

**SAN DIEGO CITY COUNCIL
AGENDA FOR THE
SPECIAL COUNCIL MEETING OF
WEDNESDAY, DECEMBER 6, 2006 AT 9:00 A.M.
CITY ADMINISTRATION BUILDING
COUNCIL CHAMBERS – 12TH FLOOR
202 “C” STREET
SAN DIEGO, CA 92101**

ITEM-600: ROLL CALL

ADOPTION AGENDA, DISCUSSION, HEARINGS
SPECIAL HEARINGS:

ITEM-601-: Kroll Remediation Status Report Number 3 and Relation Action.

(See memorandum from Mayor Sanders dated 11/22/2006.)

MAYOR SANDERS’ RECOMMENDATION:

Take the following actions:

Hear third informational update report on the Kroll remediation;

Direct the City Attorney to prepare an ordinance amending the Municipal Code¹ consistent with the following changes:

- The Chief Financial Officer will serve as the Chair of the revised Disclosure Practices Working Group (DPWG).
- Membership in the DPWG will consist of the following five official voting members: Chief Operating Officer, Chief Financial Officer, City Attorney, Auditor General, and Independent Budget Analyst (or designees). Outside disclosure counsel serves as an ex-officio member.
- No DPWG committee member (including the Chair) can prevent any other committee member from placing an item on the agenda.

¹ San Diego Municipal Code, Chapter 2: Government, Article 2, Administrative Code, Division 41: Securities Disclosure

ADOPTION AGENDA, DISCUSSION, HEARINGS (Continued)

SPECIAL HEARINGS: (Continued)

ITEM-602: Financial Training for the City Council.

(See Independent Budget Analyst Report IBA-06-59 and memorandum from Council President Peters dated 9/15/2006.)

INDEPENDENT BUDGET ANALYST'S RECOMMENDATION:

Take the following actions:

Approving proposed financial training for the City Council as developed by the Independent Budget Analyst;

Directing the City Attorney to prepare the appropriate resolution in accordance with Charter Section 40.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS

ITEM-603: Kroll Remediation Status and Related Actions

(See memorandum from Mayor Sanders dated October 30, 2006.)

(Continued from the meeting of November 13, 2006, Item 601, at the request of Councilmember Frye, to look at Independent Model that follows current standards.)

(See memorandum from Mayor Sanders dated December 1, 2006 with revised recommendations which are reflected below.)

MAYOR SANDERS' RECOMMENDATION:

Take the following actions:

1. Hear the informational update report on the Kroll remediation, and;
2. Actions related to the formation and duties of the Audit Committee as follows:
 - a. Direct the City Attorney to prepare a proposed Charter change that would meet all Kroll Report Audit Committee recommendations,
 - b. In the interim, direct the City Attorney to prepare an Ordinance to amend the Municipal Code to ~~convert the Financial Reporting Oversight Board into the Advisory Audit Committee~~ consistent with the following language (as described in the Mayor's October 30, 2006 memo): establish an interim Audit Committee under Rule 6.12 (Special Committee Composition and Responsibilities) of the Permanent Rules of the City Council, San Diego Municipal Code Section 22.0101.5 (as more fully described in the Mayor's December 1, 2006 memo):
 - A three member Audit Committee. The sole members of the Audit Committee will be City Council members appointed by the City Council itself. ~~comprised of two members from the public and one City Council Member. The public members would be nominated by the Mayor and confirmed by the City Council.~~
 - The City's Financial Reporting Oversight Board should be eliminated as redundant to the Audit Committee.
 - The Audit Committee should establish a written charter consistent with its role as an advisor to the Mayor and City Council.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS (Continued)

ITEM-603: (Continued)

- The Audit Committee, ~~in conjunction with the Mayor and City Attorney,~~ should meet quarterly, or more often if necessary, with the City's independent auditors, the City's Auditor General and the CFO.
- The Mayor, CFO, City Attorney, Independent Budget Analyst and City Council should have the authority to make requests of the Audit Committee and Auditor General to perform internal audits of material matters they reasonably believe to be warranted.
- With the assistance of the CFO and Auditor General, the City's independent auditors would be retained by, report to and take direction from the Audit Committee. ~~Mayor and City Council. The Audit Committee will provide input on an advisory basis.~~
- The Audit Committee, ~~in an advisory capacity to the Mayor and City Council,~~ should have responsibility for the establishment and monitoring of effective policies and procedures for dealing with "whistleblower" complaints, including an internal hotline.

**ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS
ORDINANCES TO BE INTRODUCED:**

ITEM-604: Amendments to San Diego Municipal Code to Implement Benefit Eligibility Changes for Employees Hired and Elected Officials Assuming Office On or After July 1, 2005.

(See Independent Budget Analyst Report No. 06-54 and Report from the City Attorney dated 10/31/2006.)

(Continued from the meeting of November 13, 2006, at the request of City Attorney, to address legal issues.)

CITY ATTORNEY'S RECOMMENDATION:

Introduce the following ordinance:

(O-2007-36 Cor. Copy 2)

Introduction of an Ordinance amending Chapter 2, Article 4, Divisions 12, 13, 14, and 15 of the San Diego Municipal Code by ~~amending~~ adding Sections ~~24.1201~~, 24.1201.1, ~~24.1312~~, 24.1312.1, ~~24.1402~~, 24.1402.1, and ~~24.1503~~, 24.1503.1, all relating to the San Diego City Employees' Retirement System and Benefit Eligibility changes for members hired or assuming office on or after July 1, 2005.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS (Continued)
ORDINANCES TO BE INTRODUCED: (Continued)

ITEM-605: Amendments to San Diego Municipal Code to Implement Requirements of California's Domestic Partner Rights and Responsibilities Act of 2003.

(See Independent Budget Analyst Report No. 06-54 and Report from the City Attorney dated 10/31/2006.)

(Continued from the meeting of November 13, 2006, at the request of City Attorney, to address legal issues.)

CITY ATTORNEY'S RECOMMENDATION:

Introduce the following ordinance:

(O-2007-44 Cor. Copy 2)

Introduction of an Ordinance amending Chapter 2, Article 4 of the San Diego Municipal Code by amending ~~Divisions 1, 6, 7, and 12, Division 1, by amending Sections 24.0103, 24.0601, 24.0704, 24.0705, 24.0706, 24.0709, 24.1201, and 24.1202,~~ adding Section 24.0103.1, all relating to the San Diego City Employees' Retirement System, implementing the requirements of California's Domestic Partner Rights and Responsibilities Act.

ADJOURNMENT