

1 [Charter Amendment - Retiree Health Benefits for Former Redevelopment Agency and
2 Successor Agency Employees]

3 **Describing and setting forth a proposal to the voters to amend the Charter of the City and**
4 **County of San Francisco, Sections A8.428 and A8.432, to provide retiree health care**
5 **benefits to employees of the former Redevelopment Agency of the City and County of San**
6 **Francisco or the Successor Agency to the Redevelopment Agency of the City and County of**
7 **San Francisco who started working for the City and County of San Francisco without a**
8 **break in employment, and to persons who are registered as domestic partners to retired**
9 **employees under California law or the law of a state, city, or county outside California or**
10 **who live in a jurisdiction outside California that does not recognize domestic partnerships**
11 **but who have submitted the Health Services Declaration Partnership Form, at an election**
12 **to be held on November 4, 2014.**

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14 Section 1. The Planning Department has determined that the actions contemplated in this
15 proposed Charter Amendment comply with the California Environmental Quality Act (California
16 Public Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of
17 the Board of Supervisors in File No. 140507 and is incorporated herein by reference.

18
19 Section 2. The Board of Supervisors hereby submits to the qualified voters of the City
20 and County, at an election to be held on November 4, 2014, a proposal to amend the Charter of
21 the City and County by revising Sections A8.428 and A8.432, to read as follows:

22 NOTE: **Unchanged Charter text and uncodified text** are in plain font.
23 **Additions** are *single-underline italics Times New Roman font*.
24 **Deletions** are ~~*strike-through italics Times New Roman font*~~.
25 **Asterisks** (* * * *) indicate the omission of unchanged Charter subsections.

1 **SEC. A8.428. HEALTH SERVICE SYSTEM TRUST FUND.**

2 There is hereby created a health service system trust fund. The costs of the
3 health service system shall be borne by the members of the system and Retired Persons, the City
4 and County of San Francisco because of its members and Retired Persons, the Parking Authority
5 of the City and County of San Francisco because of its members and Retired Persons, the San
6 Francisco Unified School District because of its members and Retired Persons and the San
7 Francisco Community College District because of its members and Retired Persons.

8 **(a) Definitions.**

9 "Credited Service" means years of employment with the Employers.

10 "Employers" as used in this section means the City and County of San Francisco ("City
11 and County"), the San Francisco Unified School District ("School District") and/or the San
12 Francisco Community College District ("Community College District"). Employers shall also
13 include the Superior Court of California, County of San Francisco ("Superior Court"), to the
14 extent the Superior Court participates in the City's Health Service System, under Section
15 A8.428(e).

16 "Hired on or Before January 9, 2009" as used in this section means employees hired on
17 or before January 9, 2009, by of the City and County, the School District, ~~and/or~~ the Community
18 College District, or the former Redevelopment Agency of the City and County of San Francisco
19 (the "Redevelopment Agency") who were hired on or before January 9, 2009, excluding the
20 following categories of employees: (1) as-needed employees who have never earned 1,040 or
21 more hours of compensation during any 12-month period ending on or before January 9, 2009;
22 ~~and~~ (2) employees who have separated from employment with the Employers or the
23 Redevelopment Agency on or before January 9, 2009, and have less than 5 years of Credited
24 Service with the Employers or the Redevelopment Agency; (3) former employees of the
25 Redevelopment Agency who became employees of the City and County after December 31, 2014;

1 and (4) former employees of the Redevelopment Agency who have received retiree health care
2 coverage under the Public Employees Medical and Hospital Care Act (PEMCHA) on or before
3 December 31, 2014.

4 "PERS" as used in this section shall mean the Public Employees' Retirement System of
5 the State of California.

6 "Plan Year" as used in section A8.423 shall mean the twelve month period beginning on
7 each July 1 and ending on June 30, or such other 12 month period as may be determined by the
8 Health Service Board.

