



SAN FERNANDO CITY COUNCIL
SPECIAL MEETING NOTICE AND AGENDA
MAY 12, 2020 – 4:00 PM

TELECONFERENCE – PER GOVERNOR’S EXECUTIVE ORDER

SPECIAL NOTICE REGARDING COVID-19

On March 4, 2020, Governor Newsom proclaimed a State of Emergency in California as a result of the threat of COVID-19. On March 17, 2020, Governor Newsom issued Executive Order N-29-20 (superseding the Brown Act-related provisions of Executive Order N-25-20 issued on March 12, 2020), which allows a local legislative body to hold public meetings via teleconferencing and to make public meetings accessible telephonically or otherwise electronically to all members of the public seeking to observe and to address the local legislative body. Pursuant to Executive Order N-29-20, please be advised that the San Fernando City Council will participate in meetings telephonically.

PUBLIC PARTICIPATION: Pursuant to the Executive Order and given the current health concerns, members of the public can access meetings live on-line, with audio and video, via YouTube Live, at <https://www.youtube.com/channel/UC2OGT0-5m7SPbA-YmtPyDaA/>. Members of the public may submit comments by email to cityclerk@sfcity.org. Comments submitted via YouTube will not be read into the record. To ensure distribution to the City Council prior to consideration of the agenda, please submit your comments no later than 3:00 p.m. the day of the meeting. Those comments will be distributed to the City Council will be limited to three minutes, and made part of the official public record of the meeting.

NOTICE IS HEREBY GIVEN that the San Fernando City Council will hold a Special Meeting on **Tuesday, May 12, 2020, at 4:00 p.m.**

CALL TO ORDER/ROLL CALL

Mayor Joel Fajardo
Vice Mayor Hector A. Pacheco
Councilmember Sylvia Ballin
Councilmember Robert C. Gonzales
Councilmember Mary Mendoza

APPROVAL OF AGENDA

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DECORUM AND ORDER

The City Council, elected by the public, must be free to discuss issues confronting the City in an orderly environment. Public members attending City Council meetings shall observe the same rules of order and decorum applicable to the City Council ([SF Procedural Manual](#)). Any person making impertinent derogatory or slanderous remarks or who becomes boisterous while addressing the City Council or while attending the City Council meeting, may be removed from the room if the Presiding Officer so directs the sergeant-at-arms and such person may be barred from further audience before the City Council.

PUBLIC STATEMENTS

Members of the public can submit comments electronically for City Council consideration by sending them to cityclerk@sfcity.org. To ensure distribution to the City Council prior to consideration of the agenda, please submit comments prior to 3:00 p.m. the day of the meeting. Those comments will be distributed to the City Council and will be limited to three minutes and made part of the official public record of the meeting. Only matters contained in this notice may be considered.

ADMINISTRATIVE REPORTS**1) CONSIDERATION TO ADOPT RESOLUTIONS SETTING THE STATUTORY MAXIMUM SALARY AND OTHER BENEFITS FOR CITY COUNCILMEMBERS**

Recommend that the City Council:

- a. Adopt Resolution No. 7972 setting the statutory maximum for City Councilmembers' salary at the amount of \$730.00 per month; and
- b. Adopt Resolution No. 8002 setting City Council benefits with either Exhibit "1" or Exhibit "2", as amended.

RECESS TO CLOSED SESSION**A) CONFERENCE WITH LABOR NEGOTIATOR
G.C. §54957.6:**

Designated City Negotiators:
City Manager Nick Kimball
City Attorney Rick Olivarez
Assistant City Attorney Richard Padilla

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Employees and Employee Bargaining Units that are the Subject of Negotiation:

San Fernando Management Group (SEIU, Local 721)
San Fernando Public Employees' Association (SEIU, Local 721)
San Fernando Police Officers Association
San Fernando Police Officers Association Police Management Unit
San Fernando Police Civilian Association
San Fernando Part-time Employees' Bargaining Unit (SEIU, Local 721)
All Unrepresented Employees

B) PUBLIC EMPLOYMENT

G.C. §54957:

Title: City Clerk

C) CONFERENCE WITH LABOR NEGOTIATORS

G.C. §54957.6:

Unrepresented Employee: City Clerk

RECONVENE/REPORT OUT FROM CLOSED SESSION

ADJOURNMENT

I hereby certify under penalty of perjury under the laws of the State of California that the foregoing agenda was posted on the City Hall bulletin board not less than 24 hours prior to the meeting.

