



City of Rialto

Legislation Text

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For City Council Meeting [October 22, 2019]

TO: Honorable Mayor and City Council

FROM: Fred Galante, City Attorney

Request City Council to Approve: (i) Amendment No. 1 to the Employment Agreement between the City of Rialto and City Administrator; and (ii) **Resolution No. 7569** Repealing and Replacing City Council Resolution No. 5058, Clarifying the Health and Welfare Benefits and Expense Reimbursements to which City Elected Officials are Entitled, and Linking Such Benefits and Reimbursements to those Received by The City Administrator.

(ACTION)

BACKGROUND

The City hired Rod Foster as the City Administrator on May 28, 2019 and approved an employment agreement. The contract provisions of the agreement state that most of the benefits provided to the City Administrator will mirror those benefits provided to the executive management employees who are members of the City Government Management Association (CGMA) under the applicable CGMA MOU. This Amendment No. 1 will further clarify the benefits received by the City Administrator and include certain benefits that were initially omitted in the approved employment agreement.

Government Code Sections 36516 and 53201 authorize cities to provide health and welfare benefits to its city council members, elective officers, and employees. Under Government Code Section 53208.5, the health and welfare benefits cannot be greater than the most generous schedule of benefits being received by any category of non-safety employees. Accordingly, on December 16, 2003 the City adopted Resolution No. 5058 to provide its elective officers, which in this case includes the City Council, City Treasurer, and City Clerk, with the same health and welfare benefits that the current executive management employees who are members of the City Government Management Association (CGMA) receive.

Although the benefits of the City's elective officers are tied to those in the CGMA, Resolution No. 5058 does not clearly enumerate what those benefits are. The proposed Resolution will instead provide the City's elective officers with the same health and welfare benefits that the City Administrator (a non-safety employee) currently receives, pursuant to Government Code Section 53208.5. It should be noted that most of the benefits provided to elective officers will remain unchanged, as the City Administrator's benefits mostly mirror those provided to members of the CGMA. In addition, the City Clerk, who is also the Director of Management Services, will receive the same benefits as other elective officers of the City under the proposed Resolution and will no longer be a member of the CGMA.

ANALYSIS/DISCUSSION

The following provides a summary of key provisions of the proposed Amendment No. 1 to the City Administrator Employment Agreement (Attachment 1):

- Health insurance: Include an opt-out provision allowing for up to \$1,100 per month as an in-lieu payment if the employee does not purchase any of the health benefits provided by the City. This opt-out provision is contained in the CGMA MOU but was omitted from the original City Administrator employment agreement.
- Life Insurance: Include a provision for life insurance coverage and City-paid insurance premiums for the employee upon retirement from City employment, provided that the employee meets the definition of “annuitant” as defined by CalPERS, including the minimum age and years of service requirements, per the City’s contract with CalPERS.

The proposed Resolution (Attachment 1) will repeal Resolution No. 5058 and instead provide the City’s elective officers with the same health and welfare benefits that the City Administrator (a non-safety employee) currently receives, pursuant to Government Code Section 53208.5. A summary of the benefits is below, as more fully described in Exhibit A to the proposed resolution:

- Health insurance: The same as for the City Administrator, which is the City’s contribution to the cafeteria plan of one hundred percent (100%) of the medical and dental insurance premiums for the elective officer and eligible dependents. It includes an opt-out provision of up to \$1,100 per month. Upon retirement from City office, the City will pay the same health benefits for the elected official and eligible dependent(s), same as during the time in office, provided that the officer meets the definition of “annuitant” as defined by CalPERS. This benefit remains unchanged for elective officers, as current members of CGMA receive this benefit.
- Eye care: The same as for the City Administrator, which is up to three hundred dollars per fiscal year (\$300), on a reimbursement basis. This benefit remains unchanged for elective officers, as current members of CGMA receive this benefit.
- Short- and Long-term disability insurance: The same as for the City Administrator, which is one hundred percent (100%) of the premiums for the insurance.
- Life insurance: The same as for the City Administrator, which is one hundred percent (100%) of the premiums, for a policy of \$300,000 for the elective officer, \$25,000 for a spouse or registered domestic partner, and \$5,000 for eligible dependents. This includes a provision for coverage and City-paid premiums upon retirement from City office, provided that the officer meets the definition of “annuitant” as defined by CalPERS.
- Flexible spending plan: Eligibility to participate in the plan, which is the same as for the City Administrator. This benefit remains unchanged for elective officers, as current members of CGMA receive this benefit.
- Deferred compensation: The same as for the City Administrator, which is a City contribution of seven hundred fifty dollars (\$750) per month. This benefit remains unchanged for elective officers, as current members of CGMA receive this benefit.
- Income protection insurance: The same as for the City Administrator, which includes City-paid insurance coverage. This benefit remains unchanged for elective officers, as current members of CGMA receive this benefit.

ENVIRONMENTAL IMPACT

The request is not a Project as defined by Section 15378 of the California Environmental Quality Act (CEQA) Guidelines. A "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Pursuant to Section 15378(b)(5), a project does not include organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY

This action is consistent with Guiding Principle 3A in the General Plan:

Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.

LEGAL REVIEW

Counsel from the City Attorney's Office has reviewed and supports this staff report and its attachments.

FINANCIAL IMPACT

Operating budget Impact

The fully burdened costs for Amendment No. 1 and the proposed resolution are an estimated \$12,299.78, which have been allocated in the current fiscal year budget; hence, no additional appropriations are needed. Future estimated annual cost to be approximately \$30,000 and subject to revision based upon premiums associated with underwriting guidelines.

Capital Improvement Budget Impact

This action has no impact to the Capital Budget.

RECOMMENDATION

Staff recommends that the City Council approve (i) Amendment No. 1 to the employment agreement between the City of Rialto and City Administrator; and a (ii) Resolution repealing and replacing City Council Resolution No. 5058, clarifying the health and welfare benefits and expense reimbursements to which city elected officials are entitled, and linking such benefits and reimbursements to those received by the City Administrator.