

## AGENDA ITEM REQUEST FORM

Department: City Manager's Office

Department Director: David Biggs

Phone: 799-8216

Meeting Date: April 25, 2017

Final Decision Date Deadline: April 25, 2017

**SUBJECT:**  
City Council Benefits

### INDICATE APPROPRIATE BODY

☒ City  
Council

☐ Successor Agency to the  
Redevelopment Agency

☐ Public Finance  
Authority

☐ Finance  
Commission

☐ Planning  
Commission

☐ Community/Library  
Services Commission

☐ Oversight Board

☐ Other \_\_\_\_\_

### ITEM

☐ Presentation/Introduction

☐ Study Session

☐ Grant Application/Acceptance

☐ Public Hearing

☐ Resolution

☐ Video/PowerPoint

☐ Consent Calendar

☐ Ordinance

☒ Discussion Action

☐ Contract/Agreement

### RECOMMENDED ACTION:

Receive Report, Discuss, and Provide Direction, if any

☐ Copy of executed Resolution/Ordinance/Contract/Application required immediately upon approval.

### REVIEWED AND APPROVED FOR AGENDA:

City Attorney (if Contract, Ordinance or Resolution)

Signature

Date

4-20-17

Finance Department for Fiscal Impact

Signature

Date

4/20/17

City Manager

Signature

Date

4/20/17

**AGENDA ITEM NO:**

XIII.6



## **STAFF REPORT TO THE CITY COUNCIL**

**DATE:** Regular Meeting of April 25, 2017

**TO:** Members of the City Council

**SUBMITTED BY:** David Biggs, City Manager

**SUBJECT:** City Council Benefits

**RECOMMENDED ACTION:** Receive Report, Discuss, and Provide Direction, if any

**COMMISSION/SUBCOMMITTEE ACTION AND RECOMMENDATION:** Not Applicable

**FISCAL IMPACT OF RECOMMENDATION:** Reinstatement of Council benefits would have a fiscal impact and would require the appropriation of additional funds as discussed in the report provided.

**DISCUSSION:** On March 14, 2017, the City Council requested an opportunity to discuss the possible reinstatement of benefits for City Council Members. This item is presented to provide that opportunity.

In 2011, the City Council modified their salaries and benefits in response to a countywide Grand Jury review and the City's financial condition. The last action taken on July 26, 2011, rescinded City paid health insurance benefits for the City Council. Attached is a package of background information on the changes made in 2011 which culminated with the final action as discussed above.

Prior to the elimination of the health insurance benefits, City Council Members were eligible for the same health insurance benefits as employees. At that time, and currently, employees are eligible to select from a range of CalPERS offered health insurance programs with the City paying the cost of coverage required up to the family level at the Kaiser rate which is the lowest cost plan. In addition, those employees who opt out of health insurance are eligible for 50% of the amount the City would otherwise pay in the form of a deferred compensation contribution or as additional pay. It appears as if the prior resolution for City Council health insurance coverage provided a 100% redirect.

The 2017 premiums for Kaiser Coverage are as follow and the annual cost if all Council Members elected coverage at each level is illustrated:

Coverage Level	Monthly Rate	Annual Cost	Annual Council Coverage Cost
Employee Only	\$733.39	\$8,800.68	\$44,003.40
Employee + 1	\$1,466.78	\$17,601.36	\$88,006.89
Employee + family	\$1,906.81	\$22,881.72	\$114,408.60

Health care rates are expected to increase for calendar year 2018, though no indication of the level of increase is available yet from CalPERS. The total cost to reinstate a level of health insurance benefits for the City Council would depend upon the coverage level eligibility and the level elected by each City Council Member.

It should also be noted that the City Council salary which is currently \$831.60 a month has not been increased since 2009 with that amount having gone into effect in 2010. State law permits the Council salary to be adjusted by 5% a year though only effective when new terms start for Council Members. The maximum annual salary for City Council members as of December 2016 would now be \$1,170.14 if it had been increased as permitted by law, or just over \$20,000 more per year in annual cost than the current level.

#### **ATTACHMENTS:**

##### **1. Council Benefits Background**

<i><b>Financial Impact</b></i>			
<b>Description:</b>			
<b>Funding Source:</b>			
<b>Budget Recap:</b>			
Total Estimated cost:	\$	New Revenue:	\$
Amount Budgeted:	\$	Lost Revenue:	\$
New funding required:	\$	New Personnel:	\$
Council Policy Change: Yes <input type="checkbox"/> No <input type="checkbox"/>			

**City of Hercules  
Agenda Item Transmittal**

**Meeting Date:** July 26, 2011

**Agenda Item Number:** XIV.3

**Agenda Item Wording:**

Adopt a Resolution Rescinding All Health And Welfare Benefits For Members Of The City Council

**Submitting Department:** Interim City Manager

**Contact Name:** Elizabeth D. Warmerdam

For action by:

☒ City Council  
☐ RDA Board  
☐ PFA Commission

Placement on agenda:

☐ Intro./Presentation  
☐ Consent Calendar  
☐ Public Hearing  
☐ Communications  
☒ Council Rpts./Reso.  
☐ C.M. Rpts./Reso.  
☐ Intergov. Issues

**Department Recommendation:** Staff recommends that Council direct staff to take one or more of the following actions:

1. Adopt a Resolution Rescinding All Health And Welfare Benefits For Members Of The City Council

**Discussion:**

On May 24, 2011 the Council conducted a brief discussion regarding compensation in response to the Contra Costa County Grand Jury Report No. 1104 – Elected Board Membership and directed the Citizens' Ad Hoc Finance Subcommittee to look into the matter.

