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Agenda Items: ID#19-11129 (1-Q)

2019 AUG 22 P 4: 26

Date: 8/15/2019

CITY OF FRESNO
CITY CLERK'S OFFICE

FRESNO CITY COUNCIL



Late Submission Information Packet

Agenda Related Item(s) – ID#19-11129 (1-Q)

Item(s)

RESOLUTION – Amending the Transparency in City Government Act to Prohibit Retroactive Raises and Raises After an Employee Has Given Notice Advancing the “Help Us, Help Fresno” Initiative

**Contents: (Version 2) Transparency Act
(Amended during the Council meeting)**

Supplemental Information:

Any agenda related public documents received and distributed to a majority of the City Council after the Agenda Packet is printed are included in Supplemental Packets. Supplemental Packets are produced as needed. The Supplemental Packet is available for public inspection in the City Clerk’s Office, 2600 Fresno Street, during normal business hours (main location pursuant to the Brown Act, G.C. 54957.5(2)). In addition, Supplemental Packets are available for public review at the City Council meeting in the City Council Chambers, 2600 Fresno Street. Supplemental Packets are also available on-line on the City Clerk’s website.

Americans with Disabilities Act (ADA):

The meeting room is accessible to the physically disabled, and the services of a translator can be made available. Requests for additional accommodations for the disabled, sign language interpreters, assistive listening devices, or translators should be made one week prior to the meeting. Please call City Clerk’s Office at 621-7650. Please keep the doorways, aisles and wheelchair seating areas open and accessible. If you need assistance with seating because of a disability, please see Security.

CITY OF FRESNO

TRANSPARENCY IN CITY GOVERNMENT ACT



Amended July 25, 2019

The following policies are enacted to help improve and enhance transparency in City of Fresno government operations by providing disclosure of City employees and elected officials compensation. This Act shall supersede any provisions of the Fresno Municipal Code, resolutions, or employment contracts that are inconsistent, except for provisions of any approved Memorandum of Understanding with a City bargaining unit.

ARTICLE I DEFINITIONS

Base Salary

The base salary is the defined salary of an elected or public official as set forth in either the annually approved City salary resolution or by a negotiated contract between the City and a public official.

Benchmark or Peer Cities

Benchmark or peer cities represent those cities in California that are comparable population wise and demographically to Fresno.

Bonus

Compensation paid to employees in the form of either cash or City funded deferred compensation contributions that are in addition to base salary but not covered by another form of authorized compensation (e.g., car allowance, premium pay, leave cash out).

City Charter Officials

Certain City officials are identified in the City's Charter including the Mayor, Council members, the City Manager, City Attorney, City Clerk and City Controller/Treasurer.

Consultant Services

Consultant services are professional services provided by individuals or entities who are not employed by the City of Fresno.

Evergreen Provision

A contract provision that automatically renews the length of the agreement after a predetermined period, unless notice for termination is given. Evergreens are often used for long-term agreements such as memberships or maintenance contracts.

Executive Employees

Executive level employees are unclassified, "at will" department head and above management positions.

Gross Wages

An employee's pre-tax compensation including all normal salary/hourly earnings, bonuses, overtime, deferred compensation, leave payoff/administrative leave, car allowance, and pay deferral.

Municipal Code Section 4-107 (b)

Municipal Code Section 4-107 (b) provides that except for legal services, the City Manager is authorized to contract for all services required by the City for which an appropriation has been made; provided the contract involves an expenditure of City moneys of less than or equal to fifty thousand dollars (\$50,000).

Professional Services

Professional services are infrequent, technical or unique functions provided by independent contractors or consultants whose occupation is the rendering of professional services.

Request for Proposal

A Request for Proposal (RFP) is a solicitation initiated by the City to provide a competitive process for selecting professional consultants, and establishing terms and conditions thereof.

ARTICLE II PURPOSE OF ACT

Revelations in 2010 in the City of Bell, California and recently in the City of Fresno have brought attention to the compensation of public officials. In a time of declining revenues and decreasing budgets it is important for the City to demonstrate fiscal responsibility and transparency. Salaries, benefits and pension costs represent over 80% of the costs of the City General Fund. The public has a right to know compensation levels for all City employees. It is imperative that the City of Fresno takes the lead in providing full disclosure of compensation of its employees including executive public officials and elected officials. The purpose of this Act is to create an easy to find, readily available means to view current employees and elected officials compensation levels. It is also important to compare the compensation levels of City executive and elected officials with officials from our peer cities in California.

Objectives of Act:

1. To provide annual disclosure of City of Fresno employees and elected official compensation.
2. To provide a comparative analysis of compensation levels for executive employees and elected officials in peer cities in California.
3. Adopt enabling legislation via a municipal resolution to establish necessary policies.

ARTICLE III CITY ELECTED OFFICIALS AND EMPLOYEE EARNINGS DISCLOSURE

It shall be the practice of the City of Fresno to provide: 1) a list of all earnings of all City employees in Gross Wages as reported on the year end W-2 form; and 2) a separate list, as provided below, of earnings from the prior calendar year of all elected officials and all Unit 2 – Non-represented officials and employees. Both lists shall be in an easy to find location at the City website, and printed lists at the City Clerk's office. The list shall be updated annually to the City website as part of the Mayor's annual proposed budget. The list shall be published and made available to Council at the time the Mayor's proposed budget is provided to Council, but in any event no later than June 1 of each year. The City Attorney shall timely advise the Administration and report to Council on the status of compliance with this Act.

