

# Ordinance Fact Sheet

TO: CITY COUNCIL

DATE: October 29, 2012

FROM: CITY ATTORNEY

SUBJECT: AN UNCODIFIED ORDINANCE OF THE CITY OF PASADENA (1) RETROACTIVELY SUSPENDING IMPLEMENTATION OF THE JULY 1, 2012 CONSUMER PRICE INDEX INCREASE TO THE STIPENDS OF THE MAYOR AND MEMBERS OF THE CITY COUNCIL SET FORTH IN SECTION 2.05.210(B) OF THE PASADENA MUNICIPAL CODE; (2) PROVIDING A STIPEND INCREASE; AND (3) ADJUSTING CONTRIBUTION REQUIREMENTS FOR RETIREMENT AND HEALTH INSURANCE BENEFITS

## **TITLE OF PROPOSED ORDINANCE:**

AN UNCODIFIED ORDINANCE OF THE CITY OF PASADENA (1) RETROACTIVELY SUSPENDING IMPLEMENTATION OF THE JULY 1, 2012 CONSUMER PRICE INDEX INCREASE TO THE STIPENDS OF THE MAYOR AND MEMBERS OF THE CITY COUNCIL SET FORTH IN SECTION 2.05.210(B) OF THE PASADENA MUNICIPAL CODE; (2) PROVIDING A STIPEND INCREASE; AND (3) ADJUSTING CONTRIBUTION REQUIREMENTS FOR RETIREMENT AND HEALTH INSURANCE BENEFITS

## **PURPOSES OF THE ORDINANCE:**

An Agenda Report is being presented to the Council at this meeting which is recommending the Council direct the City Attorney to prepare this ordinance.

Section 2.05.210 (B) of the Pasadena Municipal Code provides an automatic July 1 increase to the stipends of the Mayor and Councilmembers by the same percentage as any increase in the consumer price index. This ordinance suspends the operation of

MEETING OF 10/29/2012

AGENDA ITEM NO. 18

this subsection with the effect that any consumer price index ("CPI") increase otherwise required will not take effect commencing July 1, 2012. In its place, and beginning on December 31, 2012, the stipends of the Mayor and Councilmembers will increase 3.0 percent, consistent with the CPI increase for all urban consumers in the Los Angeles-Riverside-Orange County metropolitan area from December 1, 2010 through November 30, 2011, which was 3.0 percent.

This ordinance also will require the Mayor and Councilmembers to pick up an additional 4.4 percent of their member contribution to PERS, for a total of 8 percent, effective December 31, 2012. Through resolutions, staff will be asking the Council to deem the member contributions to PERS to be made on a pre-tax basis, and to reduce the Employer Paid Member Contribution (EPMC) to zero (0) percent.

Finally, this ordinance will also provide that the City's contribution to the Employee Option Benefit Fund (EOBF) for full family coverage will be tied to the least expensive family health plan premium. The City's monthly contribution for single and two-party coverage will be capped at \$1,120.11 until the premium for the least expensive health plan in each coverage level exceeds the City's contribution to EOBF. Additionally, effective November 5, 2012, the City will contribute at total of \$400 to EOBF for deferred compensation for all new Mayors and Councilmembers who do not take the City's medical coverage.

**REASONS WHY LEGISLATION IS NEEDED:**

An ordinance is appropriate and the necessary means to suspend, render inoperative, or modify the effect of an existing ordinance for a given time period.

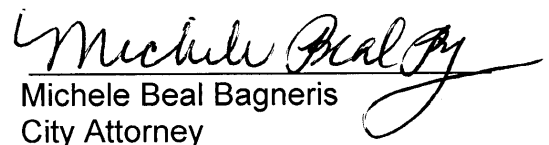
**PROGRAMS, DEPARTMENTS OR GROUPS AFFECTED:**

The Mayor and members of the City Council will be affected by this Ordinance.

**POLICY CHANGES:**

Policy changes include (1) increased share of the Mayor's and Councilmembers' PERS contributions being paid by members, rather than the City; and (2) changes to the City's contributions to health plan coverage.

Respectfully submitted,

  
Michele Beal Bagneris  
City Attorney

Introduced by \_\_\_\_\_

ORDINANCE NO. \_\_\_\_\_

**AN UNCODIFIED ORDINANCE OF THE CITY OF PASADENA (1) RETROACTIVELY SUSPENDING IMPLEMENTATION OF THE JULY 1, 2012 CONSUMER PRICE INDEX INCREASE TO THE STIPENDS OF THE MAYOR AND MEMBERS OF THE CITY COUNCIL SET FORTH IN SECTION 2.05.210(B) OF THE PASADENA MUNICIPAL CODE; (2) PROVIDING A STIPEND INCREASE; AND (3) ADJUSTING CONTRIBUTION REQUIREMENTS FOR RETIREMENT AND HEALTH INSURANCE BENEFITS**

The People of the City of Pasadena ordain as follows:

**SECTION 1.** The increase in stipends for the Mayor and City Council members, which was scheduled to take effect July 1, 2012 pursuant to Pasadena Municipal Code, Title 2, Chapter 2.05, Section 2.05.210(B) (Compensation of the Mayor and Members of the City Council), shall be suspended until December 31, 2012, when the stipends for the Mayor and the City Council members shall be increased by 3.0 percent, consistent with the consumer price index ("CPI") increase for all urban consumers for the Los Angeles-Riverside-Orange County metropolitan area from December 1, 2010 through November 30, 2011.

**SECTION 2.** Effective December 31, 2012, the Mayor and the City Council members shall pick up an additional 4.4 percent of their member contribution to PERS, for a total of eight (8) percent.

**SECTION 3.** Effective January 1, 2013, the City's monthly contribution to the Employee Option Benefit Fund ("EOBF") for full family health plan coverage for Mayors and City Council members will be equivalent to the least-cost family health plan premium. The City's contribution for single and two-party health plan coverage is capped at \$1,120.11 per month until the premium for the least-cost family health plan premium in each coverage level exceeds the City's contribution to EOBF. Effective November 5, 2012, the City will contribute a total of \$400 per month to EOBF for deferred compensation for all new Mayors and new City Council members who do not utilize the City's health plan coverage.

**SECTION 4.** This Ordinance shall not be codified.

**SECTION 5.** This Ordinance shall take effect upon its publication.

Signed and approved this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
William Bogaard  
Mayor of the City of Pasadena

I HEREBY CERTIFY that the foregoing Ordinance was adopted by the  
City Council at its meeting held \_\_\_\_\_, 2012, by  
the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

\_\_\_\_\_  
Mark Jomsky, CMC  
City Clerk

APPROVED AS TO FORM:

  
Michele Beal Bagneris  
City Attorney