During the budget process, Council reviewed its compensation and benefits agreeing to take a reduction in salary, eliminate pay for additional meetings and eliminate the PERS retirement benefit.

On July 12, 2011, at the Council's request, the item was presented to review additional items and to potentially make additional cuts. The attached resolution is the result of this discussion.

**Prior Council/Board Actions:** None

**Commission Review and Actions/Recommendation:** None

**Attachments:**

1. [Resolution](#)

***Financial Impact***

**Description:** Any reductions to Council compensation will be a savings to the City. For the Fiscal Year 2011/12 Council salary and benefits is budgeted at \$96,972 for all five members.

**Funding Source:**

Account Number:

**Budget Recap:**

Total Estimated cost: \$	New Revenue: \$
Amount Budgeted: \$96,972	Lost Revenue: \$
New funding required: \$	New Personnel: \$
Council Policy Change:	Yes _____ No <u>XX</u>

## **RESOLUTION 11-094**

### **RESCINDING ALL HEALTH AND WELFARE BENEFITS FOR MEMBERS OF THE CITY COUNCIL**

**WHEREAS**, members of the City Council of the City of Hercules are entitled by law and prior City Council action to receive certain health and welfare benefits and benefits through the State of California Public Employees Retirement System ("CALPERS"); and

**WHEREAS**, existing City Council health and welfare benefits have been authorized in a series of resolutions, policies and practices, the most recent of which is Resolution 07-179; and

**WHEREAS**, in adopting Resolution 07-179 the City Council rescinded its Resolution 98-193 and all prior resolutions, policies and practices pertaining to City Council health and welfare benefits and, with the exception of CALPERS benefits, memorialized the benefits available to members of the City Council in that resolution; and

**WHEREAS**, the City Council finds and determines that members of the City Council should not receive health and welfare benefits or CALPERS benefits and that rescinding all such benefits is in the best interests of the City and its residents; and

**WHEREAS**, the City Council finds and determines that elimination of all health and welfare benefits and CALPERS benefits to members of the City Council while paying monetary compensation to members of the City Council pursuant to Hercules Ordinance 452 as it may be amended from time-to-time is fair and equitable.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Hercules as follows:

1. The foregoing recitals are true and correct statements of fact and are incorporated into this Resolution by this reference.
2. Hercules Resolution 07-179 is hereby rescinded and of no further force or effect. The City Council intends that its rescission of Resolution 07-179 will not revive Resolution 98-193 or any resolutions, policies or practices pertaining to City Council health and welfare benefits adopted or implemented before the adoption of Resolution 07-179. Therefore, the City Council hereby confirms that Resolution 98-193 and all resolutions, policies and practices pertaining to City Council health and welfare benefits adopted or implemented before the adoption of Resolution 07-179 shall remain rescinded and of no force or effect.
3. The interim City Manager is directed to take all actions and is authorized to sign all documents necessary to terminate the right of members of the City Council to receive retirement and other benefits from CALPERS.

4. The monetary compensation payable to members of the City Council pursuant to Hercules Ordinance 452, as amended from time-to-time, shall remain unaffected by this Resolution.

The foregoing Resolution was duly and regularly adopted at a regular meeting of the City Council of the City of Hercules held on the 26<sup>th</sup> day of July, 2011 by the following vote of the Council:

AYES: Boulanger, Delgado, Romero, Wilkins, de Vera

NOES: None

ABSENT: None

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Myrna de Vera, Mayor

ATTEST:

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Doreen Mathews, City Clerk

**City of Hercules  
Agenda Item Transmittal**

**Meeting Date:** July 12, 2011

**Agenda Item Number:** XIV.2

**Agenda Item Wording:**

Receive Report and Conduct Discussion Regarding Council  
Compensation and Benefits And Provide Direction to Staff

**Submitting Department:** Acting City Manager

**Contact Name:** Elizabeth D. Warmerdam

**For action by:**

☒ City Council  
☐ RDA Board  
☐ PFA Commission

**Placement on agenda:**

☐ Intro./Presentation  
☐ Consent Calendar  
☐ Public Hearing  
☐ Communications  
☒ Council Rpts./Reso  
☐ C.M. Rpts./Reso.  
☐ Intergov. Issues

**Department Recommendation:** Staff recommends that Council direct staff to take one or more of the following actions:

1. Receive a report and conduct discussion regarding the City Council compensation and benefits and provide direction to Staff.

**Discussion:**

As Council will recall, on May 24, 2011 staff brought forward a staff report regarding the Contra Costa County Grand Jury Report No. 1104 – Elected Board Membership. At that time, Council conducted a brief discussion regarding compensation and directed the Citizens' Ad Hoc Finance Subcommittee to look into the matter. Staff presented the same material to the committee but included a survey of other cities in the West County to compare Hercules Council compensation with that of other Council members in the area. That document is attached for your information.

Additionally, during the budget process, Council reviewed its compensation and agreed to take a 20% reduction in salary, eliminate pay for additional meetings and eliminate the PERS retirement benefit. These reductions in salary and benefits have been incorporated into the Fiscal Year 11/12 budget. However, it is staff's understanding that Council would like to review additional items and potentially make additional cuts. Therefore, the original packet is provided for your reference, an outline of Council compensation prior to the FY 11/12 Budget adoptions, and the compensation comparison survey done for the May 26<sup>th</sup>, 2011 Committee meeting.

