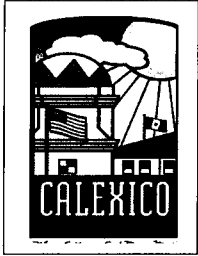


**AGENDA
ITEM**

11



AGENDA STAFF REPORT

DATE: June 2, 2021

TO: Mayor and City Council

PREPARED BY: Best Best & Krieger, LLP, City Attorney

SUBJECT: Introduction and First Reading of An Ordinance Temporarily Suspending Calexico Municipal Code Chapter 2.06 Regarding City Council Salaries and Temporarily Suspending City Council Benefits to Mitigate the Fiscal Impact of COVID-19 on the City

=====

Recommendation (by Mayor Rosie Arreola-Fernandez and Mayor Pro Tempore Javier Moreno):

That the City Council consider and conduct first reading (introduction) of Ordinance No. _____, entitled An Ordinance of the City Council of the City of Calexico, California, Temporarily Suspending Calexico Municipal Code Chapter 2.06 Regarding City Council Salaries and Temporarily Suspending City Council Benefits to Mitigate the Fiscal Impact of COVID-19 on the City.

Background:

In general law cities, city council member salaries are controlled by California Government Code section 36516(a), which allows cities to establish, by ordinance, a salary as determined by the city's population. For cities with populations between 35,000 and 50,000, like the City of Calexico ("City"), a base city council compensation amount is set at \$400 per month. However, the base amount may be increased in small annual increments (i.e. not to exceed 5%) as provided in Government Code section 36516(c). Council members may waive any or all of the authorized compensation. (Gov. Code, § 36516(f).)

The City Council adopted Calexico Municipal Code ("CMC") Chapter 2.06 in 1975 to establish a city council salary in compliance with the Government Code. (CMC, § 2.06.030.) Since that time, the city council salary has gradually increased to approximately \$620 per month per council member. The total annual amount that the City pays for all five city council salaries is \$37,260.



The City also pays for city council benefits, which are not included as part of the state-regulated salary. However, these benefits must be, and are in Calexico, the same as those paid to City employees. (Gov. Code, § 36516(d).)

Reimbursements to city council members for actual and necessary expenses are also not included for purposes of determining salary pursuant to state law. (Gov. Code, § 36516(e).)

The City currently pays a total \$117,660.73 in benefits and \$2,520 in cell phone allowance annually to city council members.

The breakdown of benefits paid to council members is as follows:

CalPERS Unfunded	\$47,126.20
CalPERS Employer Contribution	\$2,642.64
FICA & Medicare	\$2,850.39
Medical Insurance	\$60,384.00
Workers Compensation	\$4,471.20
State Unemployment Insurance	\$186.30
Total	\$117,660.73

The annual grand total amount paid to council members in salary and benefits is \$157,440.73.

Discussion:

Mayor Fernandez and Mayor Pro Tem Moreno are recommending that the City Council postpone their salaries and benefits for twelve months to help mitigate the fiscal impact that Covid-19 has had on the City's revenues.

Since the City Council salary is codified, an Ordinance would be required to temporarily suspend Calexico Municipal Code Chapter 2.06 for twelve months. In addition to the twelve-month suspension on salaries, the proposed Ordinance would include a temporary suspension of benefits to City Council members, a section allowing the City Council to extend the temporary suspension beyond the initial twelve months if so desired, and a section indicating that once the City Council reinstates salaries and benefits, there will be no retroactive pay to council members.

Fiscal Impact:

The proposal would postpone payments of City Council salary and benefits for twelve months resulting in a \$157,440.73 savings to the City's general fund.

Attachment:

1. Ordinance No. _____ - An Ordinance of the City Council of the City of Calexico, California, Temporarily Suspending Calexico Municipal Code Chapter 2.06 Regarding City Council Salaries and Temporarily Suspending City Council Benefits to Mitigate the Fiscal Impact of COVID-19 on the City.

