



COUNCILMEMBER DONNA FRYE
City of San Diego
Sixth District

MEMORANDUM

DATE: November 2, 2009
TO: David Wescoe, Administrator, SDCERS
FROM: Councilmember Donna Frye *Donna Frye*
SUBJECT: Municipal Code Changes (Sections 24.1102 and 24.1120)

At the October 20, 2009 City Council meeting, SDCERS requested that the Council adopt an ordinance to correct SDMC Section 24.1102 and delete SDMC Section 24.1120. Prior to this matter coming back to the City Council, I have the following questions:

1. How was this operational failure discovered, when, and by whom? For example, was it by an outside party?
2. I received a document that appears to be a MOU with MEA that includes a section titled "Buy-Backs" under Article 22 (attached). This section states:

"Effective July 1, 1991, current employees with 1981 Pension Plan credited years of service will be granted, at no cost to the employee, credit for past CERS service.

- a) *Should the City Council not approve the conversion in funding methodology from EAN to PUC effective July 1, 1991, employees in this group who are represented by MEA will be allowed to 'buy back' past CERS service and will be responsible for all associated costs"*

Did the City approve the conversion in funding methodology from EAN to PUC, effective July 1, 1991? If so, how was this done, as it is my understanding that this type of action is a responsibility of the SDCERS Board?

3. In the SDCERS October 20, 2009, powerpoint presented to the City Council, it states that, *“131 General members took a refund of contributions paid into SDCERS prior to entering the 1981 Pension plan, and returned to the SDCERS plan after the 1981 Pension plan was closed, and repurchased their original SDCERS service credit, plus interest.”*

However, Elaine W. Reagan’s and Roxanne Story Park’s January 13, 2009, Staff Report to SDCERS Business and Governance Committee states on page 4: *“Benefits Administration has run a preliminary query of the database to identify those Members who entered into a prohibited purchase. It has determined that at least 300 Members obtained a refund pre-1981 contributions but cannot guarantee this is a comprehensive list. It will require extensive time and resources to identify all Members who subsequently repurchased that time.”*

How many Members, who are now retired, were allowed to enter into these prohibited purchases? What is the aggregate amount of all those purchases in dollars?

How many Members, who have not retired, will be allowed to enter into these purchases if the SDMC is amended? What is the aggregate amount of all those purchases in dollars?

Please explain the discrepancy in these numbers (131 Members vs 300+ Members) and whether anyone knows with certainty how many Members entered into a prohibited purchase.

4. The January 13, 2009, Staff Report states that, *“Benefits Administration would need to manually review all Members who were employed during the applicable time period for (sic) prepare an accurate list and estimates this would take approximately six months to complete.”*

Has this review been completed? If so, please provide me with a copy.

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5. Please provide the total value of benefits associated with amending the SDMC and the total cost if the SDMC is not amended as requested by SDCERS.
 6. Does this proposed change in ordinance grant any type of benefit?

Thank you for your prompt response to these questions.

CC: Honorable City Councilmembers
Honorable Mayor Jerry Sanders
City Attorney, Jan Goldsmith
Andrea Tevlin, Independent Budget Analyst
Stanley Keller, Independent Consultant

DF/ks

BUY-BACKS

1. Effective July 1, 1991, current employees with 1981 Pension Plan credited years of service will be granted, at no cost to the employee, credit for past CERS service.

- a) Should the City Council not approve the conversion in funding methodology from EAN to PUC effective July 1, 1991, employees in this group who are represented by MEA will be allowed to "buy back" past CERS service and will be responsible for all associated costs.

C.O.L.A.

1. Effective July 1, 1992, the cost of living adjustment (COLA) for retirees who retired before October 6, 1980, will increase from 1.5% to 2% per year.

MEA

ARTICLE 23

Lifeguard Training and Enforcement

The M.E.A. may select no more than three Lifeguards which the City may meet with to discuss training programs and enforcement responsibilities.

M.E.A. will bring all matters regarding training and enforcement to the committee prior to seeking resolution elsewhere. Such matters must be dealt with in a reasonable time.

This committee will not be used as a vehicle to bypass the management chain of command in the Park and Recreation Department.

The committee will meet with management to develop a vacation scheduling system that is agreeable to both the employees and management.

The M.E.A. may meet with the City to discuss training programs and enforcement responsibilities for Lifeguards, including the development of a more adequate training program for seasonal Lifeguard I's.

ARTICLE 24

Limited Appointments

Management agrees not to fill permanent, full-time, one-half time, or three-quarter time budgeted positions with employees serving on limited appointments except in extraordinary circumstances. Management intends to use limited appointments fill hourly positions, positions funded by the State and Federal Government, and full-time budgeted positions in which the incumbent employee is on a leave of absence.

M.E.A. and Management will continue to evaluate the use of limited appointments in the City.