

RESOLUTION NO. 25-62

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, PROVIDING FOR FRINGE BENEFITS AND RELATED COMPENSATION FOR CITY COUNCIL

WHEREAS, City Council has set forth various fringe benefits and related compensation for City Council (prior Fringe Benefits Resolutions); and

WHEREAS, prior Fringe Benefits Resolutions provided for amendment and modification by City Council action that directs inclusion of any changes as part of said Resolution; and

WHEREAS, the City Council wishes to incorporate all compensation and benefits that were approved in prior resolutions into a single document for the purpose of efficiency and improved management of benefits and compensation considerations.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, DOES HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:

SECTION 1. PURPOSE

The purpose of this resolution is to consolidate the presentation of fringe benefit information by incorporating previously adopted resolutions concerning City Council into a single document. By adopting this Resolution, it is the City Council's intent that all previous resolutions be superseded.

SECTION 2. COMPENSATION

The compensation for City Councilmembers is set forth in Exhibit A, which is attached hereto and incorporated herein.

SECTION 3. RETIREMENT

- a) CITY COUNCIL ELECTED OR APPOINTED BEFORE JANUARY 1, 2013 AND CONSIDERED TO BE A "CLASSIC" COUNCILMEMBER

The City contracts with the State of California Public City Councilmembers Retirement System (CalPERS) for City Councilmembers. The plan shall include the following options:

1. Miscellaneous City Councilmembers - 2% @ 55 retirement formula (Government Code §21354);

2. Single highest year final compensation (Government Code §20042);
3. Post Retirement Survivor Allowance (Government Code §21624/21626);
4. Pre-Retirement Option 2W Death Benefit (Government Code §21548);
5. Post-Retirement Survivor Allowance to Continue After Remarriage (Government Code §21635);
6. Pre-Retirement Death Benefits to Continue After Remarriage of Survivor (Government Code §21354);
7. 2% Annual Cost-of-Living Allowance increase (Government Code §21329);
8. \$500 Retired Death benefit (Government Code §21620);
9. Prior Service (Government Code §20055);
10. Supplemental SSA Coordination.

b) NEW CALPERS MEMBERS APPOINTED OR ELECTED ON OR AFTER JANUARY 1, 2013 - ALSO CALLED PEPRA NEW MEMBERS

The City contracts with the State of California Public City Councilmembers Retirement System (CalPERS) for City Councilmembers. The plan shall include the following options:

1. Miscellaneous City Councilmembers - 2.0% @ 62 retirement formula (Government Code §7522.20);
2. Three (3) year average final compensation period (Government Code §20037);
3. All of the benefits listed above in Section a), numbers 3 to 12.

c) MEDICARE REIMBURSEMENT

The City will reimburse City Council retirees the Standard Medicare Premium for Medicare Part B (Medical Insurance) and their Prescription Drug Coverage for the City Council retiree and their spouse or domestic partner. The City will not reimburse for adjustments made to a retiree or spouse or domestic partner's premium as a result of a modified adjusted gross income. The City shall continue reimbursement of these premiums to the spouse or domestic partner of the retiree after the death of the retiree.

d) HEALTH INSURANCE

The City's contribution to the City's Health Plan (Premium Only Plan) shall be the premium rates for "Other Southern California"

Blue Shield Access+ health rates which shall include the PEMCHA minimum contribution as published by CalPERS for the designated health insurance plans. In no event shall the City's contribution under the City's Health plan exceed the "Other Southern California" Blue Shield Access+ health rate of the eligible benefit categories (i.e. single, 2 party, family).

e) DENTAL PLAN

The City shall provide dental insurance coverage to active City Councilmembers and retirees and/or eligible dependents. The dental plan offered to retirees will be the same plan offered to active City Councilmembers. The City shall pay the entire premium on behalf of the City Councilmember/retiree and eligible dependents, if applicable.

f) VISION PLAN

The City shall provide vision coverage to active City Councilmembers and retirees and/or eligible dependents. The vision plan offered to retirees will be the same plan offered to active Councilmembers. The City shall pay the entire premium on behalf of the City Councilmember/retiree and eligible dependents, if applicable.

g) LONGEVITY STIPEND FOR CITY COUNCILMEMBERS ELECTED OR APPOINTED BEFORE JULY 1, 2011 RETIRING ON OR BEFORE DECEMBER 31, 2011

The City shall make a longevity stipend available to a City Councilmember who was elected or appointed before July 1, 2011, and who retires from the City of Commerce on or before December 31, 2011. The longevity stipend shall be deposited on a monthly basis into the retiree's Retiree Healthcare Reimbursement Plan (Retiree HRA Plan).

