

RESOLUTION NUMBER R- 297974

ADOPTED ON MAY 20 2003

RESOLUTION OF THE CITY OF SAN DIEGO AUTHORIZING  
PAYMENT OF THE 2002 ANNUAL SUPPLEMENTAL BENEFIT  
(13TH CHECK) TO ELIGIBLE RETIREES RETROACTIVELY  
PLACED ON THE OCTOBER 2002 RETIREMENT PAYROLL

WHEREAS, the City Council has the sole authority to establish the retirement benefits available under the San Diego City Employee's Retirement System [the System]; and

WHEREAS, the Board of Administration for the System [the Board] has the sole authority to manage the System, determine the rights to benefits under the System and invest the System's Trust Fund; and

WHEREAS, San Diego Municipal Code [SDMC] section 24.1503 describes the Annual Supplemental Benefit, otherwise known as the 13<sup>th</sup> Check; and

WHEREAS, the annual payment of the 13<sup>th</sup> Check in any given year is contingent upon Surplus Undistributed Earnings being available for that year, as described in SDMC section 24.1502; and

WHEREAS, there were insufficient Surplus Undistributed Earnings, as described in SDMC section 24.1502, to pay the 13<sup>th</sup> check in 2002; and

WHEREAS, pursuant to the settlement of the *Andrews* lawsuit in 1986, a stand-alone account known as the 13<sup>th</sup> Check Supplemental Benefit Account [13<sup>th</sup> Check Account] was established and credited with \$2.0 million dollars; and

WHEREAS, in October 2002, the 13<sup>th</sup> Check Account contained approximately \$3.5 million dollars; and

WHEREAS, another account dedicated to the 13<sup>th</sup> Check benefit, called the Reserve for Supplemental Benefit Payments [13<sup>th</sup> Check Reserve], contained approximately \$175,000 in October 2002; and

WHEREAS, the amounts in the 13<sup>th</sup> Check Account and the 13<sup>th</sup> Check Reserve were sufficient to pay a substantial portion, but not all, of the 2002 13<sup>th</sup> Check; and

WHEREAS, on October 21, 2002, the Council of the City of San Diego adopted Resolution Number R-297221, authorizing the Board to pay the 2002 13<sup>th</sup> Check to all eligible retirees to the extent of the funds available in the 13<sup>th</sup> Check Account and 13<sup>th</sup> Check Reserve; and

WHEREAS, the Board paid the 2002 13<sup>th</sup> Check – to the extent there were funds in the 13<sup>th</sup> Check Account and 13<sup>th</sup> Check Reserve – to all retirees eligible to receive the 13<sup>th</sup> Check who were on the retirement payroll in October, 2002; and

WHEREAS, this resulted in payment to these retirees of 99.07% of the amounts they would have received had the full 2002 13<sup>th</sup> check been paid; and

WHEREAS, as a result of these payments, the 13<sup>th</sup> Check Account and 13<sup>th</sup> Check Reserve were depleted; and

WHEREAS, after October 2002, the Board has approved, and continues to approve, retirement applications with effective dates of retirement that are on or before October 2002; and

WHEREAS, these retirees are considered to have been on the retirement payroll for October 2002; and

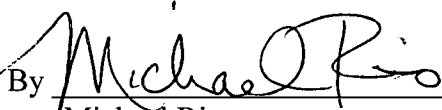
WHEREAS, the Board has determined that there are additional retirees eligible for the 13<sup>th</sup> Check whose retirements were approved before October 31, 2002, but who were not included in the October 2002 retirement payroll, and therefore did not receive payments as a result of Resolution Number R-297221; and

WHEREAS, the contingent nature of the 13<sup>th</sup> Check benefit would not be affected by paying 99.07% of the 2002 13<sup>th</sup> Check to eligible retirees whose: (1) retirements were approved after October 2002 with an effective date on or before October 31, 2002, or (2) retirements were approved before October 31, 2002, but who were not included in the October 2002 retirement payroll; and

WHEREAS, if there are insufficient Surplus Undistributed Earnings in any future year, the Board will not be required to pay the benefit for that year; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that the Board is authorized to pay 99.07% of the 2002 13<sup>th</sup> Check from the Reserve Available for Retirees to eligible retirees whose: (1) retirements were approved after October 2002 with an effective date on or before October 31, 2002, or (2) retirements were approved before October 31, 2002, but who were not included in the October 2002 retirement payroll.

APPROVED: CASEY GWINN, City Attorney

By   
Michael Rivo  
Deputy City Attorney

MR:ms

RSP:dm (Retirement)

04/28/03

Or.Dept: Retirement

Aud.Cert.:

The City of San Diego  
**CERTIFICATE OF CITY AUDITOR AND COMPTROLLER**

**CERTIFICATE OF UNALLOTTED BALANCE**

AC 2301124

ORIGINATING

DEPT. NO.:

88

I HEREBY CERTIFY that the money required for the allotment of funds for the purpose set forth in the foregoing resolution is available in the Treasury, or is anticipated to come into the Treasury, and is otherwise unallotted.

Amount: \$20,000.00 Fund: 60011

Purpose: To authorize expenditure of funds for payment of 13th check to retroactive eligible retirees from Reserve Available for retirees.

Date: May 1, 2003

By: *Cecilia San Pedro*  
 AUDITOR AND COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA

ACCTG. LINE	CY PY	FUND	DEPT	ORG.	ACCOUNT	JOB ORDER	OPERATION ACCOUNT	BENF/ EQUIP	FACILITY	AMOUNT
001	0	60011			8792					\$20,000.00
TOTAL AMOUNT										\$20,000.00

FUND OVERRIDE

**CERTIFICATION OF UNENCUMBERED BALANCE**

I HEREBY CERTIFY that the indebtedness and obligation to be incurred by the contract or agreement authorized by the hereto attached resolution, can be incurred without the violation of any of the provisions of the Charter of the City of San Diego; and I do hereby further certify, in conformity with the requirements of the Charter of the City of San Diego, that sufficient moneys have been appropriated for the purpose of said contract, that sufficient moneys to meet the obligations of said contract are actually in the Treasury, or are anticipated to come into the Treasury, to the credit of the appropriation from which the same are to be drawn, and that the said money now actually in the Treasury, together with the moneys anticipated to come into the Treasury, to the credit of said appropriation, are otherwise unencumbered.

Not to Exceed: \_\_\_\_\_

Vendor: \_\_\_\_\_

Purpose: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_  
 AUDITOR AND COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA

ACCTG. LINE	CY PY	FUND	DEPT	ORG.	ACCOUNT	JOB ORDER	OPERATION ACCOUNT	BENF/ EQUIP	FACILITY	AMOUNT
TOTAL AMOUNT										

FUND OVERRIDE

AC 2301124

*R-* 297974

MAY 20 2003