



# CITY OF SACRAMENTO

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CITY MANAGER'S OFFICE  
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June 3, 1980

Honorable City Council  
Council Chamber  
City Hall  
Sacramento, California 95814

RE: COST OF LIVING ADJUSTMENT -  
RETIREMENT SYSTEM

Members in Session:

SUMMARY

In the municipal election held last September, the voters approved Measure E. The measure revised certain sections of the City Charter to provide, among other things, an automatic cost-of-living adjustment as of July 1 of each year for retirement system members who retired or died on or after July 1 of the preceding year. As required by Measure E, the attached ordinance implements the cost-of-living adjustment for such members.

BACKGROUND

Prior to the passage of Measure E, automatic cost-of-living adjustments were granted only to those persons who had been retired for at least one full fiscal year. Under City Charter §379 and City Code §34.900, a cost-of-living adjustment, equivalent to the increase or decrease in the consumer price index but no more than 3%, would be paid on July 1 to each member who retired prior to July 1 of the preceding year. Thus, if a member retired on June 30, 1979, he or she would receive an automatic cost-of-living adjustment on July 1, 1980. If, however, the member retired on July 15, 1979, he or she would receive no cost-of-living adjustment until July 1, 1981.

With the passage of Measure E, City Charter §379 was amended to provide an automatic cost-of-living adjustment on July 1 of each year to members who retire on or after July 1 of the preceding year. The adjustment will be paid to each such member on a pro-rata basis for each full month of retirement during the preceding fiscal year, but no adjustment may exceed 3%.

**APPROVED**  
BY THE CITY COUNCIL

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CITY CLERK

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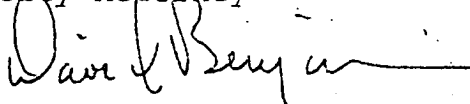
As required by Measure E, the attached ordinance amends §34.900 to provide for an automatic cost-of-living adjustment on July 1 of each year for members who retired on or after July 1 of the preceding year.

RECOMMENDATION

It is recommended that the City Council adopt the proposed ordinance, as required by the amendment to City Charter §379.

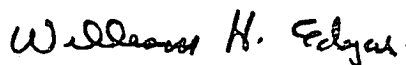
Very truly yours,

JAMES P. JACKSON  
City Attorney



DAVID BENJAMIN  
Deputy City Attorney

RECOMMENDATION APPROVED:



Acting CITY MANAGER

DB:mb

ORDINANCE NO. 4374 FOURTH SERIES

AN ORDINANCE AMENDING SECTION 34.900 OF THE SACRAMENTO CITY CODE, RELATING TO AUTOMATIC COST-OF-LIVING ADJUSTMENTS FOR PERSONS WHO RETIRE OR DIE ON OR AFTER JULY 1 OF ANY GIVEN YEAR

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

SECTION 1.

Section 34.900 is hereby amended to read as follows:

(a) Notwithstanding any other provision of this chapter and subject to the provisions of this article, as of July 1 of each year, commencing with the year 1968, 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 the retirement 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 of one percent, the percentage of annual increase or decrease in the cost of living during the preceding calendar year; provided, that such increase or decrease shall not exceed two percent of any allowance in any year, regardless of the percentage of change in such cost of living. As of July 1 of each year, commencing with the year 1970, the increase or decrease shall not exceed three percent of any allowance in any year regardless of the percentage of change in any such cost of living.

(b) Notwithstanding any other provision of this chapter and subject to the provisions of this article, as of July 1 of each year, every monthly allowance payable to or on account of a member of this system whose retirement or death as a member of this system occurred on or after July 1 of the preceding year shall be increased or decreased by a percentage of the allowance then being received. For each whole month of the preceding fiscal year during which a member was retired or for each whole month of the preceding fiscal year after the member's death, such percentage shall approximate one-twelfth of the percentage of annual increase or decrease (to the nearest one-tenth of one percent), if any, in the cost of living during the whole of the preceding calendar year by reference to the current U.S. Department of Labor, Bureau of Labor Statistics Consumer Price Index for the San Francisco-Oakland area (or the Sacramento area, in the event the index is established for the Sacramento area), for the whole of the preceding calendar year; provided that such increase or decrease shall not exceed three percent of any allowance in any year, regardless of

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BY THE CITY COUNCIL

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the percentage of change in cost of living; and provided further that no allowance shall be reduced below the amount payable at death or retirement. The provisions of this sub-section shall apply only to members whose retirement or death occurred on or after July 2, 1979.

PASSED FOR PUBLICATION:

ENACTED:

EFFECTIVE:

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MAYOR

ATTEST:

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CITY CLERK

AN ORDINANCE AMENDING SECTION 34.900 OF THE SACRAMENTO CITY CODE, RELATING TO AUTOMATIC COST-OF-LIVING ADJUSTMENTS FOR PERSONS WHO RETIRE OR DIE ON OR AFTER JULY 1 OF ANY GIVEN YEAR

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(b) Notwithstanding any other provision of this chapter and subject to the provisions of this article, as of July 1 of each year, every monthly allowance payable to or on account of a member of this system whose retirement or death as a member of this system occurred on or after July 1 of the preceding year shall be increased or decreased by a percentage of the allowance then being received. For each whole month of the preceding fiscal year during which a member was retired or for each whole month of the preceding fiscal year after the member's death, such percentage shall approximate one-twelfth of the percentage of annual increase or decrease (to the nearest one-tenth of one percent), if any, in the cost of living during the whole of the preceding calendar year by reference to the current U. S. Department of Labor, Bureau of Labor Statistics Consumer Price Index for the San Francisco-Oakland area (or the Sacramento area, in the event the index is established for the Sacramento area), for the whole

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