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6/10/14
(O-2014-21)
~~# 55~~
~~5-13-14~~

ORDINANCE NUMBER 0-20375

DATE OF FINAL PASSAGE JUN 23 2014

AN ORDINANCE APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SAN DIEGO AND THE SAN DIEGO CITY EMPLOYEES' RETIREMENT SYSTEM REGARDING SDCERS' CONTINUED PROCESSING OF THE CITY'S RETIREE AND POST-EMPLOYMENT HEALTH BENEFITS, AND AUTHORIZING THE MAYOR TO SIGN THE MEMORANDUM OF UNDERSTANDING.

WHEREAS, the City of San Diego is the plan sponsor of the defined benefit retirement plan established under San Diego Charter section 141 through 149 (Retirement Plan); and

WHEREAS, the San Diego City Employees' Retirement System (SDCERS) is the administrator of the Retirement Plan; and

WHEREAS, SDCERS has a fiduciary duty to ensure that the trust funds it administers are used only to pay retirement benefits to the SDCERS members and beneficiaries, and reasonable expenses related to administering those benefits; and

WHEREAS, the City's retiree health benefits (for eligible members who retired before April 1, 2012) and post-employment health benefits (for eligible members who retire on or after April 1, 2012) are not "retirement benefits" under the Retirement Plan; and

WHEREAS, SDCERS therefore cannot use retirement trust funds to pay the costs of administering the City's retiree health and post-employment health benefits; and

WHEREAS, SDCERS bills the City separately for all administrative costs it incurs in processing the retiree health and post-employment health benefits; and

WHEREAS, SDCERS has requested that the City enter into a Memorandum of Understanding (MOU) covering SDCERS' processing of the City's retiree health and post-employment health benefits; and

WHEREAS, SDCERS has requested that the MOU also cover SDCERS' provisions of information to the City, which enable the City to identify employees as they reach retirement eligibility, thus triggering the City's obligation to fund the retiree medical trust accounts of employees who elected Option C under the post-employment health program; and

WHEREAS, the MOU proposed by SDCERS provides that the City will defend and indemnify SDCERS if SDCERS receives a claim, is sued, or has a judgment rendered against it as a result of its actions in processing the City's retiree health and post-employment health benefits; and

WHEREAS, this indemnity provision is necessary, because SDCERS is legally prohibited from using retirement trust funds to defend against a claim or pay a judgment arising from its processing of non-Retirement Plan benefits, such as the City's retiree health and post-employment health benefits; NOW, THEREFORE,

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

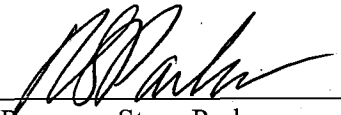
Section 1. That the Council of the City of San Diego (City Council) approves the Memorandum of Understanding (MOU) between the City and SDCERS, regarding SDCERS' processing of the City's retiree health and post-employment health benefit programs, and the enrollment of retirees into City-sponsored health insurance plans, under the terms set forth in the MOU on file in the Office of the City Clerk as Document No. 00-20375.

Section 2. That the City Council authorizes the Mayor or his designee to sign the MOU.

Section 3. That a full reading of this ordinance is dispensed with before its passage, a written or printed copy having been made available to the City Council and the public before the day of its passage.

Section 4. That this ordinance will take effect and be in force on the thirtieth day after its final passage.

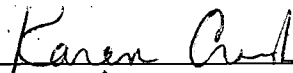
APPROVED: JAN I. GOLDSMITH, City Attorney

By 
Roxanne Story Parks
Deputy City Attorney

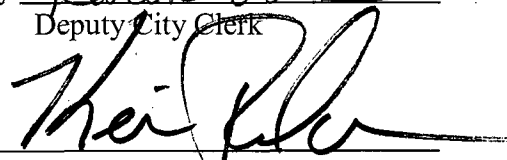
RSP:ccm
07/08/2013
Or.Dept:Risk Management
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I certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of JUN 10 2014

ELIZABETH S. MALAND
City Clerk

By 
Deputy City Clerk

Approved: 6/19/2014
(date)


Mayor

Vetoed: _____
(date)

Mayor

Passed by the Council of The City of San Diego on JUN 10 2014, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Sherri Lightner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ed Harris	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Todd Gloria	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Myrtle Cole	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Kersey	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lorie Zapf	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scott Sherman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
David Alvarez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marti Emerald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Date of final passage JUN 23 2014

AUTHENTICATED BY:

KEVIN L. FAULCONER
Mayor of The City of San Diego, California.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By Mary Hernandez, Deputy

I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on

MAY 13 2014, and on JUN 23 2014

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

(Seal)

ELIZABETH S. MALAND
City Clerk of The City of San Diego, California.

By Mary Hernandez, Deputy

<p>Office of the City Clerk, San Diego, California</p> <p>Ordinance Number O- <u>20375</u></p>
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