Resolution Covering Compensation for the Mayor and Councilmembers

May 3, 2023
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ARTICLE 1 – GENERAL PROVISIONS

1.1 APPLICABILITY

a. The terms of this Resolution shall apply to the Mayor and Councilmembers. For purposes of this Resolution, the Mayor and Councilmembers may be collectively referred to as “members,” except as otherwise specified.

b. The term “compensation” as used in this Resolution shall refer to and include all forms of compensation including, but not limited to, salaries, retirement benefits, City provided health and welfare insurance, and fringe benefits.

ARTICLE 2 – MAYOR AND COUNCILMEMBER SALARIES AND ALLOWANCES

2.1 SALARIES

a. The Mayor’s annual salary shall be $158,652. Effective June 17, 2023, the annual salary of the Mayor shall be $164,205.

b. Each Councilmember’s annual salary shall be $99,317. Effective June 17, 2023, the annual salary of the Councilmembers shall be $102,793.

2.2 ALLOWANCES

a. The City will pay to the Mayor and Councilmembers the following for which no vouchers need be furnished:

(1) Mayor
   Transportation $7,200 annually
   Technology    $2,000 annually

(2) Councilmembers
   Transportation $4,800 annually
   Technology    $1,200 annually

b. The Mayor and Councilmembers shall receive City-provided parking.

ARTICLE 3 – FRINGE BENEFIT PLAN/HEALTH AND WELFARE

3.1 HEALTH AND WELFARE CONTRIBUTION (CITY DOLLARS)

a. The City shall administer a Cafeteria Plan (Plan) for members consistent with Section 125 of the Internal Revenue Code. The details of Plan eligibility and operations requirements are set forth in the Plan documents.
b. The City contribution for a member enrolled in a City-sponsored medical plan for member only shall be up to a maximum of $838 per month.

c. The City contribution for a member enrolled in a City-sponsored medical plan for member plus one (1) dependent shall be $1,333 per month.

d. The City contribution for a member enrolled in a City-sponsored medical plan for member plus two (2) or more dependents shall be $1,777 per month.

e. For members enrolled in an Account-Based Health Plan (ABHP), as defined by the City, the contributions shall be as specified above. To the extent the premium for the ABHP is less than the monthly City contribution, any excess City contribution shall be credited to the member’s Health Savings Account (HSA), to the extent allowed by law.

f. Members not enrolled in a City-sponsored medical plan shall receive up to $747.00 per month to purchase City-sponsored dental and vision coverage.

g. Members who are eligible to receive the City contribution who do not provide proof of other group medical coverage or do not enroll in City medical coverage within thirty (30) days of being eligible for the City’s contribution shall be enrolled in the lowest cost traditional HMO medical plan for members only coverage.

h. Members shall not receive any unused portion of the City contribution as cash.

i. In addition to the City contribution received above, the members shall receive three percent (3%) of base salary to apply to optional benefits.

j. Notwithstanding Article 3.1 (a) through (i) above, if the City negotiates and implements new health and welfare contribution rates for any recognized employee organization in 2023, the same rates that are approved by the first bargaining unit and the City will become the new contribution rates for the members. The new rates will be effective at the earliest pay period following the City’s approval of the first bargaining unit rates.

3.2 COVERED DEPENDENTS

a. Funds used to pay the health insurance premium cost for the domestic partner and/or a domestic partner’s dependent children shall be in accordance with Federal and State tax laws.

b. A member who has a domestic partner and is registered with the Secretary of State of the State of California may cover the domestic partner and/or the domestic partner’s children, under the member’s City-sponsored medical, dental, or vision plan. Members with registered State of California domestic partners shall receive the City contributions as specified in Section 3.1.
c. The following eligible dependents qualify to be enrolled on a City medical, dental, or vision plan: lawfully married spouse or registered domestic partner; children up to age 26 who are a member’s natural child, stepchild, adopted child, or the natural or adopted child of a member’s spouse or registered domestic partner; children up to age 26 who are placed under the legal guardianship of a member, the member’s spouse, or member’s registered domestic partner; children up to age 26 in which the City has received notice of a Qualified Domestic Relations Order of required coverage; and disabled unmarried children over the age of 26 who reside with the member. The definition of dependent child for purposes of medical insurance shall also be in accordance with the Patient Protection and Affordable Care Act.

d. A member covered as a dependent of the Mayor or another Councilmember may not enroll in a City medical plan but may enroll in a City dental or vision plan.