Julia Fritz, CMC

City Clerk

Signed and Posted: May 11, 2020 (3:55 p.m.)

Agendas and complete Agenda Packets (including staff reports and exhibits related to each item) are posted on the City's Internet website (www.sfcity.org). These are also available for public reviewing prior to a meeting in the City Clerk Department. Any public writings distributed by the City Council to at least a majority of the Councilmembers regarding any item on this regular meeting agenda will also be made available at the City Clerk Department at City Hall located at 117 Macneil Street, San Fernando, CA, 91340 during normal business hours. In addition, the City may also post such documents on the City's website at www.sfcity.org. In accordance with the Americans with Disabilities Act of 1990, if you require a disability-related modification/accommodation to attend or participate in this meeting, including auxiliary aids or services please call the City Clerk Department at (818) 898-1204 at least 48 hours prior to the meeting.

Special Meeting

San Fernando City Council

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AGENDA REPORT

To: Mayor Joel Fajardo and Councilmembers

From: Nick Kimball, City Manager

Date: May 12, 2020

Subject: Consideration to Adopt Resolutions Setting the Statutory Maximum Salary and Other Benefits for City Councilmembers

RECOMMENDATION:

It is recommended that the City Council:

- a. Adopt Resolution No. 7972 (Attachment "A") setting the statutory maximum for City Councilmembers' salary at the amount of \$730.00 per month; and
- b. Adopt Resolution No. 8002 (Attachment "B") setting City Council benefits with either Exhibit "1" (Attachment "C") or Exhibit "2" (Attachment "D"), as amended.

BACKGROUND:

1. California Government Code Section 36516 authorizes city councils to enact an ordinance providing a salary for each member based the population of the city. The maximum authorized salary prescribed for cities up to and including 35,000 in population is three hundred dollars (\$300) per month.
2. The Government Code also authorizes council member salaries to exceed the prescribed amount by adopting an ordinance, provided the increase does not exceed five percent (5%) simple interest for each calendar year from the effective date of the last salary adjustment.
3. On February 20, 1980, the City Council adopted two ordinances related to compensation (Ordinance Nos. 1158 and 1159) that set monthly compensation at \$282 per month. The effective date of the salary set forth in these Ordinances was April 1, 1980.
4. On September 15, 1986, the City Council adopted Ordinance No. 1292, increasing compensation to \$378 per month. The effective date of this Ordinance was October 15, 1986.
5. On December 18, 1995, the City Council adopted Ordinance No. 1459, increasing compensation to \$476.40 per month. The effective date of this Ordinance was April 1, 1997.

Consideration to Adopt Resolutions Setting the Statutory Maximum Salary and Other Benefits for City CouncilmembersPage 2 of 4

6. On April 3, 2000, the City Council adopted Ordinance No. 1515, increasing compensation to \$579.06 per month. The effective date of this Ordinance was March 13, 2001.
7. On October 6, 2014, the City Council adopted Ordinance No. 1636, which enables a City Council salary and authorizes the amount to be set by resolution pursuant to the amounts authorized in Government Code 36516. Adoption of this Ordinance only changed the process by which City Council salary is set. It did not make any change to the existing salary of \$579.06 per month.
8. On December 1, 2014, the City Council adopted Resolution No. 7662, setting the salary at \$580.00 per month. The effective date of this ordinance was April 1, 2015.
9. On January 27, 2020, the City Council discussed the proposed City Councilmember salary adjustment, but tabled the item to be presented at the next regular City Council meeting.
10. On February 3, 2020, the City Council continued to discuss the proposed salary adjustment as well as other City Council benefits. The City Council adopted the following motions and created an Ad Hoc Committee (Fajardo, Ballin) to develop additional recommendations regard City Council salary.
 - a. Classic PERS members (on the City Council) increase PERS Contribution, effective December 1, 2020, at the same level as the Department Head Group (i.e. 2% upon adoption, additional 1% on July 1, 2021 and an additional 1% on July 1, 2022; and
 - b. For Councilmembers that participate in the City's health care program, the program will be similar to the San Fernando Police Officers Association (SFPOA), which will pay up to the third highest health plan. Councilmembers enrolling in a more expensive plan will pay the difference. Councilmembers enrolling in a less expensive plan will not receive any surplus funds back.