The City's monthly longevity stipend to the Retiree HRA Plan shall be the difference between the premium cost of coverage for the retiree and/or eligible dependents (when applicable) minus the PEMHCA minimum contribution. The longevity stipend shall be based on the cost of coverage for retiree and/or eligible dependents under the medical plans sponsored by PEMCHA. The stipend shall be based on the tier of coverage (i.e. single, or two-party) and actual plan cost.

h) LONGEVITY STIPEND FOR CITY COUNCILMEMBERS
ELECTED OR APPOINTED BEFORE JULY 1, 2011

The City shall make a longevity stipend available to a City Councilmember who was elected or appointed before July 1, 2011, and who retires from the City of Commerce as described in this Section. The City shall make a longevity stipend payment on a monthly basis to the retiree's Retiree Healthcare Reimbursement Plan (Retiree HRA Plan).

The City's monthly longevity stipend to the Retiree HRA Plan shall be the difference between the premium cost of coverage for the retiree and/or eligible dependents (when applicable) minus the PEMHCA minimum contribution. Effective January 1, 2015, the City's total longevity stipend payment shall not exceed the premium rate for the "Other Southern California Region" Blue Shield Access+ health rates which shall include the PEMHCA minimum contribution for each eligible category (single, Plus One, Family) of the Blue Shield Access+ Plan that is in effect on January 1, 2015.

Effective October 1, 2016, the maximum City total longevity stipend payment (for the 10 years and above of City Service) shall not exceed the premium rate for the "Other Southern California Region" Blue Shield Access+ health rates which shall include the PEMCHA minimum contribution for each eligible category (single, Plus One) of the Blue Shield Access + Plan that is in effect on October 1, 2016.

Effective January 1, 2017, the maximum City total longevity stipend payment (for the 10 years and above of City Service) shall not exceed the premium rate for the "Other Southern California Region" Blue Shield Access+ health rates which shall include the PEMCHA minimum contribution for each eligible category (single, Plus One) of the Blue Shield Access + Plan that is in effect on January 1, 2017.

Effective January 1, 2018, the maximum City total longevity stipend payment (for the 10 years and above of City Service) shall not exceed the premium rate for the "Other Southern California Region" Blue Shield Access+ health rates which shall include the PEMCHA minimum contribution for each eligible category (single, Plus One) of the Blue Shield Access + Plan that is in effect on January 1, 2018.

This Section does not change the provisions of City Policy III-I, Health and Hospitalization Insurance Plan. To the extent that any changes are to be made to the Longevity Stipend, the parties shall be required to comply with the requirements of applicable state or federal law.

i) LONGEVITY STIPEND FOR CITY COUNCILMEMBERS ELECTED OR APPOINTED ON/AFTER JULY 1, 2011

City Councilmembers elected or appointed by the City on or after July 1, 2011, and who meet the eligibility requirements for retiree health insurance are eligible to continue in the City's group health insurance program. The City's maximum contribution towards retiree coverage under this subsection shall be the PEMCHA minimum contribution as determined by CalPERS on an annual basis. City Councilmembers who meet the criteria described below shall be eligible to receive a longevity stipend upon retirement from the City. The longevity stipend payment shall be deposited on a monthly basis into the retiree's Healthcare Reimbursement Plan (Retiree HRA Plan).

Effective January 1, 2015, the maximum City total longevity stipend payment (for serving 10 years as an elected Official for the City) shall not exceed the premium rate for the "Other Southern California Region" Blue Shield Access+ health rates which shall include the PEMCHA minimum contribution for each eligible category (single, Plus One) of the Blue Shield Access + Plan that is in effect on January 1, 2015.

≥ 5 years of full-time City service	50% + additional 10.0% for each additional year of City service above 5 years (e.g., 7 years = 70%)
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≥10 years of full-time City service	100%
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Effective October 1, 2016, the maximum City total longevity stipend payment (for 15 years and above as an elected Official for the City) shall not exceed the premium rate for the "Other Southern California Region" Blue Shield Access+ health rates which shall include the PEMCHA minimum contribution for each eligible category (single, Plus One) of the Blue Shield Access + Plan that is in effect on October 1, 2016. Also, the requirements to obtain the Longevity Stipend will change from this date as follows:

Effective January 1, 2017, the maximum City total longevity stipend payment (for 10 years and above as an elected Official for the City) shall not exceed the premium rate for the "Other Southern California Region" Blue Shield Access+ health rates which shall include the PEMCHA minimum contribution for each eligible

category (single, Plus One) of the Blue Shield Access + Plan that is

in effect on January 1, 2017.

