



City of Culver City

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Staff Report Details (With Text)

File #: 15-847 **Version:** 2 **Name:** Reso - Executive Compensation Plan, MOU CCFM, CCPM
Type: Minute Order **Status:** Consent Agenda
File created: 5/24/2016 **In control:** City Council Meeting Agenda
On agenda: 6/13/2016 **Final action:**
Title: CC - Adoption of Respective Resolutions Approving and Adopting (1) an Amended Executive Compensation Plan; (2) a Side Letter of Agreement with the Culver City Fire Management Group; and (3) a Side Letter Agreement with the Culver City Police Management Group
Sponsors:
Indexes:
Code sections:
Attachments: 1. 2016-06-13 - ATT 1_Resolution_Executive Compensation Plan.pdf, 2. 2016-06-13 - ATT 2_Resolution_CCFMG Side Letter Agreement.pdf, 3. 2016-06-13 - ATT 3_Resolution_CCPMG Side Letter Agreement.pdf

Date	Ver.	Action By	Action	Result
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CC - Adoption of Respective Resolutions Approving and Adopting (1) an Amended Executive Compensation Plan; (2) a Side Letter of Agreement with the Culver City Fire Management Group; and (3) a Side Letter Agreement with the Culver City Police Management Group

Contact Person/Dept: Serena Wright/Human Resources
Phone Number: 310-253-5640

Fiscal Impact: Yes ☒ No ☐ **General Fund:** Yes ☒ No ☐

Public Hearing: ☐ **Action Item:** ☒ **Attachments:** Yes ☒ No ☐

Commission Action Required: Yes ☐ No ☒ **Date:**
Commission Name:

Public Notification: (E-Mail) Meetings and Agendas - City Council (06/08/16)

Department Approval: Serena Wright, Human Resources Director (06/03/16)

RECOMMENDATION

Staff recommends the City Council adopt respective Resolutions approving and adopting (1) an amendment to the Executive Compensation Plan; (2) a Side Letter of Agreement with the Culver City Fire Management Group; and (3) a Side Letter of Agreement with the Culver City Police Management Group.

BACKGROUND

In June 2011, City Council approved carving out Executive Management level classifications from the Culver City Management Group (CCMG) and placing them in a non-represented capacity. The City Council subsequently adopted an Executive Compensation Plan which outlines the wages, hours, terms and conditions of employment for Executive Management.

All wages, hours, terms and conditions of employment for the Fire and Police Chief are provided within the respective Memorandum of Understandings (MOU) for those classifications.

DISCUSSION

Currently, Executive Management employees receive benefits contained within the Executive Compensation Plan, with the exception of the Fire and Police Chief who receive benefits associated with the Fire Management Group and Police Management Group MOU, respectively. One of the benefits provided to all management groups is an Internal Revenue Code (IRC) 457 deferred compensation plan (457 Plan). The 457 Plan is designed to supplement retirement income, and all contributions are made on a pre-tax basis.

In 2003, City Council adopted an IRC Section 401(a) plan (401(a) Plan) for the City Manager (then Chief Administrative Officer) classification. The 401(a) Plan is similar to a 457 Plan. However, the rules regarding contributions and withdrawals differ. The City Manager's 401(a) plan is funded solely by the City Manager, there are no City contributions.

Staff is recommending the City Council approve the implementation of a 401 (a) Plan for Executive Management employees, including the Fire and Police Chief. It is recommended that City Council approve transfer of the current City contribution from the 457 Plan into the proposed 401(a) Plan, with the same employee contribution requirement.

The proposed 401(a) Plan is intended to be another vehicle for employees to save retirement income on a tax deferred basis at no additional cost to the City.

FISCAL ANALYSIS

None.

ATTACHMENTS

1. Proposed Resolution approving an amendment to the Executive Compensation Plan
2. Proposed Resolution approving Side Letter of Agreement with CCFMG
3. Proposed Resolution approving Side Letter of Agreement with CCPMG

RECOMMENDED MOTIONS

That the City Council:

1. Adopt a Resolution approving an amendment to the Executive Compensation Plan;
2. Adopt a Resolution approving and a Side Letter of Agreement with CCFMG; and
3. Adopt a Resolution approving a Side Letter of Agreement with CCPMG.