**Prior Council/Board Actions:**

**Commission Review and Actions/Recommendation:**



**Attachments:**

1. Staff Report and Packet for Council Compensation Discussion Item, [May 24, 2011](#)
2. Council [Benefit Package](#) (prior to new Fiscal Year)
3. [Comparison](#) of Other City Councils' Compensation in West County

***Financial Impact***

**Description:** Any reductions to Council compensation will be a savings to the City. For the Fiscal Year 2011/12 Council salary and benefits is budgeted at \$96,972 for all five members.

**Funding Source:**

Account Number:

**Budget Recap:**

Total Estimated cost: \$	New Revenue: \$
Amount Budgeted: \$96,972	Lost Revenue: \$
New funding required: \$	New Personnel: \$
Council Policy Change:	Yes ____ No <u>XX</u>

**City of Hercules**  
**Agenda Item Transmittal**

**Meeting Date:** May 24, 2011

**Agenda Item Number (Assigned by City Clerk):**

**Agenda Item Wording:**

Conduct Discussion of Contra Costa County Grand Jury Report No. 1104 – Elected Board Membership

**Submitting Department:**

**Contact Name:**

**Department Recommendation:** Staff recommends that the legislative body take the following actions:

Conduct Discussion of Contra Costa County Grand Jury Report No. 1104 – Elected Board Membership

**Alternatives:**

Do not conduct discussion and provide direction to staff.

**Discussion:**

Purpose is to discuss finding of Grand Jury report 1104 regarding compensation to City Council Members.

**Attachments:**

1. Grand Jury Report
2. 2010-11 Council Compensation
3. Resolution 98-093 - First Resolution Identified That Is Specific To Council Member Benefits.
4. Resolution 07-179 – The Last Adopted Resolution Amending Benefits For Council Members
5. Ordinance 128 – Establishing Compensation For Council Members
6. Ordinance 452 – Last Ordinance Increasing Compensation
7. Staff Report Dated 7.14.09 Relative To Ordinance 452

**For action by:**

- ☒ City Council  
☐ RDA Board  
☐ PFA Commission

**Placement on agenda:**

- ☐ Intro./Presentation  
☐ Consent Calendar  
☐ Public Hearing  
☐ Unfinished Business  
☒ Council Rpts./Reso  
☐ C.M. Rpts/Reso.  
☐ Intergov. Issues

## Grand Jury

## Contra Costa County

725 Court Street  
P.O. Box 911  
Martinez, CA 94553-0091



April 26, 2011

City Manager  
City of Hercules  
111 Civic Drive  
Hercules, CA 94547

Dear City Manager:

Attached is a copy of Grand Jury Report No. 1104, "Elected Board Membership" by the 2010-2011 Contra Costa Grand Jury.

In accordance with California Penal Code Section 933.05, this report is being provided to you at least two working days before it is released publicly.

Section 933.5(a) of the California Government Code requires that (the responding person or entity shall report one of the following actions) in respect to each finding:

- (1) The respondent agrees with the finding.
- (2) The respondent disagrees with the finding.
- (3) The respondent partially disagrees with the finding.

In the cases of both (2) and (3) above, the respondent shall specify the portion of the finding that is disputed, and shall include an explanation of the reasons therefor.

In addition, Section 933.05(b) requires that the respondent reply to each recommendation by stating one of the following actions:

1. The recommendation has been implemented, with a summary describing the implemented action.
2. The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
3. The recommendation requires further analysis. This response should explain the scope and parameters of the analysis or study, and a time frame for the matter to be prepared for discussion. This time frame shall not exceed six months from the date of the publication of the Grand Jury Report.

City of Hercules

April 26, 2011


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4. The recommendation will not be implemented because it is not warranted or is not reasonable, with an explanation thereof.

Please be reminded that Section 933.05 specifies that no officer, agency, department or governing body of a public agency shall disclose any contents of the report prior to its public release. Please insure that your response to the above noted Grand Jury report includes the mandated items. We will expect your response, using the form described by the quoted Government Code, no later than July 25, 2011.

It would be greatly appreciated if you could send this response in hard copy to the Grand Jury as well as by e-mail to [jcuev@contracosta.courts.ca.gov](mailto:jcuev@contracosta.courts.ca.gov) (Word document).

Sincerely,



LINDA L. CHEW, Foreperson

2010-2011 Contra Costa County Civil Grand Jury

A REPORT BY  
THE 2010-2011 CONTRA COSTA COUNTY GRAND JURY


725 Court Street  
Martinez, California 94553

REPORT 1104

**Elected Board Membership**

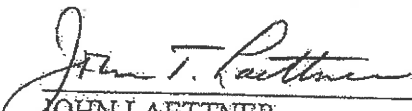
APPROVED BY THE GRAND JURY:

Date: APRIL 6, 2011

  
LINDA L. CHEW  
GRAND JURY FOREPERSON

ACCEPTED FOR FILING:

Date: 4-21-11

  
JOHN LAETTNER  
JUDGE OF THE SUPERIOR COURT

Contact: Linda Chew  
Foreperson  
(925) 957-5638

## **Contra Costa County Grand Jury Report #1104**

### **ELECTED BOARD MEMBERSHIP Public Service or Public Employment?**

**TO: Cities and Towns in Contra Costa County (see distribution list)  
Independent Special Districts (see distribution list)**

#### **SUMMARY**

Given the difficult economic challenges facing local government, the Contra Costa County Grand Jury conducted a survey about compensation for elected Special District Boards (Board) and City Councils (Council). The Grand Jury looked at the use of funds and if the total amounts spent by these agencies for elected officials' compensation seemed reasonable.

