

(D)

(R-2003-1278)

RESOLUTION NUMBER R- 297938

ADOPTED ON MAY 06 2003

WHEREAS, pursuant to Ordinance No. O- 19178 (NEW SERIES), adopted on MAY 20 2003, the City Council of The City of San Diego formally adopted a Salary Ordinance for Fiscal Year 2004; and

WHEREAS, section 16 of that ordinance provides that additional benefit programs may be established upon recommendation of the City Manager; and

WHEREAS, the City Manager has recommended and the City Council has approved a Cafeteria Benefits Plan for designated eligible unrepresented classifications as enumerated in the Table of Eligible Classes, attached hereto as Attachment A; and

WHEREAS, the City Manager has further recommended and the City Council has approved a Cafeteria Benefits Plan for all half-time, three-quarter-time or full-time benefit status employees; NOW, THEREFORE,

BE IT RESOLVED, by the Council of the City of San Diego, that pursuant to section 16 of the Annual Salary Ordinance No. O- 19178 (NEW SERIES), and upon the recommendation of the City Manager, there is hereby established and adopted a Cafeteria Benefits Plan for all designated eligible employees for Fiscal Year 2004, attached hereto as Attachment B, providing therein dollar sums certain for each eligible employee, to be allocated to benefits as are designated in the Plan.

BE IT FURTHER RESOLVED, that the City Manager is authorized to execute agreements with the appropriate organizations providing the benefits designated in the Plan.

BE IT FURTHER RESOLVED, that the funds appropriated for this Plan shall be as set forth in the annual appropriation ordinance.

APPROVED: CASEY GWINN, City Attorney

By Stuart H. Swett
Stuart H. Swett
Senior Deputy City Attorney

SHS:smf
05/05/03
Or.Dept:Mgr./Pers.
R-2003-1278
Form=mgtbpres.frm

UNCLASSIFIED OR UNREPRESENTED JULY 1, 2003
CLASSIFICATIONS ELIGIBLE FOR ADDITIONAL \$3000 ALLOTMENT TO
PURCHASE FLEXIBLE BENEFITS

CLASS NO.

| | |
|------|---|
| 1183 | ACCOUNTANT IV |
| 1182 | ADMINISTRATIVE SERVICES MANAGER |
| 1240 | APPLICATIONS PROGRAMMER I |
| 1241 | APPLICATIONS PROGRAMMER II |
| 1242 | APPLICATIONS PROGRAMMER III |
| 1253 | ARJIS ADMINISTRATOR |
| 2259 | ASSISTANT BINATIONAL AFFAIRS OFFICER |
| 2106 | ASSISTANT CITY ATTORNEY |
| 2107 | ASSISTANT CITY AUDITOR & COMPTROLLER |
| 2108 | ASSISTANT CITY CLERK |
| 2110 | ASSISTANT CITY LIBRARIAN |
| 2111 | ASSISTANT CITY MANAGER |
| 2181 | ASSISTANT DEPARTMENT DIRECTOR |
| 2250 | ASSISTANT DEPUTY DIRECTOR |
| 2123 | ASSISTANT ENVIRONMENTAL SERVICES DIRECTOR |
| 2128 | ASSISTANT EXECUTIVE SERVICES DIRECTOR |
| 2115 | ASSISTANT FINANCIAL MANAGEMENT DIRECTOR |
| 2154 | ASSISTANT FIRE CHIEF |
| 2200 | ASSISTANT FOR COMMUNITY OUTREACH |
| 2183 | ASSISTANT GOVERNMENTAL RELATIONS DIRECTOR |
| 2256 | ASSISTANT INVESTMENT OFFICER |
| 2276 | ASSISTANT METROPOLITAN WASTEWATER DIRECTOR |
| 1170 | ASSISTANT PERSONNEL ANALYST |
| 2113 | ASSISTANT PERSONNEL DIRECTOR |
| 2105 | ASSISTANT DEVELOPMENT SERVICES DIRECTOR |
| 2114 | ASSISTANT PLANNING DIRECTOR |
| 2238 | ASSISTANT POLICE CHIEF |
| 2116 | ASSISTANT PURCHASING AGENT |
| 2124 | ASSISTANT REAL ESTATE ASSETS DIRECTOR |
| 2119 | ASSISTANT RETIREMENT ADMINISTRATOR |
| 2196 | ASSISTANT RETIREMENT GENERAL COUNSEL |
| 2126 | ASSISTANT RISK MANAGEMENT DIRECTOR |
| 2245 | ASSISTANT STADIUM MANAGER |
| 2120 | ASSISTANT TO MAYOR |
| 2127 | ASSISTANT TO THE CITY MANAGER |
| 2278 | ASSIST TO THE DEVELOPMENT SERVICES DIRECTOR |
| 2281 | ASSISTANT TO THE DIRECTOR |
| 2117 | ASSIST TO THE ENGINEERING AND CAPITAL PROJECTS DIR |
| 2279 | ASSISTANT TO THE ENVIRONMENTAL SERVICES DIRECTOR |
| 2266 | ASSISTANT TO THE EXECUTIVE DIRECTOR HUMAN RELATIONS COMMISSION |
| 2236 | ASSISTANT TO THE FIRE CHIEF |

