contribution rates for high one-year safety member eligibles as may be necessary and required upon advice of the Actuary, from and after January 1, 1988.

Subsections m. through t. - no change.

u. "Continuous service," wherever used in this article, means that service of an eligible member deemed to be of a continuous nature pursuant to section 24.1005 of this code. "Continuous service" shall not be construed as synonymous with "creditable service."

SEC. 24.0105 MEMBERSHIP

Except such members of the Police and Fire Departments who were employed by The City of San Diego prior to July 1, 1946, and except such employees as have not heretofore been members of the Retirement System which is superseded in part

hereby, and except as provided in section 24.0105.1, membership in the Retirement System shall be compulsory and a condition of employment for all members of the classified service; provided, however, that no officer or employee of The City of San Diego, whether in the classified or unclassified service of the City, shall be required nor permitted to join the Retirement System if said person's employment with the City commences after his or her 70th birthday. Those employees who are not members of the Retirement System which is superseded in part hereby at the date of the taking effect of this article, except policemen and firemen who were employed by the City on or before July 1, 1946, shall be given the option of becoming members, as hereinafter provided.

No change in the second paragraph of this section.

Employees in the classified service paid on an hourly basis are not eligible for membership in the Retirement System nor shall they accrue any benefits in this system. Salaried employees in the classified service including those working one-half (1/2) or three-quarter (3/4) time are eligible for and shall become members of the Retirement System. Retirement benefits shall accrue to the above eligible members in the same proportion to full

benefits as their service relates to the service of a full-time member.

All salaried unclassified employees hired on or before September 2, 1982 shall have the option of electing membership in the Retirement System (CERS Plan) providing they are employed one-half, (1/2), three-quarter (3/4) or full-time and exercise the option within one year of their hire date or June 30, 1988, whichever occurs later. On or after July 1, 1988, such unclassified employees shall no longer be eligible to join said CERS Plan. Once the election has been made, it shall be irrevocable. Upon joining the System, they shall receive all the privileges and benefits afforded other members and shall be bound by all regulations governing such membership including those provisions relating to withdrawal of accumulated contributions contained in sections 24.0206 and 24.0308.

Irrespective of the foregoing, all classified employees hired on or before September 2, 1982, whether full or part-time, shall continue to have the right to join the City Employees' Retirement System, as provided for in Divisions 1 through 10, no later than June 30, 1983. On or after July 1, 1983, such employees shall no longer be eligible to join said City Employees' Retirement System but shall be governed by section 24.1102(c).

All salaried classified and unclassified employees working at least one-half time hired on or after September 3, 1982, will be subject to the membership requirements of section 24.1102, except as provided otherwise in this code for safety members from and after January 1, 1988.

All eligible members in the classified service transferring to the unclassified service pursuant to section 117 of the City Charter shall be required to remain in and maintain membership in the Retirement System unless said person first terminates classified employment prior to assuming the unclassified position.

SEC. 24.0301 CONTRIBUTIONS OF SAFETY MEMBERS

The Board of Administration shall provide:

No change in subsections 1. through 4.

5. Notwithstanding the provisions above, all safety members shall contribute, in addition to normal rates established by the Board, an additional four-tenths (4/10) of one percent (1%) in connection with the high one-year basis for final compensation, said contributions to commence from and after January 1, 1988.

SEC. 24.0312 TO PURCHASE CREDITS FOR PREVIOUS CITY SERVICE

A member who, after July 1, 1954, contributes at the current rate, and who prior to entrance in this Retirement System held a position in the City service eligible for membership, and at that time and during that tenure was not a member of any retirement system, shall have the right to receive credit in this Retirement System for all or any part of the City service rendered, whether interrupted or not during the time of such City service before becoming a member if, within one year after becoming a member or prior to July 1, 1955, whichever is later, said member elects to pay and thereafter pays, in accordance with such election and prior to retirement, into the retirement fund an amount equal to the contributions, including interest as fixed by Board, which would have been made to any retirement fund if such employee had been a member during all of the time for which the member has elected to receive credit, computed by paying the accumulated contributions that would have been in his or her account if he or she had been a member of the superseded system during his or her period of employment subsequent to 1926. Such payment may be made by a lump sum or by installment payments over

