

RESOLUTION No. 74-158

Adopted by The Sacramento City Council on date of

March 28, 1974

RESOLUTION SUBMITTING A PROPOSAL FOR AMENDMENT OF THE CHARTER OF THE CITY OF SACRAMENTO, FIXING THE TIME OF ELECTION AT WHICH THE PROPOSAL SHALL BE SUBMITTED TO THE ELECTORS, AND DIRECTING THE CITY CLERK TO PUBLISH SAID PROPOSAL AND TAKE SUCH OTHER ACTION AS REQUIRED
BY LAW

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

It is the intention of the Council of the City of Sacramento to submit, and it does hereby submit on its own motion to the qualified electors of the City of Sacramento at a Special Municipal Election, to be held on Tuesday, June 4, 1974, the proposed amendment to the Charter of the City of Sacramento which is set forth in verbatim in Exhibit A attached hereto, which is hereby referred to and made a part hereof as fully as if it were set out at length herein.

SECTION 2.

For the purpose of submitting the proposed amendment to the qualified electors of the City of Sacramento, a Special Municipal Election is hereby called to be held in the City on Tuesday, June 4, 1974.

SECTION 3.

Resolution No. 74-115 entitled:

RESOLUTION RELATING TO A PROPOSAL FOR AMENDMENT OF THE CHARTER OF THE CITY OF SACRAMENTO; REQUESTING THE BOARD OF SUPERVISORS TO CONSOLIDATE A SPECIAL MUNICIPAL ELECTION WHICH MAY HEREAFTER BE CALLED WITH THE STATEWIDE DIRECT PRIMARY ELECTION ON JUNE 4, 1974, AND CANVASS THE ELECTION RESULTS THEREAFTER

duly enacted on March 14, 1974, by the Sacramento City Council, is hereby referred to and made a part hereof as fully as if it were set out at length herein.

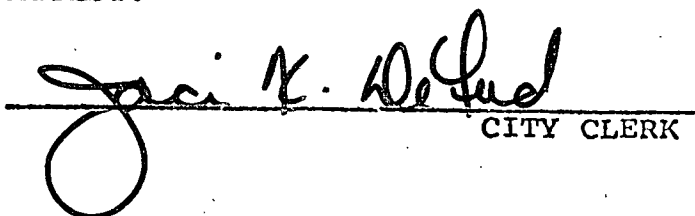
SECTION 4.

That the City Clerk shall proceed to publish, give notice and take such other action necessary and consistent with this Resolution, and in the manner provided by law, for submitting this Charter Amendment to the electors.



MAYOR

ATTEST:



CITY CLERK

APR - 4 1974

RESOLUTION No. 74-158

PROPOSAL D

TO AMEND SECTIONS 290 THROUGH 304, 318, 346, 347, 350 and 354 OF ARTICLE XXVIII OF THE SACRAMENTO CITY CHARTER AND TO REPEAL SECTIONS 345, 348, 352, 353 and 358 THROUGH 366 OF SAID ARTICLE.

Sections 290 through 304 of Article XXVIII of the Sacramento City Charter amended to read as follows:

Sec. 290. Sacramento City Employees' Retirement System.

There is hereby created the Sacramento City Employees' Retirement System. The city council shall, by ordinance not inconsistent with this article, establish and maintain retirement plans for officers and employees of the City.

Sec. 291. Duty to continue existing plans.

Except as provided herein, the city council shall maintain all retirement plans in existence on the effective date of this section, including those retirement plans formerly found in sections 173 through 175.29 of this Charter, and that plan commonly referred to as the "equal shares plan" created by former section 302 of this Charter.

The adoption of this section shall not alter or modify the liability of the city, the retirement system, or its members, for retirement plans which were in existence upon the effective date of this section, nor shall it alter or modify the method of funding such plans as prescribed therein; provided, however, that the maximum rate of contribution for a member of the "equal shares plan" shall be twenty-five percent (25%) of compensation, and any additional amounts necessary to fund said plan shall be provided by the city.

Sec. 292. Retirement board.

