



Item No. 11 Town of Atherton

CITY COUNCIL STAFF REPORT – CONSENT AGENDA

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: GEORGE RODERICKS, CITY MANAGER

DATE: JUNE 18, 2014

SUBJECT: RESOLUTION ADOPTING AMENDMENTS TO THE RESOLUTION ADOPTING SALARIES AND BENEFITS FOR UNREPRESENTED EMPLOYEES

RECOMMENDATION

It is recommended that the Council adopt the attached Resolution ratifying an Amendment to Resolution No. 13-03 regarding Monthly Salary Compensation and Section 17: IRC Section 125 Flexible Benefit Plan.

BACKGROUND | ANALYSIS

Resolution No. 13-03 approving salaries and benefits for unrepresented staff was adopted in 2013, effective for July 1, 2013 with the idea that, as a practice, the resolution would be returned annually to Council for review and modification as the Town's fiscal condition and/or employment needs dictate.

It is recommended that the unrepresented staff salaries be adjusted by 1.5% and that the health insurance plans be made consistent with the plans as adopted for the Atherton Police Officers Association (APOA).

The APOA provision is based on 90% of the Kaiser rates and has a sharing provision for cost escalation. This model provides for an automatic share in cost increases year after year.

FISCAL IMPACT

The salary adjustment represents a cost of \$18,000 per year. The pension burden (i.e. town share) is another \$2,400 for a total salary/pension burden of approximately \$20,000 (including Medicare). The medical (health, dental, vision) benefit burden represents a cost of \$21,000. The total cost is 41,000, which represent approximately 2% of salary and benefits for the 12 staff members covered under this resolution.

ATTACHMENT

Resolution

RESOLUTION NO. 14-XX

**A RESOLUTION OF THE CITY COUNCIL OF THE TOWN OF
ATHERTON RATIFYING AN AMENDMENT TO RESOLUTION NO. 13-03
APPROVING SALARIES AND BEENFITS FOR UNREPRESENTED STAFF**

WHEREAS, the City Council amends the unrepresented staff resolution to provide a 1.5% increase in salaries; and,

WHEREAS, the unrepresented staff resolution is amended to provide staff allowances equal to 90% of the Kaiser rates for health, and 90% of cost for dental and vision and has a sharing provision for cost escalation.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the Town of Atherton hereby amends Resolution No. 13-03 as identified in Exhibit A.

PASSED AND ADOPTED at a meeting of the City Council of the Town of Atherton held on the 18th day of June, 2014 by the following vote:

AYES: Council Members:
NOES: Council Members:
ABSENT: Council Members:

Cary Wiest, MAYOR
Town of Atherton

ATTEST:

Theresa N. DellaSanta, City Clerk

APPROVED AS TO FORM:

William B. Conners, City Attorney

Exhibit A

Town of Atherton
Monthly Salary Compensation

Job Description	STEP A	STEP B	STEP C	STEP D
Police Chief	13,285.60	13,949.88	14,647.37	15,379.74
Finance Director	12,691.72	13,326.30	13,992.62	14,692.25
Public Works Director/City Engineer	12,767.06	13,405.41	14,075.68	14,779.47
Police Lieutenant	10,841.84	11,383.93	11,953.12	12,550.78
Assistant to the City Manager/City Clerk	10,061.55	10,564.63	11,092.86	11,647.50
Public Works Superintendent	9,885.00	10,379.25	10,898.22	11,443.13
Associate Engineer	7,493.50	7,868.17	8,261.58	8,674.66
Executive Assistant to the Police Department	6,107.36	6,412.73	6,733.37	7,070.03
Accountant	6,069.25	6,372.71	6,691.34	7,025.91
Office Specialist	4,755.24	4,993.01	5,242.66	5,504.79
Account Technician	5,285.11	5,549.37	5,826.84	6,118.18

Section 17. IRC Section 125 Flexible Benefit Plan.

The following is replaces section 17 in its entirety.

A. To the extent not supplanted by any mandated federal health coverage plan, the Town participates in the CalPERS Health Plan Program; however, the Town reserves the right to select the providers of any insurance program(s).

B. Effective July 1, 2014, the Town shall contribute each month up to the amounts listed below, based on the employee's level of medical plan enrollment, to each active employee's IRC section 125 Cafeteria Flex Plan account. The benefit allowance is to be used to offset the costs of the employer provided medical, dental and vision insurance premiums. An employee may not use the allowance for other reasons. These amounts may be adjusted by the City Council in superseding resolutions. Provisions of the Cafeteria Flex Plan shall be set forth by resolution of the City Council as soon as practical after adoption of this Resolution to clarify and implement the specifics of the plan which is outlined herein.

a. The 2014 CalPERS published rates for the Kaiser plan according to the following scheme:

One Party = \$668 (90% of the 2014 employee only CalPERS Kaiser rate)

Two Party = = \$1,337 (90% of the 2014 employee plus one CalPERS Kaiser rate)

Three + Party = \$1,738 (90% of the 2014 family CalPERS Kaiser rate)

For any CalPERS Kaiser HMO rate increases, the cafeteria contribution shall be increased according the following agreement:

For rate increases of up to and including 3% of any annual premium increase, the cafeteria plan contribution shall not be increased.

For rate increases in excess of 3% of the annual premium increase, the cafeteria plan contribution shall be increased by one half (1/2) of the increase in excess of 3%.

b. Dental

90% of the published rates for single, 2-party, and family

c. Vision

90% of the published rates for single, 2-party, and family

Any required health, dental and/or vision premiums in excess of the amount in the Cafeteria Plan shall be paid by the employee, unless replaced by a federally mandated health coverage plan.

In the event that an employee elects insurance plans that do not use the entire Cafeteria Flex Plan benefit allowance, the Town agrees to contribute 60% of the unused benefit into the employee's health or flex savings account as allowed by law or refunded to the employee.

An employee who elects no medical coverage through the Town shall receive 60% of the Kaiser HMO benchmark used by the Town (employee only, employee plus one, or family) depending on which category the employee is eligible during the open enrollment period. The minimum payment shall be \$300 per month. This payment shall be made quarterly.

D. The Town shall establish a flexible spending plan under Internal Revenue Code Section 125, which shall include dependent care provisions under Internal Revenue Code Section 129. Employees may participate in the flexible spending plan according to its terms as may be in effect from time to time, and those employees who are participating shall be responsible for their monthly participation fee.