The study revealed significant compensation disparities among elected Boards and Councils within Contra Costa County (County).

For example, while Martinez and Oakley both have similar populations of about 35,000 residents, the Martinez City Council total compensation is \$131,326; while Oakley's is only \$28,544.

San Ramon with 60,000 residents pays \$163,190 to its entire Council while Pittsburg, with slightly more residents, pays its Council \$40,035.

Richmond and Antioch, both with around 100,000 residents, pay their entire Councils \$267,139 and \$112,591 respectively.

The Grand Jury recognizes those agencies that pay nothing or minimum compensation and thus demonstrate the spirit of public service.

At the same time, there are a large number of Boards and Councils that are being compensated amounts which may be viewed as exorbitant. Board and Council members are elected to serve their constituents. They set policy, oversee programs and services administered by professional employees and are accountable to the public for their actions.

The Grand Jury believes the public should be aware of the compensation paid to their elected officials, what benefits are provided and whether the compensation structure indicates that the spirit of public service has changed to an entitlement of public employment.

### Total Council Compensation Expense

Cities	Population	Cost	Salary and/or Meeting Fees	Health Care Insurance Costs	Pension & Deferred Comp	Other Costs
City of Lafayette	24,500	\$631	\$0	\$0	\$0	\$631
Town of Moraga	16,800	\$2,673	\$0	\$0	\$0	\$2,673
City of Orinda	17,600	\$2,801	\$0	\$0	\$0	\$2,801
City of Oakley	34,000	\$28,544	\$27,924	\$0	\$0	\$620
City of Clayton	10,784	\$29,590	\$23,400	\$0	\$4,640	\$1,550
City of El Cerrito	23,596	\$37,613	\$26,710	\$0	\$3,574	\$7,329
City of Pittsburg	63,004	\$40,035	\$33,240	\$5,220	\$0	\$1,575
Town of Danville	42,601	\$54,998	\$40,064	\$11,764	\$1,502	\$1,668
City of Pinole	19,193	\$59,965	\$17,862	\$41,396	\$0	\$707
City of Walnut Creek	66,000	\$61,798	\$35,100	\$0	\$16,086	\$10,612
City of Pleasant Hill	33,377	\$72,206	\$37,950	\$27,541	\$4,569	\$2,146
City of Brentwood	50,614	\$91,998	\$34,155	\$42,425	\$2,186	\$13,232
City of Hercules	23,000	\$93,691	\$51,960	\$34,141	\$5,059	\$2,531
City of San Pablo	30,950	\$100,961	\$45,210	\$37,906	\$6,555	\$11,290
City of Antioch	100,150	\$112,591	\$53,746	\$1,922	\$5,576	\$51,346
City of Concord	124,780	\$128,262	\$74,580	\$42,303	\$10,720	\$659
City of Martinez	36,179	\$131,326	\$46,200	\$71,416	\$9,697	\$4,012
City of San Ramon	59,002	\$163,190	\$47,935	\$59,768	\$12,457	\$43,030
City of Richmond	102,186	\$267,139	\$152,130	\$53,700	\$0	\$61,309
<b>Total of 19 Cities</b>		<b>\$1,480,012</b>	<b>\$748,166</b>	<b>\$429,502</b>	<b>\$82,622</b>	<b>\$219,721</b>
<b>Average of 19 Cities</b>		<b>\$77,895</b>	<b>\$39,377</b>	<b>\$22,605</b>	<b>\$4,349</b>	<b>\$11,564</b>

Note: Richmond has seven Council members; all other cities have five Council members

### Special Districts

- The average annual amount spent for each Board was \$34,784.
- Nine special districts paid their elected leaders from zero to less than \$100 in total. They are: Crockett Community Services District, Diablo Community Services District, Kensington Police Protection & Community Services District, Town of Knightsen Community Services District, Kensington Fire Protection District, Rodeo-Hercules Fire Protection District, Bethel Island Municipal Improvement District, Green Valley Recreation and Park District, and Moraga-Orinda Fire District.
- Eight special districts compensate their elected officials more than the average for all surveyed. These districts spent an average of \$99,089. Of that amount 87.7% was paid for salary and/or meeting fees and health care insurance costs. See the table below.
- Eight out of the nine most generous special districts are water or wastewater providers that pass on their costs to rate payers.
- Three special districts contribute to pension or other form of retirement benefits for one or more elected officials.

Professional full-time managers are hired to run each agency. Historically, elected officials have looked upon their work as public service for the betterment of the community. Agencies have provided their elected leaders with benefits. These include health care insurance, employer paid retirement benefits, life insurance premiums, payments for cell phone/internet access, and mileage reimbursement or car allowance.

The total dollar amounts are small in relation to agency overall budgets. However, services to the public are being reduced in most agencies which usually means staff reductions. Although service reductions have been implemented, governing boards have continued to enjoy the same level of benefits. They should demonstrate their leadership by eliminating or reducing benefits.

## **FINDINGS AND RECOMMENDATIONS**

**Each agency named needs to respond only for its own practices.**

**Finding # 1:** Sixteen cities and eighteen special districts provide benefits to their elected leaders in some fashion. These benefits may include salary, meeting fees, health care insurance costs, pension or deferred compensation, life insurance premiums, cell phone usage, and internet connections.

