

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 before**
8 **March 1, 2015, and after January 31, 2012, without a break in employment, and to persons**
9 **who are registered as domestic partners to retired employees under the law of the state,**
10 **city, or county in which they reside or who live in a jurisdiction that does not recognize**
11 **domestic partnership but who have submitted the Health Service System Declaration of**
12 **Domestic Partnership Form, at an election to be held on November 4, 2014.**

13
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 or the former
10 Redevelopment Agency of the City and County of San Francisco (the "Redevelopment Agency")
11 or the Successor Agency to the Redevelopment Agency of the City and County of San Francisco
12 (the "Successor Agency"), provided that for any employee of the Redevelopment Agency or
13 Successor Agency, the employee became an employee of the Redevelopment Agency before
14 September 1, 2010 and became an employee of the City and County without a break in service
15 after January 31, 2012 and before March 1, 2015.

16 "Employers" as used in this section means the City and County of San Francisco ("City
17 and County"), the San Francisco Unified School District ("School District") and/or the San
18 Francisco Community College District ("Community College District"). Employers shall also
19 include the Superior Court of California, County of San Francisco ("Superior Court"), to the
20 extent the Superior Court participates in the City's Health Service System, under Section
21 A8.428(e).

22 "Hired on or Before January 9, 2009" as used in this section means employees hired on
23 or before January 9, 2009, by the City and County, the School District, ~~and/or~~ the Community
24 College District, or the Redevelopment Agency who were hired on or before January 9, 2009,
25 excluding the following categories of employees: (1) as-needed employees who have, never

1 earned 1,040 or more hours of compensation during any 12-month period ending on or before
2 January 9, 2009; *and* (2) employees who have separated from employment with the Employers or
3 the Redevelopment Agency on or before January 9, 2009, and have less than 5 years of Credited
4 Service with the Employers or the Redevelopment Agency; (3) former employees of the
5 Redevelopment Agency who became employees of the City and County after February 28, 2015;
6 (4) former employees of the Redevelopment Agency who left employment with the Redevelopment
7 Agency and became employees of the City and County before February 1, 2012; and (5) former
8 employees of the Redevelopment Agency who have received retiree health care coverage under
9 the Public Employees Medical and Hospital Care Act (PEMCHA) on or before February 28,
10 2015.

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

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

16 "Registered as Domestic Partners" as used in this section means persons who have
17 established a domestic partnership according to the provisions of Chapter 62 of the San
18 Francisco Administrative Code, or California state law, as amended from time to time, or the
19 law of the city or county in which they reside or of the state outside of California in which they
20 reside. Persons who live in a state, city, or county that does not recognize domestic partnership
21 who submit a completed and notarized City and County Health Service System Declaration of
22 Domestic Partnership Form to the Health Service System shall also be considered domestic
23 partners under this section. Domestic partners who have formed their domestic partnership only
24 by notarization of a declaration of Domestic Partnership as provided in Chapter 62 of the San
25

1 Francisco Administrative Code shall not be recognized or treated as a domestic partnership under
2 this Section unless and until the domestic partnership is registered or certified.

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

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

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

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

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

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

23 (4) A former member of the health service system, hired by the Employers on or
24 after January 10, 2009, and retired under the Retirement System and/or PERS for disability, or
25 retired under the Retirement System or PERS: (i) within 180 days of separation from

1 employment from the Employers; and (ii) with 10 or more years of Credited Service with the
2 Employers (hereinafter, "Retired Employee who was Hired on or After January 10, 2009");

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

10 (6) The surviving spouse or surviving domestic partner of a Retired Employee
11 who was Hired on or After January 10, 2009, provided that the surviving spouse or surviving
12 domestic partner and the Retired Employee who was Hired on or After January 10, 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 After January 10, 2009.

15 * * * *

16 (e) To the extent the Superior Court elects to participate in the City's Health Service
17 System for the provision of active and retiree health care benefits, Superior Court employees
18 shall be treated the same as City employees for the purposes of vesting, employer contribution
19 rates, and benefit levels, in accordance with the Trial Court Employment Protection and
20 Governance Act and applicable State law. The Superior Court shall pay all administrative and
21 health care costs related to the Superior Court's covered employees or retirees as a participating
22 Employer. The Superior Court may withdraw from participation in the City's Health Service
23 System at any time, which shall not require an amendment to this Charter.

24 (f) Notwithstanding the retiree health care eligibility requirements set forth above, a
25 former employee of the Redevelopment Agency Hired on or Before January 9, 2009 must have

1 been employed by the City and County after January 9, 2009 to be eligible for retiree health care
2 coverage under this section. In adopting the Charter amendment revising Sections A8.428 and
3 A8.432 on November 4, 2014 the voters do not intend that it affect the rights of former employees
4 of the Redevelopment Agency Hired on or Before January 9, 2009, who were already eligible for
5 retiree health care coverage as of November 4, 2014.

