

CITY OF YUBA CITY
STAFF REPORT

Date: February 16, 2021
To: Honorable Mayor and Members of the City Council
From: Human Resources Department
Presentation By: Natalie Springer, Human Resources Director

Summary

Subject: Benefits Updates

Recommendation: A. Adopt a Resolution approving a side letter for Public Employees' Local 1 Uniform Allowance

B. Adopt a Resolution updating City Council Member benefits

Fiscal Impact: Estimated at \$31,000 savings but will vary according to Councilmember participation in available benefits.

Purpose:

To approve a resolution that updates the reporting of uniform allowance for Public Employees' Local 1 (Local 1) and a second resolution that updates City Council benefits

Background:

Local 1 Uniform Allowance

CalPERS contacted the City in early November 2020 regarding the processing of a retiring employee's retirement calculation. CalPERS had determined that the uniform allowance in the Local 1 Memorandum of Understanding had conditions of payment that were not clear nor sufficient. As part of an informal agreement between Human Resources and CalPERS, CalPERS agreed to process the retiree employee's retirement application and Human Resources agreed to update the Local 1 uniform allowance language via a side letter.

City Council Benefits

During the last bargaining cycle, dental and vision benefits were changed for bargaining units and department heads' dental and vision benefits were modified during contract updates. Staff researched the process to change dental and vision benefits for City Council so the benefits would continue to match the employees' benefits for ease of administration and benefit uniformity. During this dental and vision research, Staff found that prior approvals for City Council benefits were scattered, not comprehensive, and outdated. It was determined that a clean-up resolution would be a good practice to ensure all the City Council benefits were contained in one resolution to ensure benefits were current and aligned with current requirements.

Analysis:

Local 1 Side Letter - Uniform Allowance

The proposed resolution approving the attached side letter is required by CalPERS to update the Local 1 uniform allowance in the MOU, in accordance with applicable CalPERS requirements, so that classic CalPERS members who receive uniform allowance will have their retirement processed accurately with this benefit included by CalPERS.

City Council Benefits (See City Council Member Benefits 2021)

- Medical coverage: The proposed resolution specifies that this benefit and premiums will continue to mirror non-safety department heads with respect to actual medical insurance benefits and premiums available through the City's group coverage.
- Dental and vision benefits: The proposed resolution specifies that this benefit will continue to mirror department heads with respect to actual insurance coverage and premiums.
- Deferred compensation/457 Plan: The proposed resolution notes this existing benefit at the level of \$200 per month, \$274.40 per month if not partaking in CalPERS (this fluctuates minimally each fiscal year due to the amount the City contributes in CalPERS for City Council members who do not elect optional membership in CalPERS.
- Technology:
 - Tablet/computer equipment—Initial \$1,500 budget for purchase of computer or tablet and accessories. The City shall pay the cellular services for the tablet or tablet will be set-up for WiFi network only. At the end of the City Councilmember's term, the Councilmember shall be able to purchase the equipment at the depreciated price.
 - Cell phone—The City shall provide a City phone and pay the monthly service fee or City Council may utilize their own phone and the City will pay a monthly service with proof of service, not to exceed \$40 per month.
- Auto expense reimbursement—The proposed resolution clarifies that, for those not using a City vehicle when traveling for City business, actual automobile expenses may be reimbursed in accordance with applicable tax laws and existing City reimbursement procedures.
- Life insurance: \$50,000 coverage paid by City, \$7.15 per month (fluctuates minimally due to provider rates).
- Monthly compensation: Monthly compensation remains set by Municipal Code section 2-1.07 at \$600 per month, payable at the same time in the same manner as salaries are paid to other officers and employees of the City.
- CalPERS: This is optional. Retired annuitants can elect alternate benefit of adding to deferred compensation benefit.

Fiscal Impact:

Estimated at \$31,000 savings but will vary according to Councilmember participation in available benefits.

Alternatives:

Do not approve the resolutions and provide staff direction.

Recommendation:

- A. Adopt a Resolution approving a side letter for Public Employees' Local 1 Uniform Allowance
- B. Adopt a Resolution updating City Council Member benefits

Attachments:

- A. Resolution of the City Council of the City of Yuba City Approving Public Employees' Union, Local 1 Side Letter for Uniform Allowance
- B. Public Employees' Union, Local 1 Side Letter for Uniform Allowance
- C. Resolution of the City Council of the City of Yuba City Updating City Council Member Benefits. Exhibit A: 2021 City Council Member Benefit Summary

Prepared By:

Submitted By:

/s/ Natalie Springer

Natalie Springer
Human Resources Director

/s/ Diana Langley

Diana Langley
Interim City Manager

Reviewed By:

Finance

SM

City Attorney

SLC by email

Special Counsel

SS by email

ATTACHMENT A

RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
APPROVING THE PUBLIC EMPLOYEES' UNION, LOCAL 1 SIDE LETTER FOR UNIFORM
ALLOWANCE**

WHEREAS, City staff and Public Employees' Union Local 1 (Local 1) have negotiated a Side Letter for uniform allowance as the current uniform allowance is out of compliance with CalPERS regulations;

WHEREAS, all other provisions of the current Memorandum of Understanding between the City and Local 1 shall remain unchanged.

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

1. Approve the attached Local 1 Side Letter
The City shall report non-safety uniforms expenditures as "special compensation," pursuant to CalPERS regulations, in two ways:
 - a. The initial uniform outlay for an employee at the time of hire will be reported at the next available reporting opportunity following the expenditure at an amount not to exceed \$25.
 - b. Uniform expenditures will be reported as earned on a per pay period basis in the amount determined by the uniform billing provider statement for classic CalPERS members only but not to exceed \$1,200 per fiscal year.

