

CITY'S LAST BEST AND FINAL OFFER TO DEFINE THE STATUS QUO FOR FY2010

SDPOA

April 8, 2009

PROPOSAL	PROPOSED LANGUAGE CHANGE TO OPERATING PROCEDURES
<p>TERM: The current terms and conditions of employment as reflected in the prior MOU will continue for FY2010, except as modified by the terms set forth below.</p>	<p>ARTICLE 4: <u>The term of these Operating Procedures shall begin at 12:01 a.m. on July 1, 2009; provided, however, that the effective date of all changes affecting payroll shall be July 4, 2009.</u></p>
<p>DROP:</p> <ol style="list-style-type: none"> 1. Provide notice that the City intends to negotiate over the elimination of any element of DROP that a court of competent jurisdiction or PERB determines is a mandatory subject of meet and confer under the MMBA. 2. Acknowledge that the City will negotiate the impact, if any, resulting from the City's definition of DROP's "cost neutrality". 3. Change eligibility age to enter the DROP program from 50 to 55 for safety members and 55 to 60 for general members, effective July 1, 2009. 4. Reduce DROP interest rate from 7.75% to 3.54% effective July 1, 2009; and effective July 1, 2009, interest will be credited to the Member's DROP account at a rate determined by the SDCERS Board. 5. Eliminate DROP annuity option for any unit member who has not yet entered the DROP program by July 1, 2009. 	<p>ARTICLE 44 (NEW SECTION): <u>2009 Benefit Changes</u> <u>Effective July 1, 2009, a unit safety member must be age 55 or older and a unit general member must be age 60 or older to participate in DROP.</u></p> <p><u>The DROP annuity option will be eliminated for all employees who enter DROP on or after July 1, 2009 when a unit member transitions from DROP-active status to DROP-retired status.</u></p> <p><u>The City will negotiate with SDPOA on the impacts, if any, that result from the City defining DROP's "cost neutrality." The City will also negotiate over the elimination of any element of DROP to the extent any court of competent jurisdiction or PERB decides that DROP is a mandatory subject for meet and confer under the MMBA.</u></p> <p><u>Effective July 1, 2009, interest will be credited to the Member's DROP account at a rate determined by the SDCERS Board</u></p>
<p>PENSION BENEFIT CHANGES: Change City's core pension benefit formula for new Safety members hired on or after 7/1/09 from 3% at 50 to 3% at 55.</p>	<p>ARTICLE 44 (NEW SECTION): <u>The only service retirement allowance calculation formula for Safety Member employees hired on or after July 1, 2009, will be 3.0% at age 55, with the existing tiers for the formula. Chapter 2 Article 4, Division 4 of the Municipal Code will be revised to reflect this change. For employees hired before July 1, 2009, the retirement allowance calculation formula will remain as currently provided under Chapter 2 Article 4, Division 4 of the Municipal Code.</u></p>

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<p>RETIREE MEDICAL:</p> <ol style="list-style-type: none"> Increase service eligibility standards for City service from 5 to 10 years for 50% benefits, and from 10 to 20 years for 100% benefits. Freeze the City contribution at FY2009 level for current employees at \$740/month and \$8880 /year. Adopt a defined contribution medical plan for those unit members more than seven (7) years from retirement and funded by the City at a level calculated to provide a payment at the \$8,880 per year level. The City's contributions to the plan will begin no later than June 30, 2010 and the City will meet and confer over any additional subjects of bargaining. 	<p>ARTICLE 44 (NEW SECTION): <u>2009 Benefit Changes</u> <u>Unit members who retire on or after July 1, 2009, must have 20 years of service with the City of San Diego to receive 100% of the retiree health benefit and 10 years of service with the City of San Diego to receive 50% of the retiree health benefit. The maximum benefit for any employee who becomes a "Health-Eligible Retiree" on or after July 1, 2009 shall be \$740 per month. The definition of "Health-Eligible Retiree" in Sections 24.0103 and 24.1201 of the Municipal Code will be revised to reflect these changes.</u></p> <p><u>Effective no later than June 30, 2010, the City will adopt a defined contribution medical plan for all unit members who are more than seven years from retirement eligibility on July 1, 2009. The City will meet and confer over any additional subjects of bargaining. Retirement eligibility shall be defined as including both age and length of service eligibility as defined by SDCERS. The City will fund the plan at a level sufficient to provide an annual payment at least comparable to the FY2009 payment.</u></p>
<p>SALARY SCHEDULE: The salary schedule for FY10 shall be reduced by 1.5% from FY09 schedule.</p>	<p>ARTICLE 25, SECTION A: <u>Effective July 1, 2009, the salary schedule shall be reduced by 1.5% for Fiscal Year 2010.</u></p>
<p>SDCERS Pick-Up: Eliminate City's 4.1% pick-up of SDCERS employee contribution.</p>	<p>ARTICLE 44 (NEW SECTION): <u>2009 Benefit Changes</u> <u>Effective July 1, 2009, the City's offset or "pick-up" of employee pension contributions for employees in SDPOA-represented bargaining unit shall be eliminated.</u></p>
<p>FLEX BENEFITS:</p> <ol style="list-style-type: none"> Reduce City's contribution to the lowest paid HMO. Convert the Flex allotment for each tier from a percentage to a specific dollar amount. Eliminate Hyatt Legal plan for the current list of employee-paid benefit options. 	<p>ARTICLE 13: <u>Beginning July 1, 2009, the contribution levels for the City's Flex Plan shall be:</u> <u>Cash-in-lieu health waiver: \$1,500</u> <u>Employee only: \$3,837</u> <u>Employee + spouse/domestic partner: \$6,280</u> <u>Employee + child: \$5,814</u> <u>Employee + children: \$5,814</u> <u>Employee + spouse/domestic partner + children: \$7,588</u> The employee must select health insurance unless</p>