**Recommendation # 1:** All cities and special districts should conduct an annual public review of compensation provided to their respective elected Councils and Boards. This review should include such items as salary, meeting fees, health care insurance costs, pension/deferred compensation, life insurance premiums, cell phone usage, and internet connections. The public review should address whether or not changes in compensation are warranted.

**Finding # 2:** Eight cities spend more than the county-wide average (\$39,377) for salary and meeting fees. They are: Antioch, Concord, Danville, Hercules, Martinez, Richmond, San Pablo and San Ramon.

**Recommendation # 2:** These cities, as part of the annual review in Recommendation 1, should consider whether it would be appropriate to implement reductions of salary and meeting fee expenditures to bring them in line with other cities.

**Finding # 3:** Eight special districts spend more than the county-wide average (\$13,313) for salary and meeting fees. They are: Central Contra Costa Sanitary District, Contra Costa Water District, Discovery Bay Community Services District, Ironhouse Sanitary District, Los Medanos Community Healthcare District, Mt. View Sanitary District, Stege Sanitary District and West County Wastewater District.

**Recommendation # 3:** These special districts, as part of the annual review in Recommendation 1, should consider whether it would be appropriate to implement a



San Pablo	1, 2, 4 and 5
San Ramon	1, 2, 4 and 5
Walnut Creek	1 and 5

Independent Special Districts:

Ambrose Recreation and Park District	1
Byron-Bethany Irrigation District	1 and 4
Byron Sanitary District	1
Central Contra Costa Sanitary District	1, 3, 4 and 5
Contra Costa Water District	1, 3 and 4
Diablo Water District	1
Discovery Bay Community Services District	1 and 3
East Contra Costa Irrigation District	1 and 4
Ironhouse Sanitary District	1, 3, 4 and 5
Los Medanos Community Healthcare District	1 and 3
Mt. Diablo Healthcare District	1 and 4
Mt. View Sanitary District	1, 3 and 4
Pleasant Hill Recreation and Park District	1
Rodeo Sanitary District	1
San Ramon Valley Fire Protection District	1
Steger Sanitary District	1 and 3
West Contra Costa County Healthcare District	1 and 4
West County Wastewater District	1, 3, 4 and 5

**Distribution List:**

Cities and Towns

Antioch, Brentwood, Clayton, Concord, Danville, El Cerrito, Hercules, Lafayette, Martinez, Moraga, Oakley, Orinda, Pinole, Pittsburg, Pleasant Hill, Richmond, San Pablo, San Ramon and Walnut Creek.

Independent Special Districts:

Crockett Community Services District, Diablo Community Services District, Discovery Bay Community Services District, Kensington Police Protection and Community Services District, Knightsen Community Services District, Kensington Fire Protection District, Moraga-Orinda Fire District, Rodeo-Hercules Fire Protection District, San Ramon Valley Fire Protection District, Los Medanos Community Healthcare District, Mt. Diablo Healthcare District, West Contra Costa County Healthcare District, Byron-Bethany Irrigation District, East Contra Costa Irrigation District, Bethel Island Municipal Improvement District, Ambrose Recreation and Park District, Green Valley Recreation and Park District, Pleasant Hill Recreation and Park District, Byron Sanitary District, Central Contra Costa Sanitary District, Ironhouse Sanitary District, Mt. View Sanitary District, Rodeo Sanitary District, Steger Sanitary District, West County Wastewater District, Contra Costa Water District and Diablo Water District.

**CORRECTED AGENDA ITEM XIII.2 GRAND JURY - Atch 2**

<b>FY2012 COUNCIL PAYROLL PROJECTIONS BREAKDOWN</b>	
<b>DESCRIPTION</b>	
<b>RDA MEETINGS</b>	4,331.73
<b>CITY COUNCIL PAY</b>	50,193.00
<b>MEDICAL REIMBURSEMENT</b>	25,038.01
<b>AD&amp;D COUNCIL</b>	84.00
<b>LIFE INSURANCE-COUNCIL</b>	312.00
<b>DENTAL INSURANCE</b>	7,853.04
<b>HEALTH INSURANCE</b>	19,599.84
<b>MEDICARE</b>	790.46
<b>SOCIAL SECURITY</b>	667.16
<b>PERS EE REGULAR 7.0 %</b>	3,139.25
<b>PERS ER REGULAR 11.614%</b>	5,208.53
<b>SURVIVOR BENEFIT-COUNCIL</b>	96.56
<b>VISION INSURANCE</b>	955.92
<b>TOTAL EXPENSE</b>	<b>118,269.50</b>

RESOLUTION 98- 93

AMENDING THE BENEFIT PACKAGE FOR CITY COUNCIL MEMBERS TO INCLUDE DENTAL AND VISION.

WHEREAS, the City Council currently receive benefits that include City paid PERS retirement and life insurance in the amount of \$40,000; and

WHEREAS, the City Council recently approved enhanced benefits for both the HPOA (police) and general employees that included vision and a orthodontic plan; and

WHEREAS, it has been determined that this benefit package should also be recommended to the City Council members at their option; and

WHEREAS, the following is a list of those recommendations:

Vision Plan: City Council members will be offered a vision plan that will allow them and their dependents a vision benefit as follows: eye exam and lenses every twelve (12) months, and frames every twenty-four (24) months. Effective January 1, 1999 the fiscal impact is \$650. Annually, the fiscal impact is \$1,300.

Dental and Orthodontic Plan: City Council members will be offered dental including orthodontic benefits as follows: 50% of the cost of the procedure up to a maximum of \$2,500 will be paid for by the insurance company for all employees and their eligible dependents. Effective January 1, 1999 the fiscal impact is \$3,200. Annually, the fiscal impact is \$6,400.