The uniform billing services is subject to change based on uniforms provider, operational safety and requirements as determined by the City.

2. The Director of Finance is hereby authorized to make the necessary budget adjustments to implement the provisions of this resolution.

The foregoing Resolution of the City Council of the City of Yuba City was duly introduced, passed and adopted at a regular meeting thereof held on the 16th day of February 2021.

AYES:

NOES:

ABSENT:

Marc Boomgaarden, Mayor

ATTEST:

Ciara Wakefield, Deputy City Clerk

Approved as to form:

Stacey Sheston
BB&K, Special Counsel

ATTACHMENT B

**SIDE LETTER TO THE
MEMORANDUM OF UNDERSTANDING**

Between

The City of Yuba City

And

PUBLIC EMPLOYEES UNION, LOCAL #1

JULY 1, 2019 THROUGH JUNE 30, 2020

The City of Yuba City (City) and Public Employees' Union, Local #1 (herein referred to as "Local 1") jointly referred to as the "parties" enter into this Side Letter Agreement. The parties agree that the specific provisions contained in this Side Letter Agreement shall succeed any previous agreement regarding matters contained herein. The parties also agree that the terms of this agreement will be incorporated into the current Memorandum of Understanding (MOU) effective July 1, 2019 through June 30, 2020.

Memorandum of Understanding Language:

SECTION XXVI – UNIFORMS

The City shall report non-safety uniforms expenditures as "special compensation," pursuant to CalPERS regulations, in two ways. The initial uniform outlay for an employee at the time of hire will be reported at the next available reporting opportunity following the expenditure at an amount not to exceed \$25. When reported, the amount will be reported ratably as earned over the course of the expected period that the initial uniform items are intended to be used. Thereafter, uniform expenditures will be reported as earned on a per pay period basis in the amount determined by the uniform billing provider statement for classic CalPERS members only but not to exceed \$1,200 per fiscal year. The uniform billing services is subject to change based on uniforms provider, operational safety and requirements as determined by the City. The foregoing shall be subject to the provisions and limitations under the Public Employees' Retirement Law, including prohibitions on reporting the uniform allowance as pensionable compensation for employees deemed "new members" under the Public Employees' Pension Reform Act of 2013.

The above section and language are the sole amendment regarding the current Memorandum of Understanding (MOU) effective July 1, 2019 through June 30, 2020. This Side Letter Agreement does not change, modify, or otherwise alter any other terms or conditions of the current MOU between the City of Yuba City and Local #1.

2. Remainder of Contract Not Affected.

All other provisions of the current Memorandum of Understanding between the City and the Public Employees' Union, Local #1 shall remain unchanged.

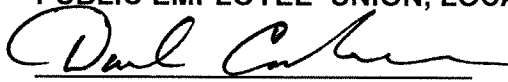
Date: _____

Date: 1-27-21

CITY OF YUBA CITY

PUBLIC EMPLOYEE' UNION, LOCAL #1

Diana Langley
Interim City Manager



Dave Calonder
President Local #1

Natalie Springer
Director of Human Resources

Ron Slaven
Local #1 Business Agent

ATTACHMENT C

RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY
UPDATING CITY COUNCIL MEMBER BENEFITS**

WHEREAS, the City recognizes the need to update City Council benefits for ease of administration and benefit uniformity; and

WHEREAS, prior resolutions for City Council benefits are dated and need to be consolidated; and

WHEREAS, the City Council now wishes to approve an updated benefits resolution to more closely align with current requirements and to consolidate benefit information for ease of administration.

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

1. The City Council approves the "City Council Member Benefits" updated February 16, 2021, attached hereto as Exhibit "A."

2. The Director of Finance is hereby authorized to make the necessary budget adjustments to implement the provisions of this resolution.

The foregoing Resolution of the City Council of the City of Yuba City was duly introduced, passed and adopted at a regular meeting thereof held on the 16th day of February, 2021.

AYES:

NOES:

ABSENT:

Marc Boomgaarden, Mayor

ATTEST:

Ciara Wakefield, Deputy City Clerk

Approved as to form:

Shannon Chaffin, City Attorney

Exhibit "A" - City Council Member Benefits updated February 16, 2021

EXHIBIT "A"



City Council Member Benefits

Updated February 16, 2021

- ❑ Monthly Salary \$600.00 per month
- ❑ Auto Allowance Expenses reimbursed for personal vehicle usage
- ❑ Tablet/computer Initial \$1,500 budget for purchase of computer or tablet and accessories. The City shall pay the cellular services for the tablet or tablet will be set-up for WiFi network only. At the end of the City Councilmember's term, the City Councilmember shall be to purchase the equipment at the depreciated price.
- ❑ Cell phone The City shall provide a City phone and pay the monthly service fee or City Council may utilize their own phone and the City will pay a monthly service with proof of service, not to exceed \$40 per month.
- ❑ Medical Coverage Blue Shield Plans
80% City/ 20% employee of lowest plan premium
- ❑ Dental/Vision Combined Benefit Administrator
90% City/ 10% employee of plan premium
- ❑ Life Insurance \$50,000 coverage paid by City
\$7.15 per month
- ❑ 457 Plan \$200.00 per month
\$274.40 per month if not partaking in CalPERS
- ❑ CalPERS: Optional
 - Election of optional membership
 - Retired Annuitants can elect alternate benefit of adding to deferred compensation benefit. Resolution 03-018.