ANALYSIS:

The Ad Hoc Committee (Fajardo, Ballin) met on multiple occasions to discuss various options for City Councilmember salary and benefits. Ultimately, the Ad Hoc Committee is recommending consideration of the following:

City Council Salary:

- Adopt a resolution increasing the statutory maximum for City Councilmembers' salary to the amount of \$730, effective December 1, 2020 in accordance with Government Code Section 36516; however, freeze the salary at \$580 per month until July 1, 2021.

Consideration to Adopt Resolutions Setting the Statutory Maximum Salary and Other Benefits for City CouncilmembersPage 3 of 4

City Council Benefits:Option A (Exhibit "1" to Resolution No. 8002: Reduce Medical Opt-Out and keep Wellness Benefit.

- Medical Benefits: Capped at 3rd highest medical premium; no surplus in deferred comp. (same as SFPOA-PMU; adopted by City Council on February 3, 2020)
 - Employee only: \$813 per month cap
 - Employee +1: \$1,626 per month cap
 - Family: \$2,114 per month cap
- Medical Opt-Out: Councilmembers were not enrolled in the City's medical insurance as of December 31, 2019 will receive \$845 per month deposited into 457 Deferred Compensation. The amount is reduced by \$50 per month each January 1st thereafter until the Medical Opt Out amount is equal to the most expensive family level dental and vision premiums. Councilmembers electing to Opt-Out after January 1, 2020 will receive an amount equal to the most expensive family level dental and vision premiums deposited into 457 Deferred Compensation.
- CalPERS: Classic Councilmembers pay 2% effective July 1, 2020, then an additional 1% each July 1st thereafter (same as Department Heads; adopted by the City Council on February 3, 2020).
- Wellness Benefit: Keep benefit for all Councilmembers (\$600/month).
- All other benefits will remain unchanged.

Option B (Exhibit "2" to Resolution No. 8002: Freeze Medical Opt-Out and eliminate Wellness Benefit.

- Medical Benefits: Capped at 3rd highest medical premium; no surplus in deferred comp. (same as SFPOA-PMU; adopted by City Council on February 3, 2020)
 - Employee only: \$813 per month cap
 - Employee +1: \$1,626 per month cap
 - Family: \$2,114 per month cap
- Medical Opt-Out: Councilmembers were not enrolled in the City's medical insurance as of December 31, 2019 will receive \$845 per month deposited into 457 Deferred Compensation, with no further reduction. Councilmembers electing to Opt-Out after

Consideration to Adopt Resolutions Setting the Statutory Maximum Salary and Other Benefits for City CouncilmembersPage 4 of 4

January 1, 2020 will receive an amount equal to the most expensive family level dental and vision premiums deposited into 457 Deferred Compensation.

- CalPERS: Classic Councilmembers pay 2% effective July 1, 2020, then an additional 1% each July 1st thereafter (same as Department Heads; adopted by the City Council on February 3, 2020).
- Wellness Benefit: Eliminate benefit for all Councilmembers (\$600/month), effective July 1, 2020.
- All other benefits will remain unchanged.

BUDGET IMPACT:

Adopting the proposed resolutions setting City Councilmember salary at \$730 per month will have no impact to the Fiscal Year (FY) 2019-2020 Adopted Budget as the increase is not effective until December 2020. Additionally, if the City Council elects to freeze the current salary at \$580 per month until July 1, 2021, there will be no impact to the FY 2020-2021 budget either. The total cost of the salary increase is \$9,000, which will be included in the FY 2021-2022 Budget.

