(O-2010-48)

ORDINANCE NUMBER O- 19921 (NEW SERIES)

DATE OF FINAL PASSAGE JAN 2 2 2010

AN ORDINANCE AMENDING CHAPTER 2, ARTICLE 4, DIVISION 1 OF THE SAN DIEGO MUNICIPAL CODE BY AMENDING SECTION 24.1201 AND SECTION 24.1202 RELATING TO PENSION AND RETIREE HEALTH BENEFITS FOR GENERAL AND SAFETY MEMBERS OF THE RETIREMENT SYSTEM.

WHEREAS, from January 14, 2009 to April 14, 2009, the City negotiated terms and conditions of employment with its recognized employee organizations, pursuant to the provisions of the Meyers-Milias-Brown Act, at Government Code section 3500 *et seq.*; and

WHEREAS, upon reaching impasse with Local 127, American Federation of State, County, and Municipal Employees, and the San Diego Police Officers Association, the City Council adopted resolutions, R-304803 and R-304804, unilaterally implementing the City's last, best, and final offer, as permitted by Government Code section 3505.4 and City Council Policy 300-06; and

WHEREAS, by resolutions, R-304827, R-304828, and R-304829, adopted on April 21, 2009, the City Council approved tentative agreements with the San Diego Municipal Employees Association, Deputy City Attorneys Association, and Local 145, International Association of Fire Fighters; and

WHEREAS, San Diego Municipal Code section 24.1204 states that the funding of retiree health benefits will be paid by the City, directly, from any source available to it other than the City's retirement plan; and

WHEREAS, on June 16, 2009, the City Council adopted Ordinance No. O-19874, amending the San Diego Municipal Code, including sections 24.1201 and 24.1202, to codify the negotiated and imposed changes to the retiree health benefit; and

WHEREAS, this ordinance merely clarifies that the reduction in the retiree health benefit for those retiring on or after July 1, 2009, with at least ten years of Creditable Service, but less than twenty years of Creditable Service, does not apply to employees who retire pursuant to a disability retirement or an industrial disability retirement; and

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WHEREAS, this ordinance also clarifies that the suspension of the annual adjustment of the maximum payment or reimbursement level for Health Eligible Retirees, set forth at San Diego Municipal Code section 24.1202(a)(7), is applicable to unclassified General Members who are represented by the Deputy City Attorneys Association; and

WHEREAS, this ordinance is intended to codify the terms and conditions of employment for City employees, previously adopted by the City Council by resolutions on April 14, 2009 and April 21, 2009;

WHEREAS, this ordinance does not increase the benefits of any employee, legislative officer or elected official under the retirement system, which would necessitate a vote of qualified electors, within the meaning of City Charter section 143.1; and

WHEREAS, this ordinance does not affect the benefits of any employee under the retirement system, which would necessitate approval of a majority vote of the members of said system, pursuant to City Charter section 143.1; and

NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. That Chapter 2, Article 4, Division 12, of the San Diego Municipal Code is amended by amending section 24.1201, to read as follows:

## §24.1201 Designation of Benefit Classes and Eligibility

Separate retiree health benefits are offered, as follows:

- (a) A Health Eligible Retiree benefit is available to any General Member,Safety Member or Elected Officer who:
  - (1) was on the active City payroll on or after October 5, 1980; and
  - (2) was hired by the City before July 1, 2005; and
  - (3) retired on or after October 6, 1980, and
  - (4) is eligible for and is receiving a retirement allowance from the Retirement System.
  - (5) Notwithstanding, the definition of Health Eligible Retiree in subsection (a)(1) through (a)(4) above, effective July 1, 2009, General Members and Safety Members shall have at least ten years of Creditable Service to be eligible for the Health Eligible Retiree benefit when retiring with a service retirement. Upon a service retirement, with ten years of Creditable Service, General and Safety Members are eligible for fifty percent of the Health Eligible Retiree benefit, defined as the health insurance premium as provided in this Division. Upon a service retirement, with twenty years of Creditable Service, General and Safety Members are eligible for 100 percent of the Health Eligible Retiree benefit, defined as the health insurance premium as provided in this Division. The Health Eligible Retiree benefit for General and Safety Members, retiring with a service retirement with more than ten years of Creditable Service but less than twenty years of Creditable Service, shall be increased by five percent for each year of Creditable Service beyond ten years until the

benefit, defined as the health insurance premium, as provided in this Division, reaches the maximum of 100 percent at twenty years. The foregoing limitation on the Health Eligible Retiree benefit shall not apply to disability or industrial disability retirements. For purposes of the Health Eligible Retiree benefit, Creditable Service for General and Safety Members, who are unclassified or classified employees unrepresented by one of the City's recognized employee organizations, shall include all actual years employed by the City, and service purchased by a Member for periods of leave during employment including family or medical leave, temporary disability leave, or military leave, but shall not include any years of service purchased pursuant to San Diego Municipal Code section 24.1312, which authorizes certain Members to purchase up to five years of service not worked.

(b) – (f) [No change in text.]

Section 2. That Chapter 2, Article 4, Division 12, of the San Diego Municipal Code is amended by amending section 24.1202, to read as follows:

## §24.1202 Retiree Health Benefits Defined

- (a) (1)-(6) [No change in text.]
  - (7) Notwithstanding the provisions of Section 24.1202(a)(3), the annual adjustment of the maximum payment or reimbursement level for Health Eligible Retirees shall be suspended for the following members who are not Health Eligible Retirees as of July 1, 2009, for a

two-year period beginning July 1, 2009: (i) all General Members in the San Diego Municipal Employees' Association and the Deputy City Attorneys Association; (ii) all Safety Members in Local 145, International Association of Fire Fighters; and (iii) all unclassified or classified General or Safety Members unrepresented by any of the City's recognized employee organizations.

- (8) [No change in text.]
- (b) (c) [No change in text]

Section 3. That a full reading of this ordinance is dispensed with prior to its passage since a written copy was made available to the City Council and the public prior to the day of its passage.

Section 4. This ordinance shall take effect and be in force on the thirtieth day after its final passage.

APPROVED: JAN I. GOLDSMITH, City Attorney

Voan E. Dawson

Deputy City Attorney

JFD:cfq 08/12/09 Orig.Dept.:City Atty. O-2010-48 mms#10173

I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of  $\frac{\text{JAN}}{5}$   $\frac{5}{2010}$ .

City Clerk

By Clerk

Deputy City Clerk

JERRY SANDERS, Mayor

ELIZABETH S. MALAND

Vetoed: \_\_\_\_\_(date)

JERRY SANDERS, Mayor