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ATTACHMENT A

UNCLASSIFIED OR UNREPRESENTED JULY 1, 2003
CLASSIFICATIONS ELIGIBLE FOR ADDITIONAL \$3000 ALLOTMENT TO
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CLASS NO.

| | |
|---------------|---|
| 2150 | ASSISTANT TO THE NEIGHBORHOOD CODE COMPLIANCE DIRECTOR |
| 2125 | ASSISTANT TO THE PARK & RECREATION DIRECTOR |
| 2201 | ASSISTANT TO THE PLANNING DIRECTOR |
| 2264 | ASSISTANT TO THE POLICE CHIEF |
| 2122 | ASSISTANT TO THE WATER DEPARTMENT DIRECTOR |
| 2118 | ASSISTANT TRANSPORTATION DIRECTOR |
| 2121 | ASSISTANT TREASURER |
| 2224 | ASSOCIATE COUNSEL |
| 1226 | ASSOCIATE PERSONNEL ANALYST |
| 2258 | BINATIONAL AFFAIRS OFFICER |
| 1139 | BUDGET SERVICES ADMINISTRATOR |
| 2247 | BUDGET SERVICES MANAGER |
| 1278 | BUILDING CODE AND NOISE ABATEMENT SUPERVISOR |
| 2202 | BUILDING INSPECTION SUPERVISOR |
| 2112 | BUSINESS CENTER MANAGER |
| 2265 | CENTRAL STORES PROGRAM MANAGER |
| 2260 | CHILD CARE COORDINATOR |
| 2255 | CITY ARCHITECT |
| 2001 | CITY ATTORNEY |
| 2137 | CITY AUDITOR & COMPTROLLER |
| 2138 | CITY CLERK |
| 2140 | CITY LIBRARIAN |
| 2141 | CITY MANAGER |
| 2218 | CITY PLANNER |
| 1816 | CLAIMS AND INSURANCE MANAGER |
| 1344 | COLLECTIONS MANAGER |
| 2251 | COMMITTEE CONSULTANTS SECRETARY |
| 2203 | COMMUNITY DEVELOPMENT ADMINISTRATOR |
| 1350 | COMMUNITY DEVELOPMENT COORDINATOR |
| 1354 | COMMUNITY DEVELOPMENT SPECIALIST IV |
| 2205 | CONFIDENTIAL SECRETARY TO CITY ATTORNEY |
| 2206 | CONFIDENTIAL SECRETARY TO CITY COUNCIL |
| 2207 | CONFIDENTIAL SECRETARY TO CITY MANAGER |
| 2208 | CONFIDENTIAL SECRETARY TO MAYOR |
| 2209 | CONFIDENTIAL SECRETARY TO POLICE CHIEF |
| 2133 | COUNCIL ASSISTANT |
| 2210 | COUNCIL COMMITTEE CONSULTANT |
| 2003 | COUNCILMEMBER |
| 2211 | COUNCIL REPRESENTATIVE I |
| 2212 and 2213 | COUNCIL REPRESENTATIVE II |

