

RESOLUTION NUMBER R- 306806

DATE OF FINAL PASSAGE MAY 18 2011

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN DIEGO APPROVING A TENTATIVE AGREEMENT BETWEEN THE CITY AND CERTAIN RECOGNIZED EMPLOYEE ORGANIZATIONS REGARDING MODIFICATIONS TO THE CITY'S RETIREE HEALTH BENEFITS.

WHEREAS, from February 2, 2011, until May 11, 2011, the Management Team of the City of San Diego (City) met and conferred with the San Diego Municipal Employees' Association (MEA); Local 127, American Federation of State, County, and Municipal Employees, AFL-CIO (AFSCME Local 127); San Diego City Firefighters, International Association of Fire Fighters, Local 145 (Firefighters Local 145); California Teamsters Local 911 (Teamsters); and the Deputy City Attorneys Association (DCAA) regarding modifications to the retiree health benefits for employees represented by MEA, AFSCME Local 127, Firefighters Local 145, Teamsters, and DCAA; and

WHEREAS, the Meyers-Milias-Brown Act (MMBA), at California Government Code sections 3500 through 3511, is the state law that governs labor relations between the City and its represented employees in the City's recognized employee organizations, including MEA, AFSCME Local 127, Firefighters Local 145, Teamsters, and DCAA; and

WHEREAS, the MMBA requires the City to engage in collective bargaining with its recognized employee organizations, including MEA, AFSCME Local 127, Firefighters Local 145, Teamsters, and DCAA in an effort to reach agreement on terms and conditions of employment, including the retiree health benefits; and

WHEREAS, California Government Code section 3505.1 provides if agreement is reached by the designated representatives of the City, referred to as the City's Management Team, and a recognized employee organization, the City's Management Team and the recognized employee organization shall jointly prepare a written memorandum of understanding (MOU), which shall not be binding, until approved by the San Diego City Council (City Council), and present the MOU to the City Council, as the governing body, for determination; and

WHEREAS, on May 6, 2011, the City's Management Team and representatives of MEA and Firefighters Local 145 reached a tentative agreement (Tentative Agreement) on modifications to the retiree health benefits, subject to the conditions set forth in the Tentative Agreement, including ratification and approval of the Tentative Agreement by members of MEA and Firefighters Local 145, preparation of a fifteen-year MOU and presentation of that MOU to the City Council for determination pursuant to Council Policy 300-06, and a San Diego Charter (Charter) section 143.1 vote of active employees who are Members of the City's Retirement System, as defined by the Charter and San Diego Municipal Code (Municipal Code); and

WHEREAS, on May 10, 2011, the City's Management Team and representatives of Teamsters reached the Tentative Agreement, subject to the conditions set forth in it, including ratification and approval of the Tentative Agreement by members of Teamsters, preparation of a fifteen-year MOU and presentation of that MOU to the City Council for determination pursuant to Council Policy 300-06, and a Charter section 143.1 vote of active employees who are Members of the City's Retirement System, as defined by the Charter and Municipal Code; and

WHEREAS, on May 11, 2011, the City's Management Team and representatives of AFSCME Local 127 and DCAA reached the Tentative Agreement, subject to the conditions set forth in it, including ratification and approval of the Tentative Agreement by members of AFSCME Local 127 and DCAA, preparation of a fifteen-year MOU and presentation of that MOU to the City Council for determination pursuant to Council Policy 300-06, and a Charter section 143.1 vote of active employees who are Members of the City's Retirement System, as defined by the Charter and Municipal Code; and

WHEREAS, under the terms of the Tentative Agreement, the City has agreed to allow the Members of the City's Retirement System to vote upon the agreed-upon modifications to the retiree health benefit, under Charter section 143.1, even though the City maintains that a Charter section 143.1 vote is not legally required; and

WHEREAS, because the Tentative Agreement will be memorialized in a fifteen-year MOU, subject to the agreed-upon conditions, including the ability to reopen the MOU after a specified period of time, the City Council must approve this Tentative Agreement and the MOU by a two-thirds vote of the entire City Council, pursuant to Charter section 11.2; and

WHEREAS, the Tentative Agreement is further subject to approval by the City Council, as provided by the MMBA, specifically California Government Code section 3505.1, and Council Policy 300-06; and

WHEREAS, it is the desire of the City Council that the terms set forth in the Tentative Agreement, on file in the Office of the City Clerk as Document No. R-306806, be documented in an MOU and brought before the Council at a later date for final determination; and

WHEREAS, the City Council determines that it is in the best interests of the City to enter into this Tentative Agreement because it reduces the cash flow pressure on the City's General Fund associated with the City's annual PAY GO expense for the retiree health benefit currently in effect for active employees hired prior to July 1, 2005, reduces the unfunded actuarial accrued liability associated with this benefit, reduces the annual required contribution, and provides a sustainable framework for a modified and secure retiree health benefit; and

WHEREAS, the City Council desires to approve the terms set forth in the Tentative Agreement, so long as this approval is contingent upon and subject to: (1) ratification and approval of the Tentative Agreement and MOU by a simple majority of members of each employee organization that is a party to the agreement, specifically, MEA, AFSCME Local 127, Firefighters Local 145, Teamsters, and DCAA; (2) preparation by the City's Management Team and MEA, AFSCME Local 127, Firefighters Local 145, Teamsters, and DCAA representatives of an MOU and jointly bringing the MOU forward at a later date for final determination by the City Council; (3) preparation of any necessary ordinances and plan and trust documents, and presentation of those ordinances and documents to the City Council for determination; and (4) approval of the modifications to the retiree health benefits set forth in the Tentative Agreement by a majority vote of the Members of the Retirement System under Charter section 143.1; and

WHEREAS, it is the intent of the City Council to extend the terms and conditions of the Tentative Agreement to those classified and unclassified City employees who are not represented by an employee organization; NOW, THEREFORE,

BE IT RESOLVED that, pursuant to the authority of the MMBA and Council Policy 300-06, the Council of the City of San Diego approves the Tentative Agreement between the City and MEA, AFSCME Local 127, Firefighters Local 145, Teamsters, and DCAA, on file with the Office of the City Clerk, as Document No. RR-306806; such approval being contingent upon and subject to ratification and approval of a simple majority of members of each employee organization that is a party to the Tentative Agreement, specifically, MEA, AFSCME Local 127, Firefighters Local 145, Teamsters, and DCAA.

BE IT FURTHER RESOLVED that the City Council directs the City's Management Team to jointly prepare with representatives of MEA, AFSCME Local 127, Firefighters Local 145, Teamsters, and DCAA the written MOU and present it to the City Council at a later date for final determination.

BE IT FURTHER RESOLVED that the City Council directs the City Attorney to draft all necessary ordinances and trust and plan documents and present them to the City Council at a later date for final determination; approval of those ordinances and trust and plan documents will be subject to and contingent upon approval of the retiree health modifications by a majority vote of the Members of the City's Retirement System under Charter section 143.1, as set forth in the Tentative Agreement.

APPROVED: JAN I. GOLDSMITH, City Attorney

By Joan F. Dawson  
Joan F. Dawson  
Deputy City Attorney

JFD:ccm  
5/6/2011  
Or.Dept:Human Resources

I hereby certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of **MAY 13 2011**

ELIZABETH S. MALAND  
City Clerk

By [Signature]  
Deputy City Clerk

Approved: 5-18-11  
(date)

[Signature]  
JERRY SANDERS, Mayor

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

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JERRY SANDERS, Mayor