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	<p>he/she has other comprehensive health insurance. With remaining FBP monies, eligible employees may select from other optional benefits including dental, vision, cancer/intensive care protection, 401(k), Dental/Medical/Vision (“DMV”) and Dependent Care reimbursement and/or cash payment.</p> <p><u>Effective in plan year 2010, the Hyatt Legal Plan will be eliminated as benefit options.</u></p>
<p>PRESIDENTIAL LEAVE: Eliminate City-paid Presidential Leave.</p>	<p>ARTICLE 65, SECTION 1: <u>Effective July 1, 2009, the Presidential Leave Program (City-paid Presidential Leave) for the President of POA shall be eliminated.</u></p>
<p>LONG TERM DISABILITY: Reopen meet and confer when the City proposes a modified LTD plan.</p>	<p>ARTICLE 45 (NEW SECTION): <u>When the City proposes a revised LTD plan, the parties shall reopen negotiations on this subject.</u></p>
<p>TERMINAL LEAVE: Eliminate terminal leave.</p>	<p>ARTICLE 19: <u>Effective July 1, 2009, Terminal Leave will be eliminated and leave balances for terminating employees will be cashed-out at the time of termination or retirement.</u></p>
<p>BEREAVEMENT LEAVE: Require that proof of death be provided in order to receive Bereavement Leave.</p>	<p>ARTICLE 69: Effective July 1, 2006 <u>2009</u>, an employee who misses a work shift to attend to the death of an employee’s spouse, father, mother, brother, sister, son, daughter (including step-, foster, or adopted), or state-registered domestic partner, will receive up to three days of paid bereavement leave, but not to exceed 36 hours of paid time. The paid bereavement leave benefit is limited to one eligible death per fiscal year. The City can <u>will</u> require proof of the death as a condition of this payment. <u>Proof of death, including but not limited to, death certificate, obituary or funeral notice, must be provided in order to receive Bereavement Leave.</u> The bereavement leave shall be in addition to the employee’s Annual Leave.</p>
<p>USE OF CITY EMAIL: Limit SDPOA use of City email to business with City representatives and for brief notices to SDPOA-represented employees of an announcement on the SDPOA website.</p>	<p>ARTICLE 71 (NEW ARTICLE): <u>SDPOA may use the City’s email system to direct employees to information contained on the SDPOA website. No further use or access of the City’s email system is authorized unless such use pertains directly to the Employer-Employee relationship. Examples of this relationship include but are not limited to: communicating with</u></p>

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	<p><u>management or Labor Relations, responding to disciplinary actions or appeals, submitting grievances, and communicating a tentative agreement for ratification purposes.</u> SDPOA agrees to comply with all City policies on the use of City resources.</p>
<p>UNIFORMS AND SAFETY EQUIPMENT: Amend the current SDPOA MOU, Article 26, to include an initial uniform allowance and maintenance compensation.</p>	<p>ARTICLE 26 (NEW SECTION): In addition to the uniform allowance and equipment allowance set out in II.B above, any sworn officer appointed to the Color Guard Team will be compensated \$800.00 for the initial purchase of the necessary Color Guard uniform items.</p> <p>In addition to the initial \$800.00 uniform allowance, all members of the color guard team in good standing will receive a \$200.00 annual uniform maintenance fee in addition to the annual Department Uniform reimbursement each September. However, no Color Guard member shall receive the \$200.00 uniform maintenance within 12 months of receiving the initial \$800.00 uniform compensation</p>
<p>BILINGUAL PAY:</p>	<p>ARTICLE 16: Approval for bilingual pay testing of an employee will be authorized based on the discretion of the departmental appointing authority, when determining the number of dedicated employees needed for a specific language.</p>