

SUBSTITUTE

ORDINANCE No.

187091

* Authorize police officers at the rank of Captain or above who have previously been members of the Portland Police Association or Portland Police Commanding Officers Association bargaining units to contribute, upon retirement, unused sick leave into a Voluntary Employee Beneficiary Association trust. (Ordinance)

The City of Portland ordains:

Section 1. The Council finds:

1. The Internal Revenue Code, Section 501(c)(9), allows for the creation of a voluntary employee beneficiary association (VEBA) which is an employee sponsored, tax-exempt health and welfare trust.
2. The Portland Police Association VEBA Trust offers and administers a VEBA trust plan (the "PPA VEBA Trust") for Portland Police Bureau employees represented by the PPA and the PPCOA.
3. On or about October 22, 2014, the City and PPCOA entered into an agreement (Settlement Agreement) to settle a unit clarification proceeding filed by the City with the Employment Relations Board (ERB) to clarify whether commanding officers in the Portland Police Bureau are supervisors and, therefore, should be excluded from the PPCOA bargaining unit. A copy of the Settlement Agreement is attached to this ordinance as Exhibit "A" and is incorporated herein by reference.
4. Under the terms of the Settlement Agreement, all Captains and Commanders, regardless of assignment, are excluded from the PPCOA bargaining unit. As part of the Settlement Agreement, the City agreed to permit Captains and Commanders, upon retirement from the City, to cash out and contribute accumulated but unused sick leave to a qualifying VEBA trust plan in accordance with the formula provided in the Settlement Agreement.
5. By Special Agreement for Participation of Non-Bargaining Unit Sworn Police Officer Employees ("Special Agreement") between the City and the PPA VEBA Trust, the City may agree to make mandatory contributions to the Trust on behalf of non-represented sworn police officers at the rank of Captain or above who have previously been members of the PPA or the PPCOA bargaining units. A copy of the Special Agreement is attached to this ordinance as Exhibit "B" and is incorporated herein by reference.
6. Any such defined contribution VEBA trust plan established or participated in by non-represented sworn police officers at the rank of Captain or above who have previously been members of the PPA or the PPCOA bargaining units will be administered in accordance with the plan documents provided by the PPA VEBA Trust or other qualifying and approved VEBA trust plan.

NOW, THEREFORE, the Council directs:

- a. Effective from and after the date of passage of this ordinance, the City authorizes active sworn police officers at the rank of Captain or above employed by the Portland Police Bureau who have previously been members of the PPA or PPCOA bargaining units to participate in the Portland Police Association VEBA Trust, as presently constituted or hereafter amended using the PPA VEBA Trust administrator as the plan administrator for all participating officers, or to participate in another qualifying and approved VEBA trust plan.
- b. The plan or plans shall be for the benefit of active sworn police officers at the rank of Captain or above who are former members of the PPA or PPCOA bargaining units and, upon a member's retirement from the City, the City shall, in accordance with the terms of the Settlement Agreement, contribute to the PPA VEBA Trust, or other qualifying and approved VEBA trust plan, one hundred percent (100%) of that member's accumulated but unused sick leave in accordance with the formula provided in paragraph 9 of the Settlement Agreement.
- c. If at any time during the operation of the Plan or Plans it is determined that (1) deposits made on a pre-tax basis or (2) that plan earnings are not tax-exempt or (3) payments from the Plan or Plans are not tax exempt or if participation in the Plan or Plans or operation of the Plan or Plans is in violation of any federal or state law or regulation, then in that event the City Council will immediately repeal or modify the Plan or Plans.
- d. The Director of the Bureau of Human Resources is authorized to execute a Special Agreement for Participation of Non-Bargaining Unit Sworn Police Officer Employees in the form of the Special Agreement attached to this ordinance as Exhibit "B," with approval as to form by the assigned Deputy City Attorney.

Section 2. The Council declares that an emergency exists because delay would unnecessarily delay the ability of certain employees, upon retirement from the City, to enjoy the advantages created by participation in the PPA VEBA Trust; therefore, this ordinance shall be in full force and effect from and after its passage by the Council.

Passed by the Council: APR 15 2015

Mary Hull Caballero
Auditor of the City of Portland

Mayor Charlie Hales
Prepared by: Mark Amberg
Date Prepared: April 14, 2015

By: 
Deputy

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Agenda No.
ORDINANCE NO. 187091
 Title

* Authorize police officers at the rank of Captain or above who have previously been members of the Portland Police Association or Portland Police Commanding Officers Association bargaining units to contribute, upon retirement from the City, unused sick leave into a Voluntary Employee Beneficiary Association (VEBA) trust. (Ordinance)

INTRODUCED BY Commissioner/Auditor: Mayor Charlie Hales	CLERK USE: DATE FILED <u>APR 15 2015</u>
COMMISSIONER APPROVAL Mayor—Finance and Administration <i>Charlie Hales</i>	Mary Hull Caballero Auditor of the City of Portland
Position 1/Utilities - Fritz	By: <i>[Signature]</i> Deputy
Position 2/Works - Fish	
Position 3/Affairs - Saltzman	
Position 4/Safety - Novick	
BUREAU APPROVAL Bureau: Office of the City Attorney Bureau Head: Tracy Reeve	ACTION TAKEN:
Prepared by: Mark Amberg Date Prepared: April 14, 2015	
Financial Impact & Public Involvement Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/>	
Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	
City Auditor Office Approval: required for Code Ordinances	
City Attorney Approval: Mark Amberg, Chief Deputy City Attorney required for contract, code, easement, franchise, comp plan, charter <i>[Signature]</i>	
Council Meeting Date: April 15, 2015	

AGENDA
TIME CERTAIN <input type="checkbox"/> Start time: _____ Total amount of time needed: _____ (for presentation, testimony and discussion)
CONSENT <input checked="" type="checkbox"/>
REGULAR <input type="checkbox"/> Total amount of time needed: _____ (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Novick	4. Novick	✓	
Hales	Hales	✓	