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CLASS NO.

| | |
|------|---|
| 2220 | CRIME LABORATORY MANAGER |
| 2132 | DEPARTMENT DIRECTOR |
| 2151 | DEPUTY CITY ATTORNEY |
| 2153 | DEPUTY CITY MANAGER |
| 2214 | DEPUTY DIRECTOR |
| 2252 | DEPUTY DIRECTOR, LEGISLATIVE SERVICES |
| 2253 | DEPUTY DIRECTOR, ELECTIONS AND RECORDS MANAGEMENT |
| 2237 | DEPUTY FIRE CHIEF |
| 2219 | DEPUTY LIBRARY DIRECTOR |
| 2230 | DEPUTY PERSONNEL DIRECTOR |
| 2225 | DEPUTY PLANNING DIRECTOR |
| 2262 | DISABILITY SERVICES COORDINATOR |
| 1406 | EMPLOYEE ASSISTANCE COUNSELOR |
| 1429 | EMPLOYEE ASSISTANCE PROGRAM MANAGER |
| 1416 | EMPLOYEE BENEFITS ADMINISTRATOR |
| 1417 | EMPLOYEE BENEFITS SPECIALIST I |
| 1407 | EMPLOYEE BENEFITS SPECIALIST II |
| 2215 | ENDOWMENT OFFICER |
| 2147 | ENGINEERING AND CAPITAL PROJECTS DIRECTOR |
| 2192 | ENVIRONMENTAL SERVICES DIRECTOR |
| 2158 | EQUAL EMPLOYMENT INVESTIGATIONS MANAGER |
| 2261 | EQUAL OPPORTUNITY CONTRACTING MANAGER |
| 2155 | EXECUTIVE ASSISTANT POLICE CHIEF |
| 2268 | EXECUTIVE DIRECTOR |
| 2156 | EXECUTIVE SERVICES DIRECTOR |
| 2216 | FACILITY MANAGER |
| 1762 | FLEET MANAGER |
| 2130 | FINANCIAL MANAGEMENT DIRECTOR |
| 2217 | FINANCIAL OPERATIONS MANAGER |
| 2160 | FIRE CHIEF |
| 2239 | FIRE SHIFT COMMANDER |
| 2273 | GOLF COURSE OPERATIONS MANAGER |
| 2277 | GRAFFITI PROGRAM MANAGER |
| 2257 | GRANTS COORDINATOR |
| 2272 | HOMELESS SERVICES COORDINATOR |
| 1151 | INFORMATION SYSTEMS ANALYST I |
| 1348 | INFORMATION SYSTEMS ANALYST II |

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CLASS NO.

| | |
|-------|--|
| 1349 | INFORMATION SYSTEMS ANALYST III |
| 1926 | INFORMATION SYSTEMS ANALYST IV |
| 1243 | INFORMATION SYSTEMS ADMINISTRATOR |
| 1244 | INFORMATION SYSTEMS MANAGER |
| 2167 | GOVERNMENTAL RELATIONS DIRECTOR |
| 2241 | INVESTMENT OFFICER |
| 2269 | LABOR RELATIONS MANAGER |
| 2280 | LIFEGUARD CHIEF |
| 1757 | LITERACY PROGRAM ADMINISTRATOR |
| 2164 | MANAGEMENT ASSISTANT TO THE CITY MANAGER |
| 1587 | MARINE SAFETY CAPTAIN |
| 2007 | MAYOR |
| 2274 | MEDICAL REVIEW OFFICER |
| 2267 | METROPOLITAN WASTEWATER DIRECTOR |
| 2134 | NEIGHBORHOOD CODE COMPLIANCE DIRECTOR |
| 2275 | NEIGHBORHOOD SERVICES COORDINATOR |
| 2248 | ORGANIZATION EFFECTIVENESS PROGRAM MANAGER |
| 1613 | ORGANIZATION EFFECTIVENESS SPECIALIST I |
| 1614 | ORGANIZATION EFFECTIVENESS SPECIALIST II |
| 1612 | ORGANIZATION EFFECTIVENESS SPECIALIST III |
| 1615 | ORGANIZATION EFFECTIVENESS SUPERVISOR |
| 2244 | PARAMEDIC COORDINATOR |
| 2179 | PARK & RECREATION DIRECTOR |
| 2171 | PERSONNEL DIRECTOR |
| 2131 | DEVELOPMENT SERVICES DIRECTOR |
| 2172 | PLANNING DIRECTOR |
| 1680 | POLICE CAPTAIN |
| 2173 | POLICE CHIEF |
| 2240 | POLICE COMMANDER |
| *1683 | POLICE LIEUTENANT |
| 2246 | POLICE ADMINISTRATIVE SERVICES DIRECTOR |
| 1698 | POLICE PROPERTY AND RECORDS ADMINISTRATOR |
| 1754 | POLICE SPECIAL PROJECTS MANAGER |
| 2228 | PRINCIPAL ACCOUNTANT |
| 2182 | PRINCIPAL ASSISTANT TO CITY ATTORNEY |
| 2174 | PRINCIPAL ASSISTANT TO MAYOR |

