

Patti's Notes on the City Council Meeting regarding the "Waterfall"
Reported by Patricia Karnes

April 10, 2007 2:00p.m.

After five hours (which were like a bad dream for the Council also)-

The City Council "continued" the "Waterfall":

- 1)... after Aguirre, who asked to be there, called after 6:30p.m., saying he was not coming back to the City Council meeting.
- 2)...and Andrea Tevlin said she had not had time to review something that she had received (Chris Waddell's letter of April 5th?).
- 3)...it was 6:45p.m.
- 4) ...even though Madaffer voiced "We continue everything, let's not continue this." (Donna Frye had insisted several times that Council President Peters listen to speakers who had spent hours waiting and then their items were "continued".)

By time it was "waterfall" time, the Council did allow Ann Smith, who sat with Judi Italiano, to do a three minute presentation (that stretched out beyond three minutes), as she indicated that the Council may wish to request an improved response from the City Attorney's Office. Otherwise the message was legal and abstract.

Ron Saathoff did not stay long enough for the "waterfall", but visited briefly with Ann and Judi.

I did not press the need to put in a word for retirees, as the Council was "continuing" and Council members were taking their things and leaving. Scott Peters left Tony Young in the Council President chair.

Handout at the City Council Meeting-

Andrea Tevlin's Memorandum of April 5th summary says: " The IBA recommends that the City Council seek sufficient clarification on the items enumerated therein to ensure that this ordinance has the desired effects." She attached her report dated March 1, 2007. She suggested:

- 1) appropriate language authorizing operating expenses for SDCERS.
- 2) 13th check- there are no specifications when it is to be paid. She assumes it will be paid 100% of the time with money from the City's annual payments.
- 3) Corbett- she assumes it will be paid by the City's annual payment but again sees no language in the Municipal Code.
- 4) Supplemental COLA Reserve- what constitutes "sufficient funds" and authority to credit interest to this reserve?
- 5) She notes: " ...that the City Attorney's Office has asserted that neither Meet and Confer nor a vote of the Retirement System Membership (pursuant to Charter Section 143.1(a)) is required to adopt this ordinance. The is because no benefits are impacted but the funding mechanism is changed, which is a management right." Page 3 of the March 1, 2007 report.

IBA's Report of March 1, 2007 conclusion:

"1. Shall the City Council insert authorizing language for payment of Corbett benefits and expenditure of funds for SDCERS operating budget elsewhere in the Municipal Code, to ensure that SDCERS may comply with IRS requirements to administer the System in accordance with Plan Documents?

"2. Absent the qualifications in the Waterfall, what is the authority on when the 13th check shall be paid out?

"3. Regarding interest crediting to the Supplemental COLA Reserve, what constitutes 'sufficient funds' and who is responsible for determining it?"

NEXT STEPS

We need to call Scott Peters Office or City Clerk and find out when the "waterfall" will be heard again.

The mood was hopeful that the continuance would bring a better solution than the one presented in Andrea Tevlin's (IBA) Memorandum to the Council, dated April 5 (same date as Chris Waddell's letter).

The bottom line to me was Tevlin's note that if benefits were changed then retirees would have a vote and employees would have a meet and confer.

We have this opportunity now to write letters encouraging new language/ instructions be put in the Municipal Code to make sure our 13th checks can be produced, as well as, David Wescoe can pay the staff to send out the checks.

Patti's notes- April 10, 2007