a period of three (3) years, or in such manner and at such time as the Board of Administration may by rule prescribe. No member shall receive credit under this section for any service for which payment has not been completed pursuant to this section before the effective date of his or her retirement. A member who has elected to make such payment in installments may complete payment thereof by lump sum at any time prior to the expiration of said three (3) years. Any sums paid by a member pursuant to this section shall be considered to be and administered as normal contributions by the member. If any member does not elect to make up back contributions, as hereinabove provided, the member shall receive credit only for current service during the time for which contributions are actually made.

No change to last paragraph in this section.

SEC. 24.0403 RETIREMENT ALLOWANCES - SAFETY MEMBER

The Board of Administration shall provide that upon retirement for service a safety member or an eligible safety member is entitled to receive a retirement allowance which shall consist of:

No change in subsections 1. through 2.(i).

(ii) 1/75th of final basic compensation, multiplied by the number of years, and fractions

thereof, of creditable service subsequent to the integration date through April 29, 1982, plus

No change in subsections (iii) through (iv).

**SEC. 24.0515 INDUSTRIAL DISABILITY - WORKERS
COMPENSATION**

(a) If, pursuant to general law, an award of compensation shall be made or compensation shall be paid on account of injury or sickness caused by or arising out of employment as an employee of The City of San Diego, that compensation shall not be cumulative with any industrial disability retirement allowance provided for in this article. Such compensation, as may be awarded, shall be set off against any disability retirement pension payments which is the obligation of the City. If the amount of compensation as may be awarded is paid in one sum or in installments equal to or greater than the monthly disability retirement pension payment, no disability retirement pension payments shall be paid until the disability retirement pension payments equal the amount of compensation awarded and paid. No deductions shall be made from the annuity portion of any disability retirement allowance awarded to a member. This provision shall apply only to those persons hired by The City of San Diego on or after October 1, 1978.

(b) Notwithstanding the provision of subsection (a) above, the requirement to set off any compensation received in the nature of workers compensation shall not be applicable to safety members from and after January 1, 1988. All set-off requirements and actions previously imposed upon safety members pursuant to this section shall, as of January 1, 1988 be discontinued, such action to be prospective only. No right of claim to prior valid offsets (prior to January 1, 1988) shall exist. Such discontinuance shall apply to all existing and future industrially retired safety members.

SEC. 24.0901 BOARD OF ADMINISTRATION - RULES AND REGULATIONS, ACTUARIAL VALUATIONS, DETERMINED INTEREST ASSUMPTION RATE, EMPLOY ACTUARY, INVESTMENT COUNSEL

No change in the first two paragraphs of this section.

The Board shall also have the authority to employ and contract with independent investment counsel(s) as may be necessary and required to provide professional services in support of the Board's investment responsibility set forth in section 144 of the Charter of The City of San Diego.

Section 2. That Chapter II, Article 4, Division 11 of the San Diego Municipal Code be and it is hereby further amended by amending sections 24.1102 and 24.1103, to read as follows:

SEC. 24.1102 MEMBERSHIP

Subsections (a) through (b) - no change.

(c) Employees who were hired on or before September 2, 1982 may elect to become members of the 1981 Pension System, by signing the appropriate election form approved by the Board. Such election must be made prior to July 1, 1983. Upon making such election, membership in the 1981 Pension System shall be immediate providing the employee has one year of continuous service. Membership for those lacking one year's service shall be effective after the completion of such requirement. Such employees shall not receive creditable service under this System for services rendered prior to entry into this System. Upon such election, all contributions made to the City Employee's Retirement System shall be expeditiously returned and such employee shall waive all rights to any and all benefits he or she may otherwise have been entitled to under the City Employees' Retirement System. Notwithstanding the preceding provision, salaried unclassified employees shall have the option set forth in section 24.0105 until June 30, 1988 and, failing to exercise that election, shall have the option to become members of the 1981 Pension Plan at any date thereafter upon filing the appropriate election form.