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CALEXICO, CALIFORNIA, TEMPORARILY SUSPENDING CALEXICO MUNICIPAL CODE CHAPTER 2.06 REGARDING CITY COUNCIL SALARIES AND TEMPORARILY SUSPENDING CITY COUNCIL BENEFITS TO MITIGATE THE FISCAL IMPACT OF COVID-19 ON THE CITY

WHEREAS, pursuant to California Government Section 36516, cities are authorized to establish city council salaries as determined by city population; and

WHEREAS, the Government Code also allows cities to provide benefits to city council members as long as the benefits are equal to those offered to City employees; and,

WHEREAS, city council members may waive their salaries if so desired; and

WHEREAS, the City Council of the City of Calexico ("City Council") established payment of salaries to City Council members by ordinance in 1975; and

WHEREAS, the City Council currently receives a salary for their service to the City; and

WHEREAS, the City also provides benefits to City Council members commensurate with those offered to City employees; and

WHEREAS, the City has been financially impacted by the COVID-19 pandemic; and

WHEREAS, the City Council desires to temporarily suspend payment of its salaries and benefits for twelve (12) months to mitigate the fiscal impact of COVID-19 on the City.

The City Council of the City of Calexico, California, does hereby ordain as follows:

SECTION 1. Temporary Suspension of Calexico Municipal Code Chapter 2.06 entitled *City Council—Salaries*. Calexico Municipal Code Chapter 2.06 City Council—Salaries is hereby suspended for twelve (12) months from the date that this Ordinance goes into effect ("Suspension Period"). Upon expiration of the Suspension Period, Chapter 2.06 shall be reinstated and in full effect. Payment of City Council salaries will resume immediately following expiration of the Suspension Period.

SECTION 2. Temporary Suspension of Benefits to City Council Members.

Benefits provided by the City to City Council Members consisting of payments for CalPERS Unfunded, CalPERS Employer Contribution, FICA and Medicare, Medical Insurance, Workers Compensation Insurance, State Unemployment Insurance, and cell phone allowance are hereby suspended for the duration of the Suspension Period. Benefits to City Council members will resume immediately following expiration of the Suspension Period.

SECTION 3. Authority to Modify Suspension Period. The City Council may modify, supersede, or rescind the Suspension Period by ordinance.

SECTION 4. No Retroactive Payments. Upon expiration of the Suspension Period, City Council members are not eligible to receive any retroactive payments for salaries or benefits that would have otherwise been paid during the months included in the Suspension Period.

SECTION 5. Effective Date. This Ordinance shall take effect thirty (30) days after its adoption.

SECTION 6. Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance, or any part thereof, is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsection, subdivision, paragraph, sentence, clause or phrase be declared unconstitutional. If for any reason any portion of this Ordinance is found to be invalid by a court of competent jurisdiction, the balance of this Ordinance shall not be affected.

SECTION 7. Certification and Publication. The City Clerk of the City of Callexico shall certify to the adoption of this Ordinance and cause publication to occur in a newspaper of general circulation and published and circulated in the City in a manner permitted under California Government Code Section 36933.

SECTION 8. CEQA. The City Council finds that adoption of this Ordinance is not a "project," as defined in the California Environmental Quality Act because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and concerns general policy and procedure making.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the City Council of the City of Calexico, California on the _____ day of _____, 2021, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ROSIE ARREOLA-FERNANDEZ, MAYOR

ATTEST:

GABRIELA GARCIA, CITY CLERK

APPROVED AS TO FORM:

CARLOS CAMPOS, CITY ATTORNEY

State of California)
County of Imperial) s.s.
City of Calexico)

I, Gabriela Garcia, City Clerk, hereby certify that the foregoing is a true copy of Ordinance No. _____, introduced at a regular meeting held on the 2nd day of June 2021, and duly adopted by the City Council of the City of Calexico, California at a regular meeting thereof held the _____ day of _____, 2021.

AYES:

NOES:

ABSTAIN:

ABSENT:

GABRIELA GARCIA, CITY CLERK