

**ADOPTION AGENDA, CONSENT ITEMS**  
**ORDINANCES TO BE INTRODUCED:**

- \* **ITEM-53:** Approval of Ordinance amending the San Diego Municipal Code related to FY 2003 Negotiated Retirement **Benefit Enhancements.**

**CITY MANAGER'S RECOMMENDATION:**

**Introduce** the following ordinance:

(O-2003-67)

Introduction of an Ordinance amending Chapter II, Article 4 of the San Diego Municipal Code by amending Division 2 by amending Section 24.0201; by amending Division 3 by amending Section 24.0301; by amending Division 4 by amending Section 24.0402; by amending Division 5 by amending Section 24.0501; by amending Division 8 by amending Section 24.0801, and by Renumbering Section 24.0803 as Section 24.0802; by amending Division 12 by amending Sections 24.1201, 24.1202, 24.1203 and 24.1204; by amending Division 15 by amending Section 24.1507; all relating to the San Diego City Employees' Retirement System.

**CITY MANAGER SUPPORTING INFORMATION:**

Pursuant to the recently negotiated Memoranda of Understanding and associated agreements with the Fire Fighters Local 145, Municipal Employees Association (MEA), AFSCME Local 127 and the Police Officers Association (POA) the City agreed to implement a number of revisions to Retirement Benefits as defined in the San Diego Municipal Code. Those benefit enhancements

and associated San Diego Municipal Code amendments are summarized below:

**Presidential Leave** - Amends Sections 24.0201 and 24.0301 to provide that a member serving as the duly elected president of a recognized employee labor organization may continue participating in the Retirement System consistent with the governing Memorandum of Understanding (MOU) between the City and his/her employee organization.

**Retirement Benefit Factor increase** - Amends Section 24.0402 to reflect the new retirement factor (2.5% at 55) available to General Members, as well as the 90% cap on benefits and exceptions to the cap that accompany the new retirement factors.

**Stress Disability Benefit Extension** - Amends Section 24.0501 to extend the benefit for Members who suffer mental disabilities due to a violent attack in the workplace, from July 1, 2002 to July 1, 2005.

**CERS Contribution Agreement** - Amends Section 24.0801 to state that the City's contributions to the Retirement System will be based on the terms of a Memorandum of Understanding between the City and the San Diego City Employees Retirement System (SDCERS).

**Retiree Health Benefits** - Amends Section 24.1202 to reflect the agreed upon reimbursement levels for Health Eligible Retirees.

**Employer Offsets** - Amends Section 24.1507 to allow payment of the negotiated offsets to employee contributions from the Employee Contribution Reserve; also amends Section 24.1507 to describe more clearly the terms of the Employee Contribution Rate Reserve.

Once approved by City Council, these benefits will be submitted to members of the City Employees' Retirement System (CERS), and will be enacted upon an affirmative vote of the members. This election is tentatively slated for the last week of November, 2002.

**FISCAL IMPACT:**

Cost of \$4.79M for 2.5% at 55 benefit enhancement (\$2.26M General Fund; \$2.53M Non-General Fund). Costs of \$11.34M for Retiree Health Benefits (from CERS 401 (h) & 115 Health Trust Reserves); and \$3.24M for Employee Offsets (from CERS Employee Contribution Rate Reserve) were approved by Council July 30, 2002.

Lexin/Kelly