(d) Notwithstanding any provision of this Division 11, all safety members who are members of the 1981 Pension Plan shall, effective January 1, 1988, be entitled to all the rights and benefits of the City Employees' Retirement System (CERS) Plan. Contribution rates for those safety members accorded such CERS rights and benefits shall be established by the board as provided in Division 3 of this article commencing with section 24.0301, according to the member's age of entry in the 1981 Pension Plan. The provision of section 24.1120 below shall continue in full force and applicability for all safety members who were members of the 1981 Pension Plan as of December 31, 1987 and for all safety members employed thereafter.

SEC. 24.1103 MEMBER CONTRIBUTIONS

No change in subsection (a).

(b) Safety members shall contribute seven percent (7.00%) of earnable compensation except as provided otherwise in section 24.1102(d).

No change in subsection (c).

Section 3. Pursuant to the agreement reached in meet and confer negotiations and the vote of the affected membership thereon, the amendments contained herein shall and are hereby declared to be effective January 1, 1988.

Section 4. 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 Jack Katz
Jack Katz, Chief Deputy

JK:smm
11/13/87
CORRECTED 11/19/87
Or.Dept:Mgr./Ret.
O-88-77
Form=o.code



THE CITY OF

SAN DIEGO

SECURITY PACIFIC PLAZA • 1200 THIRD AVENUE • SUITE 900 • SAN DIEGO, CA 92101
(619) 236-6207

OFFICE OF
CITY EMPLOYEES'
RETIREMENT
SYSTEM

This is to certify that on the second day of November 1987 I witnessed the opening and counting of ballots for the election by safety members of the City Employees' Retirement System and the 1981 Pension Plan to amend the retirement ordinance of the City of San Diego to provide that:

1. All Safety Members who are presently in or eligible only for the 1981 Pension Plan will be provided the same level of benefits that are currently provided to members of the old CERS plan, with the understanding that contribution rates shall be adjusted accordingly and the benefit change will be prospective only, with an anticipated effective date of January 1, 1988; provided further that industrial disability provisions [as set forth in Muni. Code Section 24.1120] shall remain unchanged.
2. The Worker's Compensation offset for Safety Members from Industrial Disability payments contained in Muni. Code Section 24.0515 shall be repealed upon the effective date of the amendment.
3. Retirement benefits for Safety Members shall be based upon the highest one-year annual compensation earnable in lieu of the existing highest three-year average compensation earnable, such change in benefit calculation to be applicable to all Safety Members who are participating and contributing members on or after June 30, 1988 and who retire on or after July 1, 1988. An increase of .4% of 1.0% shall be applied upon the effective date of the amendatory ordinance.

YES 1868

NO 23

VOID 18

TOTAL 1909

Signed:

Joe Smith
Jo Smith, Deputy City Clerk

Signed:

Ron Saathoff
Ron Saathoff, Retirement Board Member

Signed:

Keith W. Enerson
Keith Enerson, Retirement Board Member

0-46992

ATTACHMENT A

UNRECORDED COPY

UNRECORDED COPY

#50

DEC 7 1987

Passed and adopted by the Council of The City of San Diego on....., by the following vote:

Council Members	Yeas	Nays	Not Present	Ineligible
Abbe Wolfsheimer	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ron Roberts	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gloria McColl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H. Wes Pratt	<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"/>
J. Bruce Henderson	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Judy McCarty	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bob Filner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Maureen O'Connor	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

MAUREEN O'CONNOR

Mayor of The City of San Diego, California.

CHARLES G. ABDELNOUR

City Clerk of The City of San Diego, California.

(Seal)

By *Brenda B. Barnes*, 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

NOV 23 1987

DEC 7 1987

~~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 *Brenda B. Barnes*, Deputy.

Office of the City Clerk, San Diego, California

Ordinance Number 0-16392

DEC 7 1987

Adopted

Ordinance O-16992 (12/07/1987)

The Certificate of Publication was unavailable at the time of filming.

(12/29/1987)