

RESOLUTION 2019-0004

Adopted by the Compensation Commission

April 3, 2019

Resolution of the Compensation Commission of the City of Sacramento Establishing the Compensation of the Mayor and the City Council and Public Members of the City Boards and Commissions for Fiscal Year 2018/2019

BACKGROUND

- A. Charter Section 29 provides for a Compensation Commission whose function shall be to establish the compensation for the Mayor, members of the City Council and public members of City Boards and Commissions.
- B. The Compensation Commission shall set compensation for the Mayor and members of the City Council that is reasonable and consistent with other cities similar in size and structure.
- C. The Compensation Commission has reviewed current Mayor and City Council compensation data provided by the benchmark cities, employee salary adjustments in the prior fiscal year and current compensation levels of public members of City Boards and Commissions.
- D. The Resolution Covering Mayor and Councilmember Compensation sets forth general administrative provisions, salaries, fringe benefits, and other terms and conditions affecting the Mayor and Councilmembers.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE COMPENSATION COMMISSION RESOLVES AS FOLLOWS:

- Section 1. The Resolution Covering Mayor and Councilmember Compensation, attached to this Resolution as Exhibit A, is effective, after the adoption of this resolution, on the first calendar day of the next City pay period, and will supersede all prior Resolutions Covering Mayor and Councilmember Compensation.
- Section 2. The Resolution Covering the Compensation of Public Members of City Boards and Commissions, attached to this Resolution as Exhibit B, and will supersede all prior Resolutions Covering the Compensation of Public Members of City Boards and Commissions.

Section 3. The City Manager is authorized to make minor changes or adjustments to exhibits in order to correct omissions and errors.

Section 4. Exhibits A and B are part of this resolution.

Table of Contents:

Exhibit A: Compensation of Mayor and Councilmembers

Exhibit B: Stipends of Boards and Commissions

Adopted by the City of Sacramento Compensation Commission on April 3, 2019, by the following vote:

Ayes: Members Finch, Fink, Kawada and Chair Scotland

Noes: None

Abstain: None

Absent: None

Attest: **Mindy Cuppy** Digitally signed by Mindy Cuppy
Date: 2019.04.08 12:08:51 -07'00'

Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.



**Resolution Covering Compensation for
the Mayor, Councilmembers and
members of the City's Boards and
Commissions**

April 3, 2019

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.
- c. As required by Article III, Section 29 of the City of Sacramento Charter, the Compensation Commission shall establish and set the compensation for the mayor, members of the city council, and public members of city boards and commissions. Compensation shall be reasonable and consistent with other cities similar in size and structure.

ARTICLE 2 – MAYOR AND COUNCILMEMBER SALARIES AND ALLOWANCES

2.1 SALARIES (Effective, after the adoption of this resolution, on the first calendar day of the next City pay period.)

- c. The annual salary of the mayor shall be adjusted 0%. The mayor’s annual salary shall be \$136,789.80. The mayor’s compensation is reasonable and consistent with other cities similar in size and structure as required by Article III, Section 29 of the City of Sacramento Charter.
- d. Having found the duties of councilmembers equivalent to full-time employment, the annual salary of councilmembers shall be adjusted by 27.9258%. Each councilmember’s annual salary shall be set at \$91,915.00. The councilmembers compensation is reasonable and consistent with other cities similar in size and structure as required by Article III, Section 29 of the City of Sacramento Charter.

2.2 ALLOWANCES

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

(1)	<u>Mayor</u> Transportation	\$7,200 annually
	<u>Mayor</u> Technology	\$2,000 annually
(2)	<u>Councilmembers</u> Transportation	\$4,800 annually
	<u>Councilmembers</u> Technology	\$1,200 annually

- d. 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 \$747 per month.
- c. The City contribution for a member enrolled in a City-sponsored medical plan for member plus one (1) dependent shall be \$1,193 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 \$1,587 per month.
- e. For members enrolled in an Account-Based Health Plan (ABHP), as defined by the City, the contributions 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 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.