(a) Except as provided in section 297, all retirement plans established or maintained by the city council shall be managed by retirement board which shall consist of the following trustees:

- (1) The city manager or his designated representative,
- (2) The city controller, or his designated representative,

(3) A resident of the city not connected with the government thereof, appointed by and serving at the pleasure of the city council, who is an officer of a bank, is professionally involved in the investment of funds, or is otherwise qualified by training and experience in matters relating to the investment of trust funds.

(b) Two members of the retirement board shall constitute a quorum for the transaction of business, provided that a lesser number may adjourn from time to time.

Sec. 293. Same--General powers.

Subject to the provisions of section 297, the retirement board shall be the sole authority and judge under the Charter and such general ordinances as may be lawfully adopted by the city council to implement or maintain retirement plans of this system, to

determine when members may receive and may continue to receive benefits of any sort under the retirement system. The city shall annually appropriate in its budget the reasonable costs of administering the retirement system.

Sec. 294. Secretary of board; Legal counsel.

The city manager shall appoint a retirement system manager who shall serve as secretary of the board and secretary of the appeals panel created pursuant to section 297. All claims for benefits payable pursuant to this article, or any ordinances enacted thereunder, shall be filed with the secretary of the board.

The city attorney shall serve as the legal counsel for the board, the retirement system and the appeals panel created pursuant to section 297.

Sec. 295. Administration and investment of funds.

The retirement board shall have exclusive control of the administration of such fund or funds as may come into the possession of the system, provided that all investment shall be investments permissible by law for investment of trust funds. The board shall adopt general investment standards which the city council shall either approve or disapprove. With the approval of the city council, the board may employ investment counsel or trust companies or trust departments of banks to render services in connection with the investment program of the system.

Sec. 296. Actuarial investigation.

The board shall use the services of an actuary who is a member of the American Academy of Actuaries to advise it on matters relating to funding and administration of the system and to make an actuarial evaluation not less often than once every three years. The actuarial method and actuarial assumptions used in an actuarial evaluation shall be recommended by the actuary, and adopted by the retirement board. Such method shall be a widely used and well recognized actuarial technique used to establish the cost of pension plan benefits and expenses. The terminal funding cost method and the current funding (pay-as-you-go) cost method are not acceptable methods, and shall not be recommended by the actuary or adopted by the board.

The actuary shall provide the board with a study and discussion of the assumptions used on such evaluation, based as much as possible on experience of the city employees. The assumptions shall be realistic in overall effect to the extent possible.

Contribution rates provided by the actuary for the city and members of the system (other than for those members whose rates are fixed pursuant to sections 346 and 354) as a result of such evaluation shall be adopted by the board and such rates shall be binding on the city and such members.

Unfunded liabilities indicated by any such evaluation shall be funded over a period of not more than thirty (30) years. Member contributions to pay unfunded liabilities (other than for members whose rates are fixed pursuant to sections 346 and 354) shall be at a level contribution rate as applied to compensation. City contributions to pay unfunded liabilities shall be paid as a level percentage of payroll over the number of years selected for funding such liability.

This section shall not apply to the funding of benefits for service rendered prior to April 1, 1935, or for benefits provided pursuant to the retirement plan created by former section 173 of this Charter.

Sec. 297. Disability appeals panel--Duties.

There is hereby created a retirement board disability appeals panel. Any member adversely affected by a decision of the retirement board in respect to ordinary and industrial disability and industrial death benefits provided by sections 311, 312, 313, 314, 315, 321, 322, 323, 329 and 340 or as to ordinary and industrial disability and industrial death benefits provided in plans maintained by ordinance pursuant to section 291 shall have the right to appeal said decision to the disability appeals panel, the decision of which shall be final upon the member and the system.

Sec. 298. Same--Procedure; Medical service and advice.

The city council shall by ordinance prescribe procedures to be followed by the appeals panel in matters relating to its duties specified in section 297.

The appeals panel shall have the same right to secure advisory services to aid it in performing its duties as does the retirement board pursuant to section 325.

Sec. 299. Same--Membership.

The appeals panel shall consist of the following members:

(a) Two persons appointed by the city manager, neither of whom is a member of the retirement board as constituted pursuant to section 292.

(b) A resident of the city not connected with the government thereof,

(c) A safety member employed by the police department,

(d) A safety member employed by the fire department,

(e) A member of the system who is not a safety member employed by the police or fire department, and

(f) A member of the civil service board.