6 (g) ~~The amendments of this section contained in the proposition there for submitted to~~
7 ~~the electorate on June 3, 2008 shall be operative January 10, 2009.~~ The purpose of the January
8 10, 2009, Charter amendment is to amend Section A8.428 to change the required years of service
9 and employer retiree health care contribution amounts for employees hired on or after January
10 10, 2009. Nothing in ~~this~~that Charter amendment shall expand or contract the groups of
11 employees eligible for retiree health care benefits beyond those groups eligible as of June 3,
12 2008.

13
14 **SEC. A8.432. RETIREE HEALTH CARE TRUST FUND.**

15 There is hereby created a Retiree Health Care Trust Fund (RHCTF) for the purpose
16 described in Section 12.204. Subject to the disbursement limitations set forth in Section
17 A8.432(d) below, the Retiree Health Care Trust Fund Board (Board) shall have exclusive
18 authority and control over the administration of the RHCTF, investments of trust assets, and
19 disbursements from the trust in accordance with the provisions of this Charter.

20 * * * *

21 (f) **Definitions**

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

24 "**Commenced Employment on**" as used in this section, shall refer to the time an
25 employee starts employment with the City and County, or with a Participating Employer, for the

1 first time, or the time an employee starts employment with the City and County, or with a
2 Participating Employer, on a subsequent occasion after a prior separation from employment with
3 the City and County or any Participating Employer, whichever date is later. For purposes of this
4 Section A8.432, an employee of the City and County who was employed by the former
5 Redevelopment Agency of the City and County of San Francisco (the "Redevelopment Agency")
6 or the Successor Agency to the Redevelopment Agency of the City and County of San Francisco
7 (the "Successor Agency"), and started working for the City and County before March 1, 2015
8 without a break in service shall be deemed to have commenced employment with the City and
9 County on the date the employee commenced employment with the Redevelopment Agency or the
10 Successor Agency, except that any such former employee of the Redevelopment Agency or the
11 Successor Agency who subsequently separates from employment with the City and County and
12 returns as an employee of the City and County or a Participating Employer at a later date (the
13 "Return Date") shall be deemed to have commenced employment on the Return Date.

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

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

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

22 **"GASB No. 45"** as used in this section means Statement No. 45 of the Governmental
23 Accounting Standards Board, Accounting and Financial Reporting by Employers for
24 Postemployment Benefits Other Than Pensions as may be amended from time to time.
25

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

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

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

9 **"Participating Employers"** as used in this section and Sections A8.432-1, A8.510 and
10 12.204, shall include the Superior Court of California, County of San Francisco, San Francisco
11 Unified School District and the San Francisco Community College District, following a
12 resolution by their respective governing boards to participate in the Retiree Health Care Trust
13 Fund.

14 * * * *

15 APPROVED AS TO FORM:
16 DENNIS J. HERRERA, City Attorney

17 By:



18 Robert A. Bryan
19 Deputy City Attorney

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City and County of San Francisco
Tails
Charter Amendment

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 140507

Date Passed: July 22, 2014

Charter Amendment (Third Draft) to amend the Charter of the City and County of San Francisco, Sections A8.428 and A8.432, to provide retiree health care benefits to employees of the former Redevelopment Agency of the City and County of San Francisco or the Successor Agency to the Redevelopment Agency of the City and County of San Francisco who started working for the City and County of San Francisco before March 1, 2015, and after January 31, 2012, without a break in employment, and to persons who are registered as domestic partners to retired employees under the law of the state, city, or county in which they reside or who live in a jurisdiction that does not recognize domestic partnership but who have submitted the Health Service System Declaration of Domestic Partnership Form, at an election to be held on November 4, 2014.

June 30, 2014 Rules Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

June 30, 2014 Rules Committee - CONTINUED TO CALL OF THE CHAIR AS AMENDED

July 10, 2014 Rules Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

July 10, 2014 Rules Committee - CONTINUED AS AMENDED

July 14, 2014 Rules Committee - RECOMMENDED AS COMMITTEE REPORT

July 15, 2014 Board of Supervisors - CONTINUED

Ayes: 11 - Avalos, Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee

July 22, 2014 Board of Supervisors - ORDERED SUBMITTED

Ayes: 10 - Breed, Campos, Chiu, Cohen, Farrell, Kim, Mar, Tang, Wiener and Yee
Excused: 1 - Avalos

File No. 140507

I hereby certify that the foregoing Charter Amendment was ORDERED SUBMITTED on 7/22/2014 by the Board of Supervisors of the City and County of San Francisco.



**Angela Calvillo
Clerk of the Board**