3.3 LIFE INSURANCE

a. City-paid basic life insurance shall be:

<table>
<thead>
<tr>
<th>Group</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayor</td>
<td>$150,000</td>
</tr>
<tr>
<td>Councilmembers</td>
<td>$100,000</td>
</tr>
</tbody>
</table>

b. Insurance Over $50,000

Members may purchase, at their expense, supplemental life insurance subject to limitations specified by the insurance carrier.

3.4 LONG TERM DISABILITY

Members shall receive City-paid long-term disability insurance.

3.5 FLEXIBLE SPENDING ACCOUNTS

The City offers a Flexible Spending Account program to members as permitted by Internal Revenue Service Regulations.

3.6 DEFERRED COMPENSATION PLAN

Members may participate in the City's Deferred Compensation 457 Plan to the extent allowed by law and the 457(b) Plan (Plan) documents.
As soon as administratively feasible, each participant in the Plan shall contribute one dollar and fifty cents ($1.50) per month from their plan balance to the Plan's administrative allowance account.

3.7 SECTION 401(A) MONEY PURCHASE PLAN

The City’s established Internal Revenue Code Section 401(a) Plan contributions are as follows:

a. For members the City shall contribute four percent (4%) of salary and the member shall contribute five percent (5%) of salary.

b. The 401(a) Plan shall conform to all IRC requirements. Vesting of City funds occurs with enrollment consistent with the Internal Revenue Code, and the 401(a) plan documents.

ARTICLE 4 – RETIREMENT

4.1 RETIREES OR SURVIVOR DEPENDENTS

Eligible member retirees or eligible survivor dependents shall receive City retiree insurance contributions for medical, dental, and vision insurance benefits from the City as follows:

a. The maximum City contribution towards the purchase of medical, dental, or vision insurance for retirees is $300 per month for the retiree. A retiree with one (1) or more dependent(s) enrolled on the retiree’s medical plan shall receive an additional $65 per month, for a total maximum monthly contribution of $365. Retirees shall not receive an unused portion of the City contribution as cash.

b. Retiree Insurance Contributions for Members Retiring on or after July 1, 1992

(1) Members retiring with thirty (30) or more years of service shall be eligible for up to the City’s maximum retiree health insurance contribution identified in subsection 4.1(a) above on the date of retirement without regard to age.

(2) Members retiring with a minimum of twenty (20) full years of City service but less than thirty (30) full years of City service who are at least fifty (50) years of age shall receive up to one hundred percent (100%) of the City’s maximum retiree insurance contribution identified in subsection 4.1(a) above.

(3) Members retiring with a minimum of fifteen (15) full years of service but less than twenty (20) full years of service who are at least fifty (50)
years of age shall receive up to seventy-five percent (75%) of the City’s maximum retiree insurance contribution identified in subsection 4.1(a) above.

(4) Members retiring with a minimum of ten (10) full years of service but less than fifteen (15) full years of service who are at least fifty (50) years of age shall receive up to fifty percent (50%) of the City’s maximum retiree insurance contribution identified in subsection 4.1(a) above.

(5) There shall be no City retiree insurance contribution for retirees with less than ten (10) full years of City service.

(6) A member who does not retire from the Sacramento City Employee Retirement System or CalPERS within one-hundred twenty (120) days from the date of separation from City service shall not be eligible for the City’s retiree insurance contribution and may not enroll in a City medical, dental, or vision plan.

c. Pre-Medicare Retirees

Pre-Medicare retirees who are not eligible for Medicare benefits may elect to participate in a City-sponsored medical plan or purchase a non-City medical plan. A retiree who elects to purchase a medical plan not sponsored by the City shall only be eligible to enroll in a City-sponsored medical plan if the retiree enrolls with an effective date of coverage which is within two (2) years from the date their prior City medical coverage terminated.

d. Medicare Retirees

In order for Medicare eligible retirees to maintain eligibility for the City retiree health insurance contribution, each retiree and eligible dependents must enroll in Medicare Parts A and B upon being eligible for such benefits. Medicare retirees may elect to participate in a City-sponsored Medicare plan or purchase an individual Medicare plan.

Medicare retirees who have enrolled in Parts A and B after becoming eligible for such benefits may elect to participate in a City-sponsored Medicare plan without restriction to the amount of time that the retiree has waived a City-sponsored medical plan. Medicare retirees may only enroll eligible dependents on their City-sponsored medical plan, if the eligible dependents have enrolled in Parts A and B. Non-Medicare dependents may be enrolled as long as the retiree has been enrolled on a City non-Medicare plan within two (2) years of the effective date of coverage for enrollment of the non-Medicare dependent.