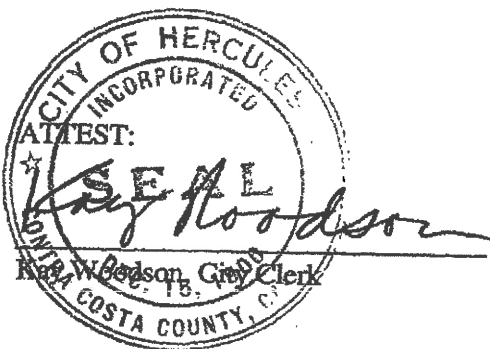
NOW, THEREFORE, BE IT RESOLVED that the Hercules City Council does hereby approve the amendment of the benefit package for City Council members to include dental and vision.

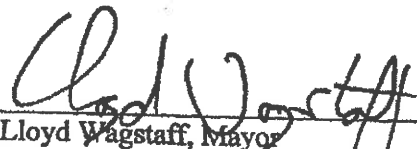
The foregoing Resolution was duly and regularly adopted at a regular meeting of the City Council of the City of Hercules held on the 8th day of December, 1998 by the following vote of the Council:

AYES: Blackmon, Paras, Segerberg, Watson

NOES: None

ABSENT: Wagstaff



  
Lloyd Wagstaff, Mayor

**RESOLUTION 07-179**

**CORRECTING AND AUGMENTING THE BENEFIT PACKAGE FOR MEMBERS OF THE CITY COUNCIL**

**WHEREAS**, members of the City Council of the City of Hercules are entitled by law to receive certain health and welfare benefits; and

**WHEREAS**, existing City Council health and welfare benefits are authorized in a series of resolutions, policies and practices; and

**WHEREAS**, it is necessary and desirable to rescind all prior resolutions, policies and practices pertaining to City Council health and welfare benefits and memorialize them in a single resolution; and

**WHEREAS**, current City Council health and welfare benefits include participation in the City's dental/orthodontic plan, participation in the City's vision plan, life insurance in the face amount of \$40,000 and accidental death and dismemberment insurance in the amount of \$40,000; and

**WHEREAS**, the City Council has determined that it is in the best interests of the City to augment the City Council's health and welfare benefit package to include medical coverage or reimbursement and other health and welfare benefits generally available to City employees as hereinafter provided.

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

1. Hercules Resolution 98-93 and all prior resolutions, policies and practices pertaining to City Council health and welfare benefits are hereby rescinded and of no further force or effect.

2. The City Council hereby approves the following health and welfare benefits for members of the City Council who elect accept such benefits. For purposes of this Resolution, "health and welfare" benefits shall mean and refer to

- a. participation in the City's dental/orthodontic plan,
- b. participation in the City's vision plan,
- c. life insurance in the face amount of \$40,000, as such benefit limit may be modified from time to time,
- d. accidental death and dismemberment insurance in the amount of \$40,000 as such benefit limit may be modified from time to time,
- e. medical insurance/medical coverage as hereinafter provided; and
- f. all other benefits generally available to City Employees to the extent the same benefits are available to members of the City Council under the same benefit plans or programs City employees participate in.

3. The City Council hereby authorizes its members to participate in any City-sponsored medical insurance or other medical coverage plan. Any member of the City Council may elect, at his or her discretion, to decline to participate in any City-sponsored medical insurance or other medical coverage plan and, instead, to obtain or retain their own medical insurance or medical coverage and receive direct payment to the insurer or coverage provider by, or reimbursement from, the City for such medical insurance or medical coverage. Direct payment to the insurer or coverage provider shall be pursuant to contracts or invoices issued by the insurer or coverage provider. Reimbursement shall be pursuant to paid receipts or such other evidence of payment that the City's Finance Director requires. The City Council approves the medical insurance or other medical coverage that any member of the City Council elects to retain in lieu of participating in any City-sponsored medical insurance or other medical coverage plan. All medical insurance and medical coverage allowed under this paragraph shall be made available to the Council Member and his or her spouse and qualified dependent children.

4. The City Council authorizes the payment of all City Council health and welfare benefits from funds under the City's jurisdiction.

5. In no case shall health and welfare benefits made available to members of the City Council be greater than the most generous schedule of benefits received by any category of non-safety employees of the City, nor shall any member of the City Council be eligible to accrue multiple health and welfare benefits greater than the most generous schedule of benefits being received by an category of non-safety employee from two or more public agencies for concurrent service except in the case of a member of the City Council who serves as a regular full-time employee in a separate public entity.

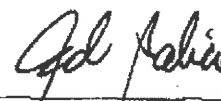
6. The right of members of the City Council to retirement benefits under CALPERS shall not be affected by this Resolution.

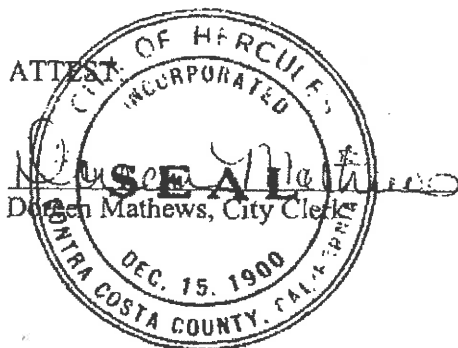
The foregoing Resolution was duly and regularly adopted at a regular meeting of the City Council of the City of Hercules held on the 27<sup>th</sup> day of November, 2007 by the following vote of the Council:

AYES: McDonald, Raines, Valstad, Ward, Balico

NOES: None

ABSENT: None

  
\_\_\_\_\_  
Ed Balico, Mayor



ORDINANCE NO. 128

ADDING SECTION 2-1.03 TO THE HERCULES MUNICIPAL CODE ESTABLISHING SALARIES FOR MEMBERS OF THE CITY COUNCIL.

