

SIDE LETTER AGREEMENT BETWEEN THE CITY OF SAN DIEGO AND  
THE SAN DIEGO POLICE OFFICERS ASSOCIATION, REGARDING PAYMENT OF INTEREST TO THE SAN  
DIEGO CITY EMPLOYEES' RETIREMENT SYSTEM

Pursuant to the provisions of the Meyers-Miliias-Brown Act (MMBA) and Council Policy 300-06, this Side Letter Agreement (Agreement) related to the payment of interest to the San Diego City Employees' Retirement System (SDCERS) is made and entered into between the City of San Diego (City) and the San Diego Police Officers Association (POA), to amend Article 53 of the Memorandum of Understanding (MOU) between the City and POA approved by San Diego Resolution R-314185 dated June 23, 2022. The City and POA are collectively referred to as the "Parties."

The City proposes, effective July 1, 2023, to indemnify an Eligible Employee for any interest charges associated with the underpayment or overpayment of interests related to SDCERS contributions as a result of an error by SDCERS or City staff.

For purposes of this Side Letter Agreement, "Eligible Employee" includes all POA-represented employees who are on City payroll on or after July 1, 2023 regardless of their employment status (i.e., active, separated, DROP, DROP Extension, or retired) and receive an SDCERS' correction letter on or after July 1, 2023, in connection with the underpayment of contributions or the overpayment of pension benefits as a result of an error by SDCERS or City employee.

Therefore, the Parties agree as follows:

1. The Parties have satisfied all obligations under the MMBA, Council Policy 300-06, and other applicable law and regulations to meet and confer in good faith on the subject of this Agreement.
2. The Parties agree to amend Article 53 of the MOU by adding a new Section D, as follows:

"E. Payment of Interest on Errors by SDCERS or City

1. For purposes of this section, "Eligible Employee" includes all POA-represented employees who are on City payroll on or after July 1, 2023 regardless of their employment status (i.e., active, separated, DROP, DROP Extension, or retired) and receive an SDCERS' correction letter on or after July 1, 2023, in connection with the underpayment of contributions or the overpayment of pension benefits as a result of an error by SDCERS or City employee.
2. SDCERS will not charge interest in its initial corrections letter to an Eligible Employee notifying them of the underpayment of contributions or overpayment of pension benefits. The City will indemnify an Eligible Employee for any interest that may have accrued on underpaid contributions or overpaid pension benefits, unless the City determines the Eligible Employee was responsible for the error causing the underpayment or overpayment.
3. The City's obligation under this section relates solely to the interest accrued on any underpaid contributions or overpaid pension benefits through the time of SDCERS' initial corrections letter to an Eligible Employee. The amount the Eligible Employee owes SDCERS for the principal amount of any

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underpaid contributions or overpaid pension benefits is solely the responsibility of the Eligible Employee and will not be reimbursed by the City.

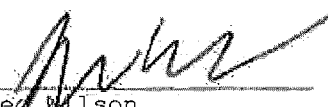
4. Any additional interest accruing due to the Eligible Employee's failure to make timely payments, decision to enter into a repayment plan, or other reasons at their discretion, will be the Eligible Employee's responsibility.
  5. Interest payments made by the City to SDCERS under this section will be treated as employer contributions.
  6. The provisions of this section do not limit or supersede any Eligible Employee's right to challenge SDCERS's determination that an underpayment of contribution or overpayment of pension benefits has occurred or otherwise limit or supersede the Eligible Employee's right to challenge, on any available legal or equitable ground, SDCERS's demand for payment of the principal amount or any interest the City declines to pay."
3. Unless expressly covered in this Agreement, all wages, hours and other terms and conditions of employment presently enjoyed by POA-represented employees, whether stated in an MOU, Personnel Regulation, Administrative Regulation or in any other enforceable document, remain in full force and effect.
  4. This Agreement is not binding on the Parties until it is approved by a two-thirds vote of the City Council, in accordance with San Diego Charter section 11.2.

This Agreement is executed by the following authorized representatives of each party:

For Local POA


By:   
Bradley Fields  
Lead Negotiator

Date: 4/25/2023


By:   
Jared Wilson  
President

Date: 4/25/2023


For the City of San Diego

By:   
Timothy Davis  
Lead Negotiator

Date: June 7, 2023

By:   
Abby Jarl-Veltz  
Assistant Human Resources  
Director

Date: June 13, 2023

By:   
For Dianne Mitra  
Senior Human Resources Officer

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Date: June 13, 2023

Approved as to form this 17<sup>th</sup> day of June, 2023.

MARA W. ELLIOTT, City Attorney

By: 

Tom Brady

Deputy City Attorney