Medicare retirees who are eligible for Medicare Parts A and B who elect to purchase an individual medical plan shall only be reimbursed the cost of the
individual premium associated with a Medicare Advantage, Medicare Supplemental, and/or Medicare Prescription Drug plan up to the City contribution identified in 4.1(a).

e. **Retiree Insurance Contribution Exclusion**

Retirees who participate in another group medical plan as an elected official or dependent spouse shall not be eligible for the City contribution outlined above.

f. **Industrial Disability or Death in Line of Duty Survivors**

Retirees who receive industrial disability pensions or death in-line-of-duty survivor benefits will be entitled for up to one hundred percent (100%) of the City’s applicable maximum retiree insurance contribution regardless of years of service.

g. **Survivor Dependents Benefits**

Survivor dependents of eligible retirees shall be entitled to continue receiving the retiree insurance contribution. The benefit to survivor dependents shall be calculated as provided in Article 4.1(b).

h. **Limitation Clause**

No member or retiree shall have any rights provided by this Section 4.1 after June 30, 2024.

i. **Elimination of Retirees or Survivor Dependents Benefits**

No member who takes office on or after July 20, 2012, shall be eligible for any benefits provided by this Section 4.1.

4.2 **PERS RETIREMENT PLAN AND CONTRIBUTION**

a. **Member Contribution to PERS Retirement Plan – Classic Members**

Members shall pay eight percent (8%) of salary to the PERS retirement plan. The City will seek to amend the PERS contract to reflect a new cost-share agreement in which miscellaneous classic members shall from the date of the amendment pay the seven percent (7%) member contribution and one percentage point (1%) of the employer contribution through PERS cost-share. Classic members in miscellaneous classifications shall qualify for the 2% at 55 benefit formula based upon the highest twelve (12) consecutive months of compensation.
b. **Member Contribution to PERS Retirement Plan – New Members**

Members that take office after December 31, 2012, shall be members in the PERS on terms consistent with Public Employees’ Pension Reform Act (PEPRA). New members in miscellaneous classifications shall qualify for the 2% at 62 benefit formula, shall contribute 50% of the total normal cost of the PERS retirement plan, and retirement shall be based upon the highest thirty-six (36) consecutive months of compensation.

**ARTICLE 5 – MISCELLANEOUS**

5.1 **PAYROLL ERRORS**

a. In the event an error has been made, including but not limited to the payment of a member’s salary, the City shall, for purposes of future compensation adjust such compensation to the correct amount and give written notice to the member.

b. In the event a member received an overpayment, reimbursement to the City shall be mutually agreed to between the parties and shall be accomplished by:

   (1) Lump sum payment by the member;

   (2) A repayment schedule through payroll deduction; and/or

   (3) Other means, as may be mutually agreed between the parties.

No repayment schedule shall exceed fifty-two (52) pay periods in duration, except that if the member does not agree to a voluntary repayment schedule, which leads to collection efforts or other legal remedies, the overpayment collection shall not exceed twenty-six (26) pay periods.

c. No action shall be taken to enforce repayment of an overpayment, or to correct an underpayment, unless action is taken within two (2) years from the ending date of the pay period in which the error is discovered. "Action is taken” as used in this Section shall mean written notice to the member in the case of an overpayment or written or oral notice to the City in the case of an underpayment error.

5.2 **RETIREE COURT APPEARANCE FEES**

A retired member who is subpoenaed to appear in court on behalf of the City in his or her capacity as a former member shall receive a court appearance fee if the member reports at the time specified for his or her particular testimony regardless of whether the member is ultimately required to testify. The court appearance fee shall be one hundred twenty-five dollars ($125) for a full day or seventy-five dollars
($75) for a half day, which is defined as four hours or less. Nothing herein shall serve to establish an employment relationship for any purpose, including, but not limited to, member benefits, reimbursements, compensation, court cancellation fee, or any other rights.

5.3 **EXTENT AND TERM OF COMPENSATION**

The salary and fringe benefits provided here shall be the full extent of member compensation and shall remain in effect unless modified or repealed by resolution of the Compensation Commission. Notwithstanding these limits on member compensation this Resolution does not prohibit the members from participating, at their own expense, in all other City sponsored health and fringe benefit plans that are offered to City employees.

5.4 **CONFLICT**

All prior resolutions concerning member compensation which are in conflict with this Resolution are hereby repealed. In the event this Resolution conflicts with any City of Sacramento policy, procedure, ordinance or resolution this Resolution controls.