THE CITY COUNCIL OF THE CITY OF HERCULES DOES ORDAIN AS FOLLOWS:

Section 1. Addition to Section 2-1.03.

Section 2-1.03 is hereby added to the Hercules Municipal Code to read as follows:

Sec. 2-1.03 SALARY OF COUNCIL MEMBERS.

Each member of the City Council shall receive a monthly salary of \$150.00 commencing July 1, 1977. Such salary shall be paid on the 1st day of each month for the preceding month.

Section 2. Effective Date.

This ordinance shall take effect 30 days after passage, and shall, within 15 days after passage, be posted in accordance with Section 36933 of the Government Code of the State of California with the names of the members of the City Council voting for and against it.

Introduced at an adjourned regular meeting of the City Council of the City of Hercules held on the 15th day of March, 1977 and finally passed and adopted at a regular meeting of the City Council of the City of Hercules held on the 10th day of May, 1977, by the following vote:

Ayes: Ardisson, Collins, Wachowicz, Zieper, Fawcett  
Noes: None  
Absent: None

  
E. M. Fawcett, Mayor  
City of Hercules

ATTEST:

  
Maryellen Mc Cormick, City Clerk  
City of Hercules

ORDINANCE NO. 452

**ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HERCULES AMENDING  
SECTION 2-1.03, CHAPTER 1 OF TITLE 2 OF THE HERCULES MUNICIPAL CODE  
REGARDING THE SALARY OF CITY COUNCIL MEMBERS**

**WHEREAS**, the population of Hercules is fewer than 35,000 residents; and

**WHEREAS**, the City Council's monthly salary is \$792.00 per month, which was established by Ordinance 437 adopted June 10, 2008; and

**WHEREAS**, Government Code Section 36516(c) allows an annual increase in Council Member salary by an amount not to exceed five percent (5%).

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HERCULES DOES  
HEREBY ORDAIN AS FOLLOWS:**

**SECTION I. AMENDMENT OF SECTION 2-1.03**

Title 2, Chapter 1, Section 2-1.03 of the Hercules Municipal Code is hereby amended to read as follows:

**"Section 2-1.03 Salary of Council Members and Compensation of Redevelopment  
Agency Directors**

(a) *Each member of the City Council shall receive a monthly salary of Eight Hundred Thirty One and 60/100 dollars (\$831.60).* In addition to such compensation, members of the City Council shall receive their actual and necessary expenses incurred in the discharge of their official duties. Such salary and expense reimbursement shall be paid with the first payroll distribution of each month and shall include salary and expense reimbursement payable for the immediately preceding month.

(b) Each member of the Redevelopment Agency of the City of Hercules shall receive compensation equal to thirty dollars (\$30.00) for each meeting of the Redevelopment Agency attended by the member. No member shall receive compensation for attending more than four meetings of the Redevelopment Agency during any calendar month. In addition to such compensation, members of the Redevelopment Agency shall receive their actual and necessary expenses incurred in the discharge of their official duties. Such compensation and expense reimbursement shall be paid with the first payroll distribution of each month and shall include compensation and expense reimbursement payable for the immediately preceding month.

**SECTION II. EFFECTIVE DATE**

(a) This ordinance shall take effect thirty (30) days after passage, and shall, within fifteen (15) days after passage, be published or posted in accordance with Section 36933

of the Government Code of the State of California with the names of those City Council Members voting for and against it.

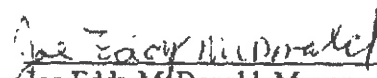
(b) Pursuant to California Government Code Section 36516.5, the increase in City Council salary established by this Ordinance shall take effect when one or more members of the City Council begins a new term of office after the next general municipal election. Until such time, each member of the City Council shall continue to receive a monthly salary of Seven Hundred Ninety Two Dollars (\$792.00).

The foregoing ordinance was introduced at a regular meeting of the City Council of the City of Hercules held on the 23<sup>rd</sup> day of June 2009 and adopted at a regular meeting of the City Council held on the 14th day of July, 2009, by the following vote of the Council:

AYES: Balico, Valstad, Ward, McDonald

NOES: Kuehne

ABSENT: None

  
Joe Eddy McDonald, Mayor





**City of Hercules  
Agenda Item Transmittal**

**Meeting Date:** July 14, 2009

**Agenda Item Number:** X.1

**Agenda Item Wording:**

Have/Waive The Second Reading Of An Ordinance Amending Section 2-1.03(a) Of The Hercules Municipal Code Regarding The Salary Of Council Members

**Submitting Department:** City Manager/City Clerk

**Contact Name:** Nelson Oliva, City Manager  
Doreen Mathews, Admin. Services Director/  
City Clerk

For action by:

☒ City Council  
☐ RDA Board  
☐ PFA Commission

Placement on agenda:

☐ Consent Calendar  
☒ Unfinished Bus.  
☐ Public Hearing  
☐ Communications  
☐ Council Rpts./Reso  
☐ C.M. Rpts./Reso.  
☐ Intergov. Issues

**Department Recommendation:** Staff recommends that Council take the following actions:

After conducting a public hearing, have/waive the first reading of the Ordinance.