9 "Registered as Domestic Partners" as used in this section means persons who have
10 established a domestic partnership according to the provisions of Chapter 62 of the San
11 Francisco Administrative Code, or California state law, as amended from time to time, or the
12 law of the state, city, or county outside of California in which they reside. Persons who live in a
13 state, city, or county outside of California that does not recognize domestic partnership who
14 submit a completed and notarized City and County Health Service Declaration Partnership
15 Form to the Health Service System shall also be considered domestic partners under this section.

16 Domestic partners who have formed their domestic partnership only by notarization of a
17 declaration of Domestic Partnership as provided in Chapter 62 of the San Francisco
18 Administrative Code shall not be recognized or treated as a domestic partnership under this
19 Section unless and until the domestic partnership is registered or certified.

20 "Retirement System" as used in this section shall mean the San Francisco City and
21 County Employees' Retirement System.

22 "Retired under the San Francisco City and County Employees' Retirement System" as
23 used in this section includes persons who retire for service; retire for disability; or who receive a
24 retirement or vesting allowance from the Retirement System.

25 A "Retired Person" as used in this section means:

1 (1) A former member of the health service system, ~~hired by the Employers~~ Hired
2 on or ~~before~~ Before January 9, 2009, retired under the ~~San Francisco City and County~~
3 ~~Employees'~~ Retirement System and/or PERS (hereinafter, "Retired Employee who was Hired on
4 or Before January 9, 2009"); ~~and,~~

5 (2) The surviving spouse or surviving domestic partner of an active employee of
6 the Employers ~~hired~~ Hired on or Before ~~on or before~~ January 9, 2009, provided that the
7 surviving spouse or surviving domestic partner and the active employee have been married or
8 Registered as Domestic Partners for a period of at least one year prior to the death of the active
9 employee;

10 (3) The surviving spouse or surviving domestic partner of a Retired Employee
11 who was Hired on or Before January 9, 2009, provided that the surviving spouse or surviving
12 domestic partner and the Retired Employee who was Hired on or Before January 9, 2009 have
13 been married or Registered as Domestic Partners for a period of at least one year prior to the
14 death of the Retired Employee who was Hired on or Before January 9, 2009;

15 (4) A former member of the health service system, hired by the Employers on or
16 after January 10, 2009, and retired under the Retirement System and/or PERS for disability, or
17 retired under the Retirement System or PERS: (i) within 180 days of separation from
18 employment from the Employers; and (ii) with 10 or more years of Credited Service with the
19 Employers (hereinafter, "Retired Employee who was Hired on or After January 10, 2009");

20 (5) The surviving spouse or surviving domestic partner of an active employee of
21 the Employers ~~hired by the Employers~~ on or after January 10, 2009, with 10 or more years of
22 Credited Service with the Employers, ~~or~~ who died in the line of duty where the surviving spouse
23 or surviving domestic partner is entitled to a death allowance from the Retirement System as a
24 result of the death in the line of duty, provided that the surviving spouse or surviving domestic
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1 partner and the active, employee have been married or Registered as Domestic Partners for a
2 period of at least one year prior to the death of the active employee; or

3 (6) The surviving spouse or surviving domestic partner of a Retired Employee
4 who was Hired on or After January 10, 2009, provided that the surviving spouse or surviving
5 domestic partner and the Retired Employee who was Hired on or After January 10, 2009, have
6 been married or Registered as Domestic Partners for a period of at least one year prior to the
7 death of the Retired Employee who was Hired on or After January 10, 2009.

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9 (f) Notwithstanding the retiree health care eligibility requirements set forth above, a
10 former employee of the Redevelopment Agency Hired on or Before January 9, 2009 must have
11 been employed by the City and County after January 9, 2009 to be eligible for retiree health care
12 coverage under this section. In adopting the Charter amendment revising Sections A8.428 and
13 A8.432 on November 4, 2014 the voters do not intend that it affect the rights of former employees
14 of the Redevelopment Agency Hired on or Before January 9, 2009, who were already eligible for
15 retiree health care coverage as of November 4, 2014.

