



**Council Meeting: February 7, 2012**

**SUBJECT: Amendment to Salary Resolution to include Provision for Health Benefits Reimbursement for Retired City Employees serving on City Council**

**REPORT IN BRIEF**

An amendment to the Salary Resolution is needed to provide the medical and dental benefits for retired City employees while serving on the City Council at the same level as current City Council members. The current Salary Resolution does not include language regarding retiree medical and dental benefits for council members that have previously retired from the City of Sunnyvale, during their tenure as a council member.

**BACKGROUND**

Retired City employees are eligible to receive a City contribution for retiree medical as outlined in the Salary Resolution in alignment with their respective bargaining units. Council members also receive medical and dental benefits as outlined in the Salary Resolution. The current Salary Resolution does not include a provision to provide medical and dental benefits to City retirees that serve on the City Council.

On January 10, 2012, James Davis was sworn to office as a City Council member. As a retired Public Safety Officer, he currently receives a City contribution towards retiree medical premiums as outlined in the Salary Resolution for the Public Safety Officers Association (PSOA). Medical premiums are fully paid for Council members and their dependents. Council members also receive fully paid dental premiums, excluding dependents, for enrollment in the City's dental plan.

## **DISCUSSION**

The current Salary Resolution does not have a provision that allows the City contribution to medical premiums for City Council members that are currently receiving medical benefits as a retired City employee. Nor does the Salary Resolution have a provision for retired City employees that are serving on City Council and have other dental plan coverage. The difference in the City contribution will vary, depending on the Pay Plan Category as defined in the Salary Resolution. Pay Plan Category C applies to employees represented by the Public Safety Officers Association (PSOA) (Section 2.200).

As outlined in the Salary Resolution for retired PSOA members, Council member Davis currently receives a City contribution toward retiree medical premiums in the amount of \$467.46 per month. Council member Davis' total premium amount for a retiree plus a dependent is \$1,041.00 per month. Council members are entitled to fully paid premiums for medical benefits that cover the Council member and eligible dependents. The difference in the premium amount is \$573.44 and is currently paid by Council member Davis.

As a City retiree, Council member Davis has retained dental insurance through PSOA at his own cost. Council members are provided dental insurance and the cost to enroll the Council member, excluding dependents, is fully paid by the City. The current dental premium cost for council members is \$67.79 monthly.

This amendment to the Salary Resolution will provide Council member Davis with the same level of benefits received by all other City Council members and not penalize him for being a retiree of the City of Sunnyvale.

## **FISCAL IMPACT**

There is no fiscal impact associated with this report as the cost of medical premiums are already fully paid by the City for all Council members and the cost of a Council member's dental premium, excluding dependents, is also fully paid.

## **PUBLIC CONTACT**

Public contact was made by posting the Council agenda on the City's official-notice bulletin board outside City Hall, at the Sunnyvale Senior Center, Community Center and Department of Public Safety; and by making the agenda and report available at the Sunnyvale Public Library, the Office of the City Clerk and on the City's Web site.

**ALTERNATIVES**

1. Adopt Amendment to the Salary Resolution to add a provision for health benefits reimbursement for retired City employees while serving on City Council.
2. Do not approve the Amendment to the Salary Resolution contained in this report.

Reviewed by:

Teri Silva, Director of Human Resources  
Prepared by: Patricia Lord, Senior Management Analyst

Approved by:

Gary M. Luebbers  
City Manager

**Attachments**

- A. Resolution to Amend the Salary Resolution

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SUNNYVALE AMENDING THE CITY'S SALARY RESOLUTION NO. 190-05 BY ADDING SECTION 5.502 RELATED TO HEALTH CARE COST REIMBURSEMENT**

WHEREAS, an amendment to the Salary Resolution is necessary to amend the City's contribution for health insurance for current and future City Council Members.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SUNNYVALE THAT Resolution No. 190-05 is hereby amended by adding 5.502, as follows:

5.502. CASH REIMBURSEMENT. CITY RETIREE COUNCILMEMBERS.

Members of the City Council who are City retirees and are enrolled in the CalPERS medical program as a retiree, are eligible to receive a reimbursement equal to the difference of the current City contribution to medical insurance included under Section 5.505 and the current cost of the CalPERS medical premium.

In addition, if Members of the City Council who are City retirees and have an alternative dental plan, and they waive City coverage, the City will reimburse the cost of dental insurance up to the amount specified under Section 5.506 (f).

Adopted by the City Council of the City of Sunnyvale at a regular meeting held on \_\_\_\_\_, 2012, by the following vote:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

ATTEST:

APPROVED:

\_\_\_\_\_  
City Clerk  
(SEAL)

\_\_\_\_\_  
Mayor

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
David Kahn, City Attorney