

## **Side Letter of Agreement**

### **City of San Diego And San Diego Municipal Employees' Association**

**April 17, 2014**

Pursuant to the provisions of the Meyers-Milias-Brown Act ("MMBA"), this Side Letter of Agreement is entered into on April 17, 2014, between the City of San Diego ("City") and San Diego Municipal Employees' Association ("MEA") ("Side Letter Agreement") as an amendment to the Memorandum of Understanding (MOU) effective FY14-FY18. MEA and the City are collectively referred to herein as the "parties." It is understood and agreed that the specific provisions contained in this Side Letter Agreement shall supersede any previous agreements, whether oral and written, regarding the matters contained herein. Except as provided herein, all wages, hours and other terms and conditions of employment presently enjoyed by MEA in the MOU shall remain in full force and effect.

The City and MEA have met and conferred in good faith concerning the terms and conditions of this Side Letter Agreement and its implementation. Having identified and considered certain administrative and tax consequences associated with the provision for voluntary employee contributions to SPSP-H, the parties agree that it is in the best interest of represented employees and the City to amend Article 21, Sections B. 4. and B. 5. of this MOU by replacing these sections in their entirety as follows so that Hourly Employees will enjoy the same savings opportunity but on a pre-tax basis:

#### **B. Furlough and Pay Deductions.**

4. Effective July 1, 2014, there will be the following Furlough and Pay Deduction modifications:
  - a. Eliminate the remaining 26 hours of mandatory furlough for all classifications.
  - b. The remaining 1.25% pay deduction for Hourly employees will be eliminated and the City will begin making an additional .5% contribution to SPSP-H for each Hourly employee which the employee is not required to match. The total required City contribution for Hourly employees will be 4.25% effective July 1, 2014. Hourly employees will not be permitted to make voluntary post-tax contributions to SPSP-H; however, these Hourly employees are permitted to make voluntary, pre-tax contributions to the City's 401(k) Plan.
5. Effective July 1, 2015, the City will begin making an additional 1.75% contribution to SPSP-H for each Hourly employee which the employee is not required to match. The total required City contribution for Hourly employees will

be 6% effective July 1, 2015. Hourly employees will not be permitted to make voluntary post-tax contributions to SPSP-H; however, these Hourly employees are permitted to make voluntary, pre-tax contributions to the City's 401(k) Plan.

In furtherance of this amendment, the parties also agree that Article 51, Section B, subsection 2 shall be amended as follows to confirm that Hourly Employees may participate in the City's 401(k) Plan:

**B. 401(k).**


2. All part-time benefitted and Hourly employees shall be eligible to participate in the 401(k) Plan that is offered to full-time benefitted employees.

**San Diego Municipal Employees' Association**

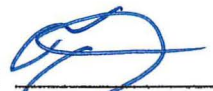
Date: 4-17-14

By:   
Mike Zucchet, General Manager

Date: 4-17-14


By:   
Bob Cronk, President

**City of San Diego**

Date:  May 28, 2014

By:   
[Name] Timothy Davis

Date: 5-28-14

By:   
[Name] Judy von Kalinowski

RESOLUTION NUMBER R- 309035  
DATE OF FINAL PASSAGE JUN 25 2014

A RESOLUTION OF THE COUNCIL OF THE CITY OF  
SAN DIEGO APPROVING AN AMENDMENT TO THE CITY'S  
SUPPLEMENTAL PENSION SAVINGS PLAN H.

WHEREAS, on October 1, 2013, the San Diego City Council (Council) adopted San Diego Resolution R-308481 (Oct. 15, 2013), approving a Memorandum of Understanding (MOU) between the City of San Diego (City) and the San Diego Municipal Employees' Association (MEA), regarding terms and conditions of employment for Fiscal Years 2014 through 2018; and

WHEREAS, also on October 1, 2013, the Council adopted San Diego Resolution R-308479 (Oct. 15, 2013), approving an MOU between the City and the California Teamsters Local 911 (Local 911), regarding terms and conditions of employment for Fiscal Years 2014 through 2018; and

WHEREAS, the MOU between the City and MEA (MEA MOU) provides, among other things, that the City will increase its contribution to the Supplemental Pension Savings Plan H (SPSP-H) on behalf of hourly employees represented by MEA from 3.75% of the employee's compensation to 4.25% of the employee's compensation beginning July 1, 2014; and

WHEREAS, the MEA MOU also provides the City will increase its contribution to SPSP-H on behalf of MEA-represented hourly employees to 6% of the employee's compensation beginning July 1, 2015; and

WHEREAS, the MOU between the City and Local 911 (Local 911 MOU) similarly provides, among other things, that the City will increase its contribution to SPSP-H on behalf of hourly employees represented by Local 911 from 3.75% of the employee's compensation to 4.25% of the employee's compensation beginning July 1, 2014; and

WHEREAS, the Local 911 MOU also provides the City will increase its contribution to SPSP-H on behalf of Local 911-represented hourly employees to 6% of the employee's compensation beginning July 1, 2015; and

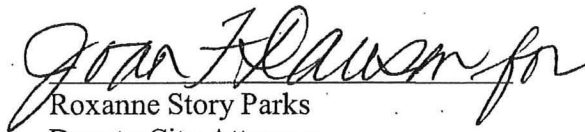
WHEREAS, the City sponsors and maintains the City of San Diego Supplemental Pension Savings Plan H, as amended and restated on October 2, 2012; and

WHEREAS, it is now necessary to amend and restate the SPSP-H Plan to provide for the negotiated increases in City contributions to SPSP-H on behalf of MEA and Local 911-represented hourly employees; NOW, THEREFORE,

BE IT RESOLVED, that the Council of the City of San Diego approves the Amendment to the City of San Diego Supplemental Pension Savings Plan H, which is on file in the Office of the City Clerk as Document number RR- 309035.

APPROVED: JAN I. GOLDSMITH, City Attorney

By:

  
Roxanne Story Parks  
Deputy City Attorney

RSP:ccm  
06/12/2014 COR. COPY  
04/02/2014  
Or.Dept:Risk Mgmt.  
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I certify that the foregoing Resolution was passed by the Council of the City of San Diego, at this meeting of JUN 16 2014.

ELIZABETH S. MALAND  
City Clerk

By Karen Orest  
Deputy City Clerk

Approved: 6/25/2014  
(date)

[Signature]  
KEVIN L. FAULCONER, Mayor

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

\_\_\_\_\_  
KEVIN L. FAULCONER, Mayor

Passed by the Council of The City of San Diego on JUN 16 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input 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 25 2014

(Please note: When a resolution is approved by the Mayor, the date of final passage is the date the approved resolution was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

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

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

(Seal)

By Karen Cook, Deputy

Office of the City Clerk, San Diego, California

Resolution Number R- 309035