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. The City shall contribute \$1,193 for a member enrolled with one (1) dependent; and \$1,587 for a member enrolled with two (2) or more dependents.
- 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 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:

<u>Group</u>	
Mayor	\$150,000
Council Members	\$100,000

- 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 documents.

3.7 SECTION 401(A) MONEY PURCHASE PLAN

The City's established IRC 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. Retirees Enrolled in a Non-City Sponsored Health Plan

Retirees may elect to participate in a City-sponsored health plan or purchase an individual plan. A retiree who participates in a health plan not sponsored by the City of two consecutive plan years shall not be eligible to reenroll in a City-sponsored health plan except in the event of closure or repeal of the Patient Protection and Affordable Care Act.

d. Medicare Supplement

In order to maintain eligibility for the City retiree health insurance contribution, each retiree and dependent shall enroll in Medicare Parts A and B immediately after becoming eligible for such benefits.

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 continue to receive the retiree insurance contribution of up to \$300 for the survivor only or up to \$365 for the survivor and an eligible dependent. Eligible dependent, as used in this Section, is defined as a dependent who was eligible to be enrolled on the retiree's benefit plan at the time of the retiree's death.

h. Limitation Clause

No member or retiree shall have any rights provided by this Section 4.1 after June 22, 2018.

i. Elimination of Retirees or Survivor Dependents Benefits

No member that 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 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, 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.

EXHIBIT B: Stipends of Boards and Commissions

Stipends of City Boards and Commissions FY18/19

Boards / Commissions	Meeting Frequency	Members	Current Cost (Individual)	Members Cost	Members Annual
				Per Meeting	Cost
				Current Per Meeting Total	Current (Annual) Total
Active Transportation Commission	Monthly	11	\$50	\$ 550	\$ 6,600
Administration, Investment & Fiscal Management Board	Monthly	5	\$50	\$ 250	\$ 3,000
Animal Care Services Citizens Advisory Committee	Monthly	7	\$50	\$ 350	\$ 4,200
Ann Land/Bertha Henschel Memorial Fund Commission	Quarterly	9	\$50	\$ 450	\$ 1,800
Board of Plumbing Examiners	Quarterly	5	\$50	\$ 250	\$ 1,000
Civil Service Board	Monthly	5	\$50	\$ 250	\$ 3,000
Compensation Commission	Yearly	5	\$0	\$ -	\$ -
Construction Code Board of Appeals	Yearly	5	\$50	\$ 250	\$ 250
Ethel Macleod Hart Advisory Committee	Quarterly	7	\$0	\$ -	\$ -
Housing Code Advisory and Appeals Board	Monthly	5	\$50	\$ 250	\$ 3,000
Measure U Community Advisory Committee	Quarterly	15	\$50	\$ 750	\$ 3,000
Parks and Recreation Commission	Monthly	11	\$50	\$ 550	\$ 6,600
Planning and Design Commission	2 x Month	13	\$100	\$ 1,300	\$ 31,200
Preservation Commission	Monthly	7	\$50	\$ 350	\$ 4,200
Retirement Hearing Commission	Yearly	5	\$50	\$ 250	\$ 250
Sacramento Community Police Review Commission	At least 9 Times Annually	11	\$50	\$ 550	\$ 4,950
Sacramento Disabilities Advisory Commission	2 x Month	9	\$50	\$ 450	\$ 10,800
Sacramento Ethics Commission	At least 2 Times Annually	5	\$50	\$ 250	\$ 500
Sacramento Heritage, Inc. Board Of Director	Monthly	9	\$0	\$ -	\$ -
Sacramento Relocation Appeals Board	As Needed	5	Expenses	-	-
Sacramento Youth Commission	Monthly	22	\$50	\$ 1,100	\$ 13,200
Utilities Rate Advisory Commission	2x Month	7	\$50	\$ 350	\$ 8,400