

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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