CONCLUSION:

Adoption of the proposed resolutions will increase the statutory maximum City Council salary, which has not had a meaningful increase since March 2001, and set certain City Council benefits. All other benefits would remain unchanged.

ATTACHMENTS:

- A. Proposed Resolution No. 7972 w/ Exhibit "1" – Salary Calculation
- B. Proposed Resolution No. 8002
- C. Exhibit "1"
- D. Exhibit "2"

ATTACHMENT “A”**RESOLUTION NO. 7972****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO, CALIFORNIA, SETTING CITY COUNCILMEMBER SALARY PURSUANT TO SECTION 2-31 OF DIVISION 1 OF ARTICLE II OF CHAPTER 2 OF THE SAN FERNANDO CITY CODE****RECITALS**

WHEREAS, pursuant to California Government Code section 36516, a city council may enact an ordinance providing that each member of the city council shall receive a salary; and

WHEREAS, on April 3, 2000, the City of San Fernando (“City”) adopted Ordinance No. 1515 amending the San Fernando City Code (“SFCC”) to provide that each member of the city council shall receive a salary and setting the amount of such salary at \$579.06 per month; and

WHEREAS, on October 6, 2014, the City Council amended Section 2-31 of Division 1 of Article II of Chapter 2 of the SFCC to provide that City Councilmembers shall receive a salary pursuant to Government Code section 36516 in an amount to be set by resolution of the City Council; and

WHEREAS, on December 1, 2014, the City Council adopted Resolution No. 7662 setting the amount of City Council salary at \$580.00 per month; and

WHEREAS, pursuant to Government Code section 36516, any change in salary set by resolution shall not apply to City Council Members until at least one (1) member of the City Council begins a new term of office.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE, FIND, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. Pursuant to Section 2-31 of Division 1 of Article II of Chapter 2 of the SFCC and in accordance with Government Code section 36516, each member of the San Fernando City Council shall receive as salary the sum of \$730.00 per month.

SECTION 2. The monthly salary shall become effective on the first day of the first full calendar month following the date on which one or more members of the City Council begins a new term of office, which will be December 1, 2020.

PASSED, APPROVED, AND ADOPTED this 12th day of May, 2020.

Joel Fajardo, Mayor

ATTEST:

Julia Fritz, City Clerk

APPROVED AS TO FORM:

Richard Padilla, Assistant City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF SAN FERNANDO)

I, HEREBY CERTIFY that the foregoing Resolution was approved and adopted a special meeting of the City Council held on the 12th day of May, 2020, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Julia Fritz, City Clerk

City Council Statutory Maximum Salary Calculation per Government Code 36516

[illegible]

ATTACHMENT "B"**RESOLUTION NO. 8002****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN FERNANDO, CALIFORNIA, SETTING CITY COUNCILMEMBER BENEFITS****RECITALS**

WHEREAS, a city council may provide fringe benefits to each member of the city council;
and

WHEREAS, the City Council has determined that it is appropriate to provide City Councilmember fringe benefits that are consistent with negotiated provisions in other recognized bargaining units in the City.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN FERNANDO DOES HEREBY RESOLVE, FIND, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. Approve the benefits for City Councilmembers as outlined in the attached Exhibit, effective January 1, 2021.

PASSED, APPROVED, AND ADOPTED this 12th day of May, 2020.

Joel Fajardo, Mayor

ATTEST:

Julia Fritz, City Clerk

APPROVED AS TO FORM:

Richard Padilla, Assistant City Attorney

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF SAN FERNANDO)

I, HEREBY CERTIFY that the foregoing Resolution was approved and adopted a special meeting of the City Council held on the 12th day of May, 2020, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Julia Fritz, City Clerk

ATTACHMENT "C"
Resolution No. 8002 – Exhibit "1"

CITY COUNCIL BENEFITS:

Members of the City Council shall receive benefits as outlined in Exhibit "1" to Resolution No. 8002.

