

Term Sheet for Agreement Between The City and MEA, AFSCME Local 127, DCAA

▶ No Charter Amendment

▶ MEA, AFSCME Local 127 and DCAA will sign (and thereafter ratify if appropriate on an expedited basis before July 28, 2008) an MOU, MOA or equivalent legal instrument embodying these terms for tentative adoption by Council on 7/22/08, and, thereafter, by formal Resolution on July 28, 2008, or other mutually agreeable date (making the agreement final and binding), with an implementing Ordinance amending the SDMC to follow.

▶ New Pension Formula for Non-Safety General Member Employees hired on and after 7/1/09:

55:	1.00%
56:	1.25%
57:	1.65%
58:	1.758%
59:	1.874%
60:	2%
61:	2.12%
62:	2.24%
63:	2.36%
64:	2.46%
65:	2.6%

▶ An 80% cap will apply to this defined benefit plan.

▶ FAC will be based on the highest 3 years of pensionable compensation during the Employee's employment (a "year" will be defined as it is presently in the SDMC).

▶ Contribution Rates will be set by SDCERS and its actuary for both the City and Employees (estimated by the parties to be a normal cost for each of 7.5%).

◇ SDCERS and its actuary will determine whether a flat or age-based employee contribution is appropriate.

◇ The parties understand and agree that they are not establishing contribution rates by this agreement and that doing so is a matter solely within the plenary authority of SDCERS. To the extent contribution rates are referenced in this term sheet, it is solely for the purpose of estimating the likely savings to the City in the future as a result of this new pension plan and for the purpose of negotiating the terms of such a new plan.

▶ A new defined contribution plan will be established by the City as plan sponsor and codified in the SDMC. This DC plan will be administered by SDCERS with a mandatory City contribution of 1% and a mandatory matching Employee contribution of 1%. Additional voluntary Employee contributions (with no Employer match) will be permitted to the extent otherwise allowed by law.

▶ A .25% mandatory City contribution and a matching mandatory .25% Employee contribution will be paid into a Retiree Medical Trust.

- ▶ The City agrees to pay the reasonable costs associated with establishing such a Retiree Medical Trust and will engage in further meet and confer to determine collaboratively the details related to (1) the manner and means of administering such a Trust, and (2) the nature and scope of the benefits to be available and on what terms. Additional voluntary Employee contributions (with no Employer match) will be permitted to the extent otherwise allowed by law.
- ▶ The City's current 401(k) and 457 Plans will remain available to employees covered by this new plan on the same terms as are available to employees not covered by this new pension plan.
- ▶ Employees covered by this new plan will not participate in SPSP.
- ▶ The parties agree that this agreement resolves all issues related to a new employee pension plan and a proposed ballot measure. Accordingly, each party waives the right to challenge the proceedings that led to this agreement through PERB or in any other forum.
- ▶ This agreement does not waive or affect in any way the parties' rights as to other issues related to the 2008 labor negotiations. This agreement cannot be used as evidence in any such claim before PERB or any other legal proceeding.


The undersigned authorized representatives of each party agree to the above-delineated terms and agree to support and recommend ratification by their respective memberships, as well as approval by the City's governing body, which the parties agree will be accomplished on or before July 28, 2008, or other mutually agreeable date, as a material term of this agreement.

Dated: July 21, 2008

For the City of San Diego

By: 

For San Diego Municipal Employees Association

By: 

For AFSCME Local 127

By: 

For the Deputy City Attorneys Association

By: 