Effective January 1, 2018, the maximum City total longevity stipend payment (for 10 years and above as an Elected Official for the City) shall not exceed the premium rate for the "Other Southern California Region" Blue Shield Access+ health rates which shall include the PEMCHA minimum contribution for each eligible category (single, Plus One) of the Blue Shield Access + Plan that is in effect on January 1, 2018.

This Section does not change the provisions of City Policy III-I, Health and Hospitalization Insurance Plan. To the extent that any changes are to be made to the Longevity Stipend for Future City Councilmembers, the parties shall be required to comply with any applicable state or federal law.

j. **EMPLOYEE ASSISTANCE PROGRAM (EAP)**

The City pays 100% of the monthly premium for Councilmember and eligible household member for EAP. Service is available 24 hours a day, year round. Free confidential brief counseling sessions and referral service is designed to help Councilmember and their household members resolve personal matters that may impact their work or home life.

SECTION 4. **457 DEFERRED COMPENSATION PROGRAM:**

1. The City shall contribute \$25.00 per pay period to City Council deferred compensation plan whether or not City Councilmember contributes to the plan.
2. Compliance with State and Federal Regulations – If any of these provisions conflict with any State or Federal statutes or regulations, the State and Federal statutes and regulations shall take precedence and shall be complied with.

SECTION 5. **LIFE INSURANCE**

- a) City Councilmembers shall be provided a Group Basic Life and Accidental Death & Dismemberment Insurance policy in an amount of \$75,000. Additional details are available in Life Insurance Policy (V-11).
- b) A voluntary City Council-paid Life insurance policy shall be offered to City Councilmembers. City Councilmembers may purchase an amount of insurance up to \$300,000 in multiples of \$10,000. City Councilmembers may cover their spouse up to \$300,000 in multiples of \$10,000. Amounts of insurance for dependent children are \$2,000, \$5,000 or

\$10,000. Guarantee Issue amounts are \$70,000 for members, \$10,000 for Spouse and \$10,000 for Children during the original eligibility period. Late entrants are required to provide evidence of good health regardless of the amount selected.

SECTION 6. **SHORT AND LONG TERM DISABILITY INSURANCE**

The City shall provide City Councilmembers with Group Short Term and Long Term Disability Insurance. If a City Councilmember becomes disabled, the City paid coverage will pay the City Councilmember a percentage of their basic monthly earnings, subject to a maximum amount and waiting period required: 29 days for short term disability and 180 days for long term disability.

SECTION 7. **PHYSICAL EXAMINATIONS**

City Councilmembers and up to one dependent such as a spouse or legal domestic partner shall annually receive a City-paid comprehensive physical medical examination from Scripps Center for Executive Health. The City shall pay the cost of the "Whole Person Examination" and shall cover the cost of lodging for one night.

SECTION 8. **WORKERS' COMPENSATION**

Please refer to City of Commerce Personnel Policies and Procedures, Workers' Compensation Policy (VI-4) for specific terms and policy.

SECTION 9. **PRIOR RESOLUTIONS**

This Resolution shall consolidate past fringe benefit resolutions adopted concerning City Councilmembers into a single source reference enabling better management and administration of employment benefits for affected City Councilmembers. The adoption of this Resolution supersedes all prior resolutions referenced within this document.

SECTION 10. **STIPEND/REIMBURSEMENTS**

Councilmembers will receive a vehicle stipend of \$500 per month in order to reimburse them for the required use of their personal vehicle for City business.

Councilmembers that receive stipend/reimbursement, at their discretion, may also have access to a City vehicle if they are required

to travel outside of the Los Angeles area, more than 75 miles from City Hall. If the Councilmember is required to travel 75 miles beyond City Hall and does not elect to use a City vehicle, the employee shall be entitled to reimbursement for the mileage put on their personal vehicle; the total mileage shall be measured from City Hall and shall be reimbursed at the current IRS vehicle mileage reimbursement rate beyond the 75 mile point. As an example: if the trip is a total of 200 miles round trip, then the reimbursement will be for 50 miles (discounting 75 miles traveled each way per the City's Travel procedures). Councilmembers are also eligible for the Technology and Electronic Media Stipend/Reimbursement provided for in Section 6.2 of the Amended Employment Agreement between the City of Commerce and the City Manager under the same terms and conditions.

SECTION 11.

AMENDMENTS

Any modifications or amendments to the terms of this Resolution shall be implemented by a City Council approved Resolution directing inclusion of the modification or amendment as part of this Resolution.

PASSED, APPROVED AND ADOPTED this 14th day of October, 2025.

Ivan Altamirano
Mayor

ATTEST:

Lena Shumway
City Clerk