**Alternatives:**

Do not have/waive the second reading and provide direction to staff.

**Discussion:**

Government Code Section 36516 allows City Council Members to receive a salary of \$300 per month in cities with populations of less than 35,000 residents. That salary is subject to an annual 5% increase.

Effective March 1, 1999, the Council's salary was increased from \$300 per month to \$540 per month by applying the allowed 5% annual increase between March 1, 1983 and March 1, 1999. On June 10, 2008, the City Council increased Member's salaries to \$792 per month by applying the allowed 5% per year for the intervening period. The June 10, 2008 increase also provided compensation of \$30 per meeting, with a limit of four compensated meetings per calendar month for the Redevelopment Agency Board Members.

The Ordinance presented, if adopted, will increase Council's allowed monthly compensation by 5% to \$831.60. Ordinances adjusting Council compensation are unique in that they can only become effective when a member starts a new term of office after a general election. This ordinance will become effective when the Council is sworn in after the November, 2010 election.

Council compensation will remain at \$792 per month until then. The law prohibits any ordinance from providing for automatic increases in Council compensation.

**Prior Council/Board Actions:**

March 1, 1999: Council compensation increased from \$300 per month to \$540 per month.

June 10, 2008: Council compensation increased from \$540 per month to current \$792 per month and Redevelopment Agency Director compensation set at \$30 per meeting per month, with a maximum of four compensable monthly Agency meetings. (Ordinance No. 437)

June 23, 2009 – the Council waived the first reading of the Ordinance.

**Commission Review and Actions/Recommendation:** None

**Attachments:**

1. Proposed Ordinance

***Financial Impact***

**Description:** An increase in Council Member salary by five percent (5%) to \$831.60 effective after the November, 2010 election.

**Funding Source:**

**Account Number:** 100-4010-601.10-00

**Budget Recap:**

Total Estimated cost:	\$13,020	New Revenue:	\$0
Amount Budgeted:	\$13,020	Lost Revenue:	\$0
New funding required:	\$0	New Personnel:	\$0
Council Policy Change:	Yes _____ No <u>X</u>		

**Subcommittee Review and Approval:** None

## COUNCIL BENEFIT - MAXIMUM COST TO THE CITY

Benefit	Cost per Member		Total Cost	Comments
PERS	1,800.00	5	9,000.00	17.8% of salary
Salary	9,972.00	5	49,860.00	\$831/month
RDA Meetings	1,440.00	5	7,200.00	up to 4 per month
Health	17,748.00	5	88,740.00	\$1,479/mo. (x) 12
Dental	2,551.20	5	12,756.00	\$212/mo
Vision	280.68	5	1,403.40	\$23/mo
Life Insurance	86.40	5	432.00	up to max of what employees get
Survivor	24.00	5	120.00	up to max of what employees get
AD&D	21.60	5	108.00	up to max of what employees get
Computer Lines	120.00	5	600.00	DSL=\$45 Fax=\$30 Cell Phone=\$45
<b>TOTAL</b>	<b>34,043.88</b>		<b>170,219.40</b>	<sup>1</sup>

### Additional One time Costs

laptop	\$	1,500.0
Fax machine	\$	200.0
cell phone	\$	100.0
printer	\$	200.0

<sup>1</sup> NOTE - NOT ALL COUNCIL MEMBERS CURRENTLY RECEIVE ALL BENEFITS

## Individual council member compensation at other cities - maximum cost to the city - annual

<b>Benefit</b>	<b>Hercules</b>	<b>Pinole</b>	<b>San Pablo</b>	<b>Martinez</b>	<b>El Cerrito</b>	<b>Benicia</b>
<i>Salary</i>	9,972.00	3,600.00	8,400.00	7,020.00	5,292.00	5,016.00
<i>Additional meetings</i>	1,440.00	-	60.00	-	-	-
<i>PERS</i>	1,800.00	not offered	1,323.25	1,122.15	1,279.24	not offered
<i>Health</i>	17,748.00	17,752.44	17,752.44	19,271.52	-	19,862.40
<i>Dental</i>	2,551.20	1,787.40	1,904.64	2,271.84	-	1,157.52
<i>Vision</i>	280.68	210.00	450.00	-	-	274.92
<i>Life Insurance</i>	86.40	88.80	180.00	169.20	-	2.50
<i>Survivor</i>	24.00	-	-	-	-	-
<i>AD&amp;D</i>	21.60	included in life	included in life	included in life	-	-
<i>Additional monthly</i>	120.00	-	-	-	720.00	900.00
<b>Total</b>	<b>34,043.88</b>	<b>23,438.64</b>	<b>30,070.33</b>	<b>29,854.71</b>	<b>7,291.24</b>	<b>27,213.34</b>
<i>Additional one-time</i>	2,000.00	-	700.00	-	-	-
<b>Total + additional one-time</b>	<b>36,043.88</b>	<b>23,438.64</b>	<b>30,770.33</b>	<b>29,854.71</b>	<b>7,291.24</b>	<b>27,213.34</b>

<b>*Notes</b>	PERS: 17.8%	in-lieu of medical: 8,876.28 (739.69/mo)	PERS: 15.753%	PERS: ER 8.985% EE (optional) 7% total 15.985%	PERS: 24.173%	mayor salary: 6,696.00
	additional monthly: computer lines		additional one-time: netbooks		additional monthly: \$60/mo for cell phone reimbursement	additional monthly: \$75/mo for expenses
	additional one-time: laptop, fax, cell phone, printer		\$30/additional meeting; no limit -they usually have 2			