MEDICAL, DENTAL AND VISION INSURANCE

The City provides medical, dental and vision insurance consistent with the provisions included in the Police Officers' Association – Police Management Unit Memorandum of Understanding (Contract No. 1939).

The City contracts with the California Public Employees' Retirement System (CalPERS) for medical insurance coverage. Eligible new hires are covered under the program on the first day of the month following enrollment.

Effective January 1, 2020, and each January 1 thereafter the City shall pay the full cost of the City Councilmember's selected medical insurance plan, not to exceed the premium costs of the third most expensive plan available at each plan level (e.g., employee, employee +1, or employee + 2 or more) offered by CalPERS for the Los Angeles County region (i.e., Region 3). Such payment shall include the statutory PEMHCA minimum. The maximum City contribution for 2020 shall be as follows:

	January 1, 2020
Employee only:	\$813
Employee + 1:	\$1,626
Family:	\$2,114

A Councilmember who elects to enroll in a medical plan that exceeds the City's contribution for the third highest plan offered shall pay the difference through automatic pre-tax payroll deductions, as permitted by IRS Code Section 125.

Vision and Dental Insurance

In addition to medical insurance premiums, the City shall provide fully paid dental and vision coverage for all City Councilmembers and eligible dependents.

Life Insurance

The City shall provide all City Councilmembers with a \$50,000 Basic Life and AD&D insurance policy at no cost to the employee.

ATTACHMENT "C"
Resolution No. 8002 – Exhibit "1"

MEDICAL INSURANCE OPT-OUT

The City provides a Medical Opt-Out benefit consistent with the provisions included in the Department Head Compensation Resolution (Resolution No. 7973).

City Councilmembers may elect to discontinue participation in the CalPERS Health Plan medical insurance coverage ("Opt Out"), subject to the provisions set forth below. The intent of this provision is to share premium savings that the City will receive as a result of a City Councilmember canceling City coverage, which will be provided as a deposit into the Councilmembers 457 Deferred Compensation account.

1. City Councilmembers electing to waive City medical insurance coverage for themselves and all eligible family members must annually provide the City with proof of other health/medical insurance coverage that meets the minimum essential coverage requirements, as established by the Affordable Care Act, through another source (other than coverage in the individual market, whether or not obtained through Covered California, and must waive any liability to the City for their decision to cease coverage under the City's medical insurance plan.
2. City Councilmembers receiving opt-out pay as of January 1, 2020 will receive \$845 per month through December 31, 2020, or until they elect to enroll in City medical insurance, whichever is earlier.
3. City Councilmembers that were receiving opt-out pay as of January 1, 2020, and who have continuously received it without interruption will receive \$795 per month beginning January 1, 2021. The opt-out pay will be further reduced by \$50 per month each January 1 thereafter until it is equal to the opt-out pay provided for employees "who opt out after January 1, 2020" as enumerated in provision 5 of this section.
4. City Councilmembers that were receiving opt-out pay as of January 1, 2020 who subsequently enroll in City medical insurance, then opt out again after January 1, 2020 will receive the opt-out pay provided for employees "who opt out after January 1, 2020" as enumerated in provision 5 of this section.
5. City Councilmembers not receiving opt-out pay as of January 1, 2020 and/or who opt out after January 1, 2020, the City shall deposit, on behalf of the employee, an amount equal to the most expensive family level dental and vision premiums (currently \$210/month) each month into Retiree Health Savings Account.
6. After electing to Opt Out, a City Councilmember who later requests to re-enroll under the City plan can only do so during the open enrollment period or after a qualifying event as permitted by the insurance carrier.

ATTACHMENT "C"
Resolution No. 8002 – Exhibit "1"

RETIREMENT

The City provides retirement benefits consistent with the provisions included in the Department Head Compensation Resolution (Resolution No. 7973).

The City shall provide retirement benefits to eligible City Councilmembers through the California Public Employees' Retirement System (CalPERS) as set forth below. The definition of "new" member and "classic" member are set forth in the Public Employee Pension Reform Act of 2013 (PEPRA).