A majority of members of the panel shall constitute a quorum. Action by the panel shall require the affirmative vote of four members, except that a lesser number may adjourn from time to time.

Sec. 300. Same--Selection of members.

Members of the panel other than the two persons appointed by the city manager shall be selected as follows:

(a) the city resident member of the panel shall be appointed by the city council;

(b) the civil service board member shall be selected by and shall serve at the pleasure of that board; and

(c) each employee member shall be selected under procedures established by the city council from persons in the active, nonretired members of the group which he shall represent.

Sec. 301. Same--Terms of office.

The terms of office of the members, other than the city manager or his designated representative, the city controller, and the civil service board representative, shall be for four (4) years and until their successors are selected. Those members serving upon the retirement board in existence on the day preceding the effective date of this section shall serve as members of the appeals panel until the expiration of their current terms of membership on the retirement board as constituted on the day preceding the effective date of this section and until their successors are selected.

Sec. 302. Employees' retirement plan - Compulsory membership.

All persons who enter the employ of the city on or after the effective date of this section, and any member of the "equal shares plan" created by former section 302 of this Charter who so elects, shall become members of the employees' retirement plan, which is hereby created and the provisions of which are hereafter set forth.

The retirement board shall prescribe procedures for the making of any election pursuant to this section; provided that said procedures shall allow a period of not less than thirty (30), nor more than one hundred eighty (180) days for the making of said election.

Membership in this retirement plan shall be limited to full-time officers and employees of the city, and except as provided herein, shall not include persons employed by the city on a seasonal, limited-term, part-time or substitute basis, or elective officers or appointive members of city boards and commissions. The city council, by ordinance enacted by three-fourths (3/4) of all members of the council, may authorize persons employed by the city on a seasonal, limited-term, part-time or substitute basis to become members of this plan on such terms and conditions as it deems reasonable.

Sec. 303. Same--Funds in prior plans.

Contributions based on membership in the retirement system and deducted prior to the effective date of their membership in this plan, from compensation of persons who become members under section 302, and standing with interest thereon, to the credit of such members on the records of the retirement system on the date of their membership in this plan, shall continue to be credited thereon to the individual accounts of said members and shall be combined with and administered in the same manner as the contributions deducted after said date.

Contributions made by the city to prior retirement plans, as determined by the retirement board, for persons who become members of this plan pursuant to section 302 shall be used to fund the costs of this plan.

Sec. 304. Same--General definitions.

The following words and phrases as used in this article, unless a different meaning is plainly required by the context, shall have the following meanings:

"Accumulated contributions" shall mean member contributions paid pursuant to section 346, plus interest, and member contributions made for cost of living benefits, pursuant to section 354, plus interest.

"Appeals panel" or "panel" shall mean the retirement board disability appeals panel created by section 297 of this article.

"Benefit" shall include "allowance," "retirement allowance," "disability retirement allowance" and "death benefit."

"Board" or "retirement board" shall mean the retirement board as created by section 292 of this Charter.

"Charter" shall mean the Charter of the City of Sacramento.

"City" shall mean the City of Sacramento.

"Compensation," shall mean that amount paid to a member of this plan for work rendered to the city pursuant to a salary ordinance duly adopted by the city council, which ordinance establishes rates of pay for classes of employment within the city, and for salaries for special educational programs, and shall not include benefits under Division 4 of the Labor Code of the State of California, or any other remuneration or benefit paid to such member, including, but not limited to, remuneration for overtime, accumulated sick leave, and payments made pursuant to section 319.

"Compensation earnable" shall mean the compensation as determined by the retirement board, which would have been earned by the member had he worked, throughout the period under consideration, the average number of days ordinarily worked by persons in the same grade or class of positions as the positions held by him during such period at the rate of pay attached to such positions. The computation for any absence of a member shall be based on the compensation earnable by him at the beginning of the absence and that for time prior to entering the service of the city shall be based on the compensation earnable by him in the position first held by him in such service.

"Council" or "city council" shall mean the council of the City of Sacramento.

"Effective date of article" shall mean July 1, 1970.

"Effective date of this section" shall mean September 1, 1974, or, if the Legislature of the State of California has not ratified the amendments to this section on such date, then upon the first day of the month following such ratification.