*(Represented by POA, but ineligible for overtime)

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CLASS NO.

| | |
|------|---|
| 2234 | PRINCIPAL PLANNER |
| 2221 | PRINT SHOP MANAGER |
| 2282 | PROGRAM COORDINATOR |
| 2270 | PROGRAM MANAGER |
| 1769 | PUBLIC ART PROGRAM ADMINISTRATOR |
| 2176 | PURCHASING AGENT |
| 2162 | QUALITY MANAGEMENT COORDINATOR |
| 2177 | REAL ESTATE ASSETS DIRECTOR |
| 1556 | RECYCLING PROGRAM MANAGER |
| 2232 | REGIONAL URBAN INFORMATION SYSTEM ADMINISTRATOR |
| 1811 | REHABILITATION COORDINATOR |
| 2243 | RESOURCE DEVELOPMENT OFFICER |
| 2180 | RETIREMENT ADMINISTRATOR |
| 2195 | RETIREMENT GENERAL COUNSEL |
| 2271 | REVENUE PROGRAMS MANAGER |
| 2157 | RISK MANAGEMENT DIRECTOR |
| 2223 | SENIOR COUNCIL COMMITTEE CONSULTANT |
| 1650 | SENIOR PERSONNEL ANALYST |
| 1391 | SUPERVISING CLAIMS REPRESENTATIVE |
| 1923 | SUPERVISING ECONOMIST |
| 1917 | SUPERVISING MANAGEMENT ANALYST |
| 1927 | SUPERVISING PERSONNEL ANALYST |
| 1557 | SUPERVISING RECYCLING SPECIALIST |
| 2159 | TRANSPORTATION DIRECTOR |
| 2190 | TREASURER |
| 2194 | WATER DEPARTMENT DIRECTOR |
| 2249 | YOUTH SERVICES ADMINISTRATOR |
| 2226 | ZONING ADMINISTRATOR |

CITY OF SAN DIEGO
CAFETERIA BENEFITS PLAN

JULY, 2003

CITY OF SAN DIEGO

CAFETERIA BENEFITS PLAN

This is a "Cafeteria Plan" of benefits for City of San Diego employees and is intended to qualify under Section 125 of the Internal Revenue Code.

ELIGIBILITY FOR PARTICIPATION

This Plan is for the exclusive benefit of employees of the City of San Diego.

Eligible employees are defined as individuals who are:

1. Directly employed by the City of San Diego, and
2. Working in a half time, three quarter time or full time benefit status. Hourly employees are not eligible for this plan.

Eligible employees who go into a Leave Without Pay status or have less than 40 hours of paid status in a payperiod are in a non-benefitted status. The City of San Diego does not pay for an employee's benefits if the employee does not work (or receive paid leave) for a minimum of 40 hours each payperiod. The employee may choose to continue their health, life and certain optional benefits coverage at their own cost until they return to work, or receive the minimum amount of compensatory hours per payperiod or for the designated length of time as determined by the City. If the premiums are not paid, the coverage will be short-term canceled. The coverage will be reinstated the first of the month after the employee returns to a benefitted status, or the month after if premiums were not paid during the employee's non-benefitted status.