16 ~~(g) The amendments of this section contained in the proposition there for submitted to~~
17 ~~the electorate on June 3, 2008 shall be operative January 10, 2009.~~ The purpose of the January
18 10, 2009, Charter amendment is to amend Section A8.428 to change the required years of service
19 and employer retiree health care contribution amounts for employees hired on or after January
20 10, 2009. Nothing in ~~this~~that Charter amendment shall expand or contract the groups of
21 employees eligible for retiree health care benefits beyond; those groups eligible as of June 3,
22 2008.

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24 **SEC. A8.432. RETIREE HEALTH CARE TRUST FUND.**
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1 There is hereby created a Retiree Health Care Trust Fund (RHCTF) for the purpose
2 described in Section 12.204. Subject to the disbursement limitations set forth in Section
3 A8.432(d) below, the Retiree Health Care Trust Fund Board (Board) shall have exclusive
4 authority and control over the administration of the RHCTF, investments of trust assets, and
5 disbursements from the trust in accordance with the provisions of this Charter.

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7 **(f) Definitions**

8 **"Actuarial Accrued Liability"** as used in this section, means "Actuarial Accrued
9 Liability" as that term is defined under GASB No. 45 as may be amended from time to time.

10 **"Commenced Employment on"** as used in this section, shall refer to the time an
11 employee starts employment with the City and County, or with a Participating Employer, for the
12 first time, or the time an employee starts employment with the City and County, or with a
13 Participating Employer, on a subsequent occasion after a prior separation from employment with
14 the City and County or any Participating Employer, whichever date is later. For purposes of this
15 Section A8.432, an employee of the City and County who was employed by the former
16 Redevelopment Agency of the City and County of San Francisco (the "Redevelopment Agency")
17 or the Successor Agency to the Redevelopment Agency of the City and County of San Francisco
18 (the "Successor Agency"), and started working for the City and County before January 1, 2015
19 without a break in service shall be deemed to have commenced employment with the City and
20 County on the date the employee commenced employment with the Redevelopment Agency or the
21 Successor Agency, except that any such former employee of the Redevelopment Agency or the
22 Successor Agency who subsequently separates from employment with the City and County and
23 returns as an employee of the City and County or a Participating Employer at a later date (the
24 "Return Date") shall be deemed to have commenced employment on the Return Date.

1 **"Employer"** and **"Employers"** as used in this section means the City and County and
2 the Participating Employers.

3 **"Fully Funded"** as used in this section means that an Employer's GASB Actuary has
4 determined that the market value of assets in a sub-trust equals or exceeds the Employer's
5 Actuarial Accrued Liability.

6 **"GASB Actuary"** and **"GASB Actuaries"** as used in this section means the actuarial
7 firms hired by the Employers to provide estimates of each Employers' respective total liability
8 and annual required contribution for post retirement health benefits under GASB No. 45.

9 **"GASB No. 45"** as used in this section means Statement No. 45 of the Governmental
10 Accounting Standards Board, Accounting and Financial Reporting by Employers for
11 Postemployment Benefits Other Than Pensions as may be amended from time to time.

12 **"Health coverage"** as used in this section, means the health benefits or health insurance
13 provided by the health service system for retirees, survivors and dependents under Section
14 A8.428.

15 **"Normal Cost"** as used in this section, means each Employer's normal cost under GASB
16 No. 45 as determined by each Employer's GASB Actuary.

17 **"Retiree"** as used in this section, means a former employee who is retired and is entitled
18 to health coverage under Section A8.428, and the qualified survivors or dependents of such
19 retirees who are entitled to health coverage under Section A8.428.

20 **"Participating Employers"** as used in this section and Sections A8.432-1, A8.510 and
21 12.204, shall include the Superior Court of California, County of San Francisco, San Francisco

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1 Unified School District and the San Francisco Community College District, following a
2 resolution by their respective governing boards to participate in the Retiree Health Care Trust
3 Fund.

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5 APPROVED AS TO FORM:
6 DENNIS J. HERRERA, City Attorney

7 By: _____
8 Robert A. Bryan
9 Deputy City Attorney

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