"Former Charter section" shall mean a former section of the Charter as it read on the day immediately preceding the day upon which such section was repealed.

"Final compensation" means the highest average annual compensation earnable by a member during any period of three consecutive years during his membership in the system, or if his membership is of a lesser period, it shall mean the average annual compensation earnable by the member during such period. For the purposes of this article, periods of service separated by breaks in service may be aggregated to constitute a period of three consecutive years, if the periods of service are consecutive except for such breaks.

If a break in service

If a break in service did not exceed six months in duration, time included in the break and compensation earnable during such time shall be included in computation of final compensation. If a break in service exceeded six months in duration, the first six months thereof and the compensation earnable during those six months shall be included in computation of final compensation, but time included in the break which is in excess of six months and the compensation earnable during such excess time shall be excluded in computation of final compensation.

"Member of this plan" shall mean any member of the retirement system who is a member of the Employees' Retirement Plan created by section 302.

"Member" shall include miscellaneous members and safety members as herein defined.

"Military service" shall be defined by the city council. The absence of any officer or employee of the city from city service caused by reason of military service shall not be deemed to be such an absence from city service as shall break the continuity of service required of such officer or employee to entitle him to a retirement allowance under this article. The city council may elect to provide funds sufficient to continue the contributions of members absent and in such military service, in which case the period of such absence shall be deemed service for the city.

"Miscellaneous member," or "miscellaneous officer or employee" shall mean any officer or employee who is a member of the retirement system and is not a safety member as defined in this section.

"Overtime" shall mean the aggregate service performed by a member in all categories of employment in excess of the hours of work considered normal for employees on a full-time basis and for which monetary compensation is paid.

"Retirement system" or "system" shall mean the Sacramento City Employees' Retirement System.

"Safety member" shall mean any officer or employee of the police or the fire departments whose principal duties consist of active law enforcement, or full-time firefighting and fire prevention, respectively; and does not include those persons employed in duties of a clerical, communication, identification, repair, or other nature even though such employee is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active law enforcement or full-time firefighting and fire prevention.

"Special educational programs" shall mean programs which have been established for the career development of a certain group of employees as determined by the city council.

"Widow," "surviving wife" and "surviving spouse" shall each mean the surviving wife, or the surviving husband. In the case of a woman who is a member of the retirement system under any retirement plan under this system, the terms "widow," "surviving wife" and "surviving spouse" shall mean the surviving husband of such member.

Words used in the masculine gender shall include the feminine and neuter genders and singular numbers shall include the plural and the plural the singular.

Section 318 of Article XXVIII amended to read as follows:

Sec. 318. Same--Board consideration of disability retirements.

The city council shall by ordinance prescribe procedures to be followed by the retirement board in the consideration of matters relating to the granting or denial of disability retirements.

Section 345 of Article XXVIII repealed.

Sections 346 and 347 of Article XXVIII amended to read as follows:

Sec. 346. Same--Member contributions rates.

(a) The rate of contribution to be applied to the compensation of each member of this plan for all benefits hereunder, excluding the rate for cost of living benefits pursuant to section 354, shall be as follows:

SAFETY MEMBERS

<u>Age at entry into system</u>	<u>Rate of Contribution (%)</u>
21	8.090
22	8.322
23	8.554
24	8.776
25	9.009
26	9.242
27	9.474
28	9.696
29	9.928
30	10.160
31	10.393
32	10.625
33	10.847
34	11.080
35	11.312
36	11.544
37	11.767
38	11.999
39	12.231
40	12.463
41	12.696
42	12.918
43	13.150
44	13.383
45	13.615
46	13.847
47	14.069
48	14.302
49 and over	14.534

MISCELLANEOUS MEMBERS

<u>Age at entry into system</u>	<u>Rate of Contribution (%)</u>
20 and under	6.448

21	6.545
22	6.650
23	6.746
24	6.843
25	6.940
26	7.044
27	7.141
28	7.238
29	7.335
30	7.439
31	7.536
32	7.633
33	7.730
34	7.826
35	7.931
36	8.028
37	8.124
38	8.221
39	8.326
40	8.423
41	8.519
42	8.616
43	8.721
44	8.818
45	8.914
46	9.011
47	9.108
48	9.213
49	9.309
50	9.406
51	9.503
52	9.608
53	9.704
54 and over	9.801

(b) There shall be deducted from each payment of compensation made to a member of this plan the sum determined pursuant to subsection (a) of this section. The sum so deducted shall forthwith be paid to the retirement system and shall be credited to the individual account of the member, and shall be maintained, together with contributions of the member made pursuant to section 354, plus interest, to provide part of the retirement allowance or benefits payable to or on account of said member.