First Tier: "Classic" members elected prior to November 12, 2005 will receive the 3% at 60, single highest year compensation retirement calculation.

Second Tier: "Classic" members elected on or after November 12, 2005 will receive the 2% at 55, final 36-month average compensation retirement calculation.

Third Tier: "New" members elected on or after January 1, 2013 will receive the 2% at 62, final 36-month average compensation retirement calculation.

In accordance with the existing contracts with CalPERS, the City shall provide the following retirement benefits to employees:

- a. Fourth Level of 1959 Survivor Benefits (Government Code Section 21574).
- b. 5% Cost of Living Allowance (COLA) for Councilmembers elected on or before November 12, 2005; and 3% COLA for Councilmembers elected on after November 12, 2005 (Government Code Section 21335).

PEPRA Member Contributions

In accordance with PEPRA, "New" members shall pay, by pre-tax payroll deduction, the full employee contribution of 50% of the total normal cost.

CalPERS Cost Sharing for "Classic" Members

Classic members shall pay an additional pension contribution as cost sharing in accordance with Government Code section 20516(f) as follows:

- Effective on the first day of the first full pay period after December 1, 2020: one percent (2%) for a total of 2% cost sharing of the City's contribution.
- Effective July 1, 2021: an additional one percent (1%) for a total of three percent (3%) cost sharing of the City's contribution.

ATTACHMENT "C"
Resolution No. 8002 – Exhibit "1"

- Effective July 1, 2022: an additional one percent (1%) for a total of four percent (4%) cost sharing of the City's contribution.

RETIREE MEDICAL

The City provides a retiree medical insurance consistent with the provisions included in the San Fernando Management Group Memorandum of Understanding (Contract No. 1905).

The City provides retiree medical benefits as follows:

1. Retiree Medical Tier I: Councilmembers retired on or before June 30, 2015:
 - a. If retired on or before December 31, 2012, 100% paid medical insurance benefits for Councilmember and eligible dependents.
 - b. If retired on or after January 1, 2013, 100% paid medical insurance for Councilmember and eligible dependents, excluding PERS Care plan, if the most expensive.
2. Retiree Medical Tier II: Councilmembers hired on or before June 30, 2015 and retire on or after July 1, 2015:
 - a. If the Councilmember meets the vesting schedule set forth in California Government Code Section 22893, 100% paid medical insurance benefits for whatever plan the employee selects for himself/herself and eligible dependents, except PERS Care plan, if the most expensive.
3. Retiree Medical Tier III: Councilmembers hired on or after July 1, 2015, and subsequently retire from the City:
 - a. If the Councilmember meets the vesting schedule set forth in California Government Code Section 22893, they will receive the PEMHCA.
 - b. The City shall contribute \$100 per month into the Retiree Health Savings (RHS) Plan, as designated by the City.

TECHNOLOGY REIMBURSEMENT

City Council members may elect to receive a technology reimbursement of \$100/month in lieu of a City-issued cell phone. Members that elect to receive a City-issued phone will not receive the reimbursement.

WELLNESS REIMBURSEMENT

The City shall reimburse City Council members up to annual maximum of \$600 for reimbursable "wellness" expenses specifically incurred for health and welfare to the extent defined and

ATTACHMENT "C"**Resolution No. 8002 – Exhibit "1"**

permitted by Government Code, Section 53200(d). Medical exams, uninsured medical care costs, vision and dental expenses may qualify as health and welfare benefits. However, health club/fitness center membership, registration fees for health classes, and entrance fees for competitive events shall not qualify as health and welfare benefits.

AUTOMOBILE ALLOWANCE

The City shall provide City Council members with an automobile allowance in the amount of Three Hundred Dollars (\$300) per month to assist the members with the cost of using and operating their own private vehicle, and to offset expenses such as gasoline, auto insurance, maintenance, repair, and other automobile related costs and expenses. Councilmembers receiving a car allowance will not be reimbursed for mileage.

ATTACHMENT "D"
Resolution No. 8002 – Exhibit "2"

CITY COUNCIL BENEFITS:

Members of the City Council shall receive benefits as outlined in Exhibit "1" to Resolution No. 8002.