PLAN YEAR

The Plan Year is from July 1 to June 30 of each year.

ELECTIONS

Elections of benefits must occur during the open enrollment period prior to the start of each Plan Year or, in the case of a newly hired employee, as soon after commencement of employment as administratively practical. Elections must be made using the telephone enrollment system unless other arrangements have been approved by Risk Management. In such cases, elections must be made in writing on forms/worksheets provided by the Risk Management Department. An authorization form must be signed by employees to allow for necessary deductions from their paychecks to provide the benefit coverage selected. In addition to the benefit election form (if applicable), the employee must also complete and sign all appropriate applications and

enrollment forms for the specific benefits selected. If an employee fails to complete the election of benefits prior to the start of the Plan Year, that employee will automatically be enrolled at their previous year level of Basic Life Insurance and Health Insurance Plan (including dependent health offset). The remainder of the annual allotment will be placed in the cash payment. If not available, Risk Management will enroll the employee in a comparable plan. The elections are effective for the period of July 1 to June 30 of each year or, for employees hired after July 1 of a Plan Year, for the remainder of the Plan Year following the first of the month after enrollment. Benefits are prorated for employees hired after July 1 of each Plan Year with eligibility beginning the first day of the payperiod following date of hire or classification change (in the event of newly eligible unrepresented/unclassified employees). Insurance coverage begins the first day of the month following date of hire. Benefits terminate at the time an employee terminates employment. Insurance coverage ends the last day of the month in which employment terminates.

Eligible employees who terminate and are reinstated or rehired within the same Plan Year will have their previous benefit elections reactivated. No new selections will be allowed until the new Plan Year commences.

Elections are irrevocable except to accommodate changes in family status as defined in the Income Tax Regulations, 26 CFR Part 1, or to accommodate any significant curtailment or reduction of coverage under any given benefit plan, or in the case of any significant premium increase or decrease imposed by a third-party insurer:

Participants who experience a change in family status may be allowed to change or revoke elections. Several examples of the types of events that constitute a change in family status are as follows:

- ! The marriage or divorce of the employee.
- ! The death of the employee's spouse or dependent.
- ! Birth or adoption of a child.
- ! Termination or commencement of employment by the employee's spouse.
- ! Unpaid leave of absence by the employee or the employee's spouse.

Changes are also permitted in the event of significant changes in health coverage of the employee or the employee's spouse that are related to the spouse's employment or are subject to the Special Enrollment Period as described in the Health Insurance and Portability and Accountability Act (HIPAA).

Changes to benefit elections will be permitted only to the extent that they are consistent with and

appropriate to the reason the change is requested.

Changes to Dental/Medical/Vision Reimbursement allotments will not be allowed, even in the event of a qualifying event, if the monies have already been claimed for the plan year.

CONTRIBUTIONS

Employer contributions are a fixed amount provided by the City to each eligible employee on a non-elective basis.

Salary reduction agreements are provided for in this Plan for Dependent Health Insurance, Dental/Medical/Vision Reimbursement and Dependent Care Reimbursement Supplement Flexible Spending Accounts.

In the event payroll deductions for reimbursement accounts are selected and subsequently stopped due to an eligible family status change, the reactivation of the account will not be permitted until the next plan year if elected during open enrollment.

MAXIMUM CONTRIBUTIONS

The City, in its discretion, shall allot each eligible employee \$5,125 worth of credits to purchase Flexible Benefits. Eligible unclassified or unrepresented employees receive an additional allotment of \$3,000 to purchase Flexible Benefits. This additional amount is prorated for non-fulltime unclassified or unrepresented employees. Eligible unclassified or unrepresented employees not participating in the City Employees Retirement System (CERS) receive an additional allotment equivalent to what the City would have contributed to CERS on their behalf.

Eligible employees may elect the cost of their dependent health insurance to be paid on a pre-tax (salary reduction) basis. In addition, an eligible employee may elect up to \$5,000 (from all sources) for a Dental/Medical/Vision Reimbursement Supplement account. Single or married (filing a joint return), eligible employees may also set aside up to \$5,000 per plan year for a Dependent Care Reimbursement Supplement Account. A married employee filing returns separately may set aside up to \$2,500 per plan year.