Sec. 347. Same--City Contributions.

The city shall contribute such amounts as are necessary, when added to the contributions of the members of this plan, to fund the benefits herein provided, at the rates specified by the actuary pursuant to section 296.

Section 348 of Article XXVIII repealed.

Section 350 of Article XXVIII amended to read as follows:

Sec. 350. Social security coverage.

The city council shall enact an ordinance or ordinances prescribing the conditions according to which any and all employees of the city, other than safety members, as defined in section 304, may be covered under the Federal Old Age, Survivors and Disability Insurance provisions of the Federal Social Security Act. The

provisions of said ordinance or ordinances shall substantially conform to the provisions of former section 175.12.5 of this Charter with such modifications as are necessary to make the provisions of said section applicable to miscellaneous members of this plan.

Sections 352 and 353 of Article XXVIII repealed.

Section 354 of Article XXVIII amended to read as follows:

Sec. 354. Automatic cost of living benefit.

(a) The city council shall by ordinance provide for automatic cost of living benefits consistent with the provisions of this section.

Such ordinance shall provide the conditions according to which, as of July 1 of each year, commencing with the year 1970, every monthly allowance payable to or on account of any person who has retired or died or who shall retire or die as a member of this system and whose retirement or death occurred prior to July 1 of the preceding year, shall be increased or decreased by a percentage of the total allowance then being received which shall approximate, to the nearest one-tenth (1/10) of one percent (1%), increase or decrease in the cost of living during the preceding calendar year, as determined by the retirement board in the manner provided in this section; provided that such increase or decrease shall not exceed three percent (3%) of any allowance in any year, regardless of the percentage change in such cost of living.

(b) Determination of the percentage of annual increase or decrease in the cost of living shall be made by the retirement board on or before April 1, of each year by reference to the current Bureau of Labor Statistics' Consumers' Price Index for the San Francisco - Oakland Bay Area. The percentage by which such index for the more recent full calendar year shall have increased or decreased over or below such index for the full calendar year immediately prior thereto shall be the percentage used to calculate adjustments in retirement allowances pursuant to subsection (a) of this section.

(c) The amount of any cost of living increase or decrease in any year which is in excess of the maximum annual allowance adjustment of three percent (3%) provided in subsection (a) of this section shall be accumulated from year to year and included in the computation of increases or decreases in succeeding years. The provisions of this subsection shall be applied to the allowance of individual beneficiaries by classes based upon the fiscal year in which the member retired or died, so that each allowance shall have applied to it only such increase or decrease as shall have accumulated during or after the fiscal year in which the member retired or died. The allowances payable to or on account of any retired or deceased person whose retirement or death shall have occurred prior to July 1, 1970, shall be grouped in the first such class.

(d) No allowance shall be reduced by operation of this section below the amount payable at the time of retirement or upon the effective date of this article.

(e) The benefits provided by this section shall be funded as follows:

(1) A member of this system pursuant to section 302

shall pay an amount in addition to the contribution required by section 346 which amount shall be computed by multiplying the rate under section 346 by 6.67% and applying the result to the compensation of the member.

(2) A member of this system under a plan maintained by the city council pursuant to section 291 shall pay an amount in addition to the normal contribution rate under said plan which amount shall be computed by multiplying such normal contribution rate by 6.67% and applying the result to the compensation of the member.

(3) The city shall contribute all other amounts necessary to provide the benefits hereunder at such a rate as is set by the actuary and adopted by the board pursuant to the provisions of section 296.

(f) Contributions from members made pursuant to this section shall be credited with interest and shall be deemed part of accumulated contributions for purposes of refund and for the computation of death benefits, but not for any other purpose.

Sections 358 through 366 of Article XXVIII repealed.