MEDICAL, DENTAL AND VISION INSURANCE

The City provides medical, dental and vision insurance consistent with the provisions included in the Police Officers' Association – Police Management Unit Memorandum of Understanding (Contract No. 1939).

The City contracts with the California Public Employees' Retirement System (CalPERS) for medical insurance coverage. Eligible new hires are covered under the program on the first day of the month following enrollment.

Effective January 1, 2020, and each January 1 thereafter the City shall pay the full cost of the City Councilmember's selected medical insurance plan, not to exceed the premium costs of the third most expensive plan available at each plan level (e.g., employee, employee +1, or employee + 2 or more) offered by CalPERS for the Los Angeles County region (i.e., Region 3). Such payment shall include the statutory PEMHCA minimum. The maximum City contribution for 2020 shall be as follows:

	January 1, 2020
Employee only:	\$813
Employee + 1:	\$1,626
Family:	\$2,114

A Councilmember who elects to enroll in a medical plan that exceeds the City's contribution for the third highest plan offered shall pay the difference through automatic pre-tax payroll deductions, as permitted by IRS Code Section 125.

Vision and Dental Insurance

In addition to medical insurance premiums, the City shall provide fully paid dental and vision coverage for all City Councilmembers and eligible dependents.

Life Insurance

The City shall provide all City Councilmembers with a \$50,000 Basic Life and AD&D insurance policy at no cost to the employee.

ATTACHMENT "D"
Resolution No. 8002 – Exhibit "2"

MEDICAL INSURANCE OPT-OUT

The City provides a Medical Opt-Out benefit consistent with the provisions included in the Department Head Compensation Resolution (Resolution No. 7973).

City Councilmembers may elect to discontinue participation in the CalPERS Health Plan medical insurance coverage ("Opt Out"), subject to the provisions set forth below. The intent of this provision is to share premium savings that the City will receive as a result of a City Councilmember canceling City coverage, which will be provided as a deposit into the Councilmembers 457 Deferred Compensation account.

1. City Councilmembers electing to waive City medical insurance coverage for themselves and all eligible family members must annually provide the City with proof of other health/medical insurance coverage that meets the minimum essential coverage requirements, as established by the Affordable Care Act, through another source (other than coverage in the individual market, whether or not obtained through Covered California, and must waive any liability to the City for their decision to cease coverage under the City's medical insurance plan.
2. City Councilmembers receiving opt-out pay as of January 1, 2020 will receive \$845 per month through December 31, 2020, or until they elect to enroll in City medical insurance, whichever is earlier.
- ~~3. City Councilmembers that were receiving opt out pay as of January 1, 2020, and who have continuously received it without interruption will receive \$795 per month beginning January 1, 2021. The opt out pay will be further reduced by \$50 per month each January 1 thereafter until it is equal to the opt out pay provided for employees "who opt out after January 1, 2020" as enumerated in provision 5 of this section.~~
4. City Councilmembers that were receiving opt-out pay as of January 1, 2020 who subsequently enroll in City medical insurance, then opt out again after January 1, 2020 will receive the opt-out pay provided for employees "who opt out after January 1, 2020" as enumerated in provision 5 of this section.
5. City Councilmembers not receiving opt-out pay as of January 1, 2020 and/or who opt out after January 1, 2020, the City shall deposit, on behalf of the employee, an amount equal to the most expensive family level dental and vision premiums (currently \$210/month) each month into Retiree Health Savings Account.
6. After electing to Opt Out, a City Councilmember who later requests to re-enroll under the City plan can only do so during the open enrollment period or after a qualifying event as permitted by the insurance carrier.

ATTACHMENT "D"
Resolution No. 8002 – Exhibit "2"

RETIREMENT

The City provides retirement benefits consistent with the provisions included in the Department Head Compensation Resolution (Resolution No. 7973).

The City shall provide retirement benefits to eligible City Councilmembers through the California Public Employees' Retirement System (CalPERS) as set forth below. The definition of "new" member and "classic" member are set forth in the Public Employee Pension Reform Act of 2013 (PEPRA).