BENEFITS

All eligible employees participate in the Flexible Benefits Plan. Each employee **must select one health insurance plan**, unless covered by another health insurance effective 8/1, and one of the three available **life insurance policies**.

The options in this plan are as follows:

1. Health Insurance

- a. WAIVER (NO HEALTH)
- b. PACIFICARE HMO
- c. PACIFICARE \$250 DEDUCTIBLE PPO
- d. KAISER
- e. POA GROUP HEALTH (1)
- f. LOCAL 145 RELIEF ASSOCIATION PLAN (2)
- g. MEA GROUP HEALTH (3)
- h. LOCAL 127 HEALTH (4)

NOTE: (1) For classifications represented by POA only.
 (2) For classifications represented by Local 145 only.
 (3) For classifications represented by MEA and Unrepresented employees only.
 (4) For classifications represented by Local 127 and Unrepresented only.

2. Life Insurance

- a. \$10,000
- b. \$25,000
- c. \$50,000

Remaining money may be used for:

- 1. DEPENDENT HEALTH INSURANCE
- 2. CASH PAYMENT (TAXABLE)
- 3. 401(k)
- 4. DENTAL/MEDICAL/VISION REIMBURSEMENT
- 5. DEPENDENT/CHILD CARE (DAYCARE) REIMBURSEMENT
- 6. EMPLOYEE GROUP DENTAL
- 7. EMPLOYEE GROUP VISION
- 8. DENTAL: UNITED CONCORDIA DMO(1)
- 9. DENTAL: UNITED CONCORDIA DPO (1)
- 10. VISION: PACIFICARE (1)
- 11. CANCER/INTENSIVE CARE EXPENSE PROTECTION

NOTE: (1) Eligible employees in a classification represented by MEA are not eligible for the City's United Concordia Dental plans and PacificCare Vision plan. Employees in classifications represented by Local 127 and not currently enrolled in the City's dental plans are not eligible.

Each of these benefits is described in more detail in the Flexible Benefits Plan Summary for the Plan Year and in the respective plan documents or insurance contracts which are incorporated here by reference.

CONSTRUCTION

If the plan contains contradictory provisions or if there appears to be a conflict between its provisions, the following rules apply:

- (a) The interpretation that favors the Plan as a tax-free plan over any interpretation that might render the Plan taxable.
- (b) Subject to paragraph (a), the rules established by the Supreme Court of California for the construction of like instruments will apply.

PLAN PARTICIPANTS' RIGHTS

As a participant in the plan, you are entitled to examine, without charge, at the Plan Administrator's office all plan documents including insurance contracts; obtain copies of all Plan Documents (at a reasonable cost) and other Plan information upon request to the Administrator.

PLAN IS NOT AN EMPLOYMENT CONTRACT

This plan document is not a contract of employment. Neither the creation of the Plan nor any amendment to it gives any legal or equitable right to any person against the employer. Participation in the Plan does not give any member any right to continued employment.

PLAN ADMINISTRATOR

The Plan Administrator is the Director of the Risk Management Department or his designees. The address of the Plan Administrator is:

1200 Third Avenue, Suite 1000
San Diego, CA 92101
Telephone: (619) 236-5924

PLAN AMENDMENT OR TERMINATION

The City of San Diego reserves the right to amend the Plan from time to time if deemed necessary or appropriate to meet the requirements of the Internal Revenue Code and any similar provision of subsequent revenue or other laws or pursuant to negotiations with the Employee Groups; provided that no such modification or amendment shall make it possible for any benefit contributions or payment to be used for, or directed to, purposes other than for the exclusive benefit of participating employees and their beneficiaries under the Plan.

The City reserves the right to discontinue or terminate the Plan at the end of any Plan Year or in accordance with negotiations with the Employee Groups. Any such amendment, discontinuance or termination shall be effective on July 1 of any given year or such date that is agreed upon by the City and Employee Groups. No amendment, discontinuance or termination shall allow the return of funds to the City nor the use of any funds for any purpose other than for the exclusive benefit of participating employees and their beneficiaries.