First Tier: "Classic" members elected prior to November 12, 2005 will receive the 3% at 60, single highest year compensation retirement calculation.

Second Tier: "Classic" members elected on or after November 12, 2005 will receive the 2% at 55, final 36-month average compensation retirement calculation.

Third Tier: "New" members elected on or after January 1, 2013 will receive the 2% at 62, final 36-month average compensation retirement calculation.

In accordance with the existing contracts with CalPERS, the City shall provide the following retirement benefits to employees:

- a. Fourth Level of 1959 Survivor Benefits (Government Code Section 21574).
- b. 5% Cost of Living Allowance (COLA) for Councilmembers elected on or before November 12, 2005; and 3% COLA for Councilmembers elected on after November 12, 2005 (Government Code Section 21335).

PEPRA Member Contributions

In accordance with PEPRA, "New" members shall pay, by pre-tax payroll deduction, the full employee contribution of 50% of the total normal cost.

CalPERS Cost Sharing for "Classic" Members

Classic members shall pay an additional pension contribution as cost sharing in accordance with Government Code section 20516(f) as follows:

- Effective on the first day of the first full pay period after December 1, 2020: one percent (2%) for a total of 2% cost sharing of the City's contribution.
- Effective July 1, 2021: an additional one percent (1%) for a total of three percent (3%) cost sharing of the City's contribution.

ATTACHMENT "D"
Resolution No. 8002 – Exhibit "2"

- Effective July 1, 2022: an additional one percent (1%) for a total of four percent (4%) cost sharing of the City's contribution.

RETIREE MEDICAL

The City provides a retiree medical insurance consistent with the provisions included in the San Fernando Management Group Memorandum of Understanding (Contract No. 1905).

The City provides retiree medical benefits as follows:

1. Retiree Medical Tier I: Councilmembers retired on or before June 30, 2015:
 - a. If retired on or before December 31, 2012, 100% paid medical insurance benefits for Councilmember and eligible dependents.
 - b. If retired on or after January 1, 2013, 100% paid medical insurance for Councilmember and eligible dependents, excluding PERS Care plan, if the most expensive.
2. Retiree Medical Tier II: Councilmembers hired on or before June 30, 2015 and retire on or after July 1, 2015:
 - a. If the Councilmember meets the vesting schedule set forth in California Government Code Section 22893, 100% paid medical insurance benefits for whatever plan the employee selects for himself/herself and eligible dependents, except PERS Care plan, if the most expensive.
3. Retiree Medical Tier III: Councilmembers hired on or after July 1, 2015, and subsequently retire from the City:
 - a. If the Councilmember meets the vesting schedule set forth in California Government Code Section 22893, they will receive the PEMHCA.
 - b. The City shall contribute \$100 per month into the Retiree Health Savings (RHS) Plan, as designated by the City.

TECHNOLOGY REIMBURSEMENT

City Council members may elect to receive a technology reimbursement of \$100/month in lieu of a City-issued cell phone. Members that elect to receive a City-issued phone will not receive the reimbursement.

WELLNESS REIMBURSEMENT

~~The City shall reimburse City Council members up to annual maximum of \$600 for reimbursable "wellness" expenses specifically incurred for health and welfare to the extent defined and~~

ATTACHMENT "D"**Resolution No. 8002 – Exhibit "2"**

~~permitted by Government Code, Section 53200(d). Medical exams, uninsured medical care costs, vision and dental expenses may qualify as health and welfare benefits. However, health club/fitness center membership, registration fees for health classes, and entrance fees for competitive events shall not qualify as health and welfare benefits.~~

AUTOMOBILE ALLOWANCE

The City shall provide City Council members with an automobile allowance in the amount of Three Hundred Dollars (\$300) per month to assist the members with the cost of using and operating their own private vehicle, and to offset expenses such as gasoline, auto insurance, maintenance, repair, and other automobile related costs and expenses. Councilmembers receiving a car allowance will not be reimbursed for mileage.