Review and approval of the annual employee/official compensation disclosure report(s) described in this Act by a majority vote of the Council is a pre-condition of approving the annual City budget.

The earnings disclosure for all employees, except for the City Manager, Assistant City Manager, other Charter Officials, and department heads, will be listed by occupation/title only. It will not include individual employee names and will only list those employees who have been in the City's employment for 12 months or longer except for executive level employees. If an executive level employee has been employed for less than 12 months then the Gross Wages compensation shall be computed based on earnings to date and projected for an annual figure.

A description of health and retirement benefits by bargaining unit and for non-represented employees will also be provided along with the earnings disclosure.

The reporting for all elected officials and all Unit 2 Non-represented officials and employees shall specify earnings, itemized by the following categories:

1. Total earnings
2. Base pay/salary
3. Overtime
4. Cash bonus (which are prohibited)
5. Deferred compensation bonus (which are prohibited)
6. Leave payoff/cash out
7. Auto allowance
8. Premium pay
9. Severance paid

ARTICLE IV CONSULTANTS DISCLOSURE

The total annual compensation paid to any consultant providing professional services for the City shall be disclosed including those consultants making less than \$50,000 per year. A report will be prepared by the City Manager detailing the following information:

1. The name of the consultant;
2. A description of the consulting services provided; and
3. A detailed account of all payments by the City to the consultant including the total paid for the fiscal year.

ARTICLE V UNIT 2 EMPLOYMENT CONTRACTS, BONUS, SALARY INCREASES, AND SEVERANCE PAY

For all Unit 2 – Non-represented Management and Confidential Classes officials and employees, no bonus in the form of cash compensation and/or City funded deferred compensation contributions, or any equivalent, shall be paid. Unless specifically authorized by Council, all Unit 2 – Non-represented Management and Confidential Classes officials and employees shall only receive base salary increases to be effective no earlier than the date of submission to the Personnel Services Department of a completed employee action form (EAF) (i.e., there shall be no retroactive raises prior to

submission), and such officials or employees shall not receive base salary increases if the official or employee has provided verbal or written notice to the appointing authority of intention to separate from City employment, or if the appointing authority has provided notice to the official or employee of their involuntary separation from City service (i.e., the official or employee is to resign, retire, or be terminated). The irrevocable designated date of completion of an official or employee's (member's) participation period in the deferred retirement option program (DROP) as provided in FMC §§3-424, 3-353, and 3-566 alone shall not be considered notice of separation. No increases shall be submitted to the Personnel Services Department for processing until a written performance evaluation of the official or employee has been completed.

For all Unit 2 – Non-represented Management and Confidential Classes officials and employees, the appointing authority may authorize an employment contract with the official or employee. Unless specifically authorized by the Council, for any such employment contract to be valid and enforceable, the following conditions shall be required:

1. The contract shall be executed by the appointing authority and the employee, and approved by the City Attorney as to form;
2. A copy of the fully executed contract, including any amendments, shall be provided to the City Clerk, who shall make the contract available for inspection on the City's website;
3. The contract may provide that the employee may accept a portion of salary/base pay in the form of deferred compensation;
4. The contract may provide for severance pay, not to exceed six (6) months base pay, plus the City's contribution of health care benefits during that time, starting from the last day of service; health care benefits shall not be authorized for a time period that exceeds the stated severance term;
5. Severance pay shall not be authorized in the event of the employee's voluntary separation from service, retirement, or termination for cause, including but not limited to criminal conviction, misfeasance, or malfeasance in office; and
6. Any existing applicable employment contracts shall be revised to conform to these provisions.

ARTICLE VI

BENCHMARK CITIES EXECUTIVE EMPLOYEE COMPENSATION MATRIX

The compensation of executive employees for the 10 California benchmark cities shall be presented in a side-by side comparison matrix. The following executive positions shall be included in the peer city comparison: City Manager; Assistant City Manager; City Attorney; City Clerk; City Controller/Treasurer; Police Chief and Fire Chief. This matrix will detail comparable executive city positions showing the compensation levels. Compensation displayed will include base salaries and, when information is available, other types of compensation (e.g. performance bonuses). Because of the inherent difficulty in obtaining data on any additional compensation it may be difficult to disclose full compensation figures for defined executive positions from other peer cities.

If any future comparisons of any other employee classification become necessary, they shall use the same 10 California benchmark cities.

This matrix shall be updated every year to reflect current population statistics and compensation levels. Please see exhibit 'A' for sample matrix.

**ARTICLE VII
CALIFORNIA 10 LARGEST CITIES ELECTED
OFFICIALS COMPENSATION MATRIX**

The compensation for elected officials of the 10 largest cities in California shall be presented in a side-by-side comparison matrix. The matrix will detail comparable elected officials' compensation levels. This matrix display shall be updated every year to reflect current population statistics and compensation levels. Please see Exhibit 'B' for sample matrix.

**ARTICLE VIII
ANNUAL COMPENSATION DISCLOSURE REPORT**

Once a year the City Manager will make a presentation to the Council and provide a written report to the Council members outlining all of the reporting described in Articles III, IV, V, VI and VII. The written report shall be made available to Council at the time the Mayor's proposed budget is provided to Council, but in any event no later than June 1 of each year, and the presentation shall be made during the annual budget hearings.

**ARTICLE IX
EXTENDED NOTICE FOR CONTRACTS
WITH CONTINUOUS ("EVERGREEN") PROVISIONS**

The City Council shall be provided seven days prior notice of the effective date of any employee contract containing an evergreen provision automatically increasing compensation for any employee earning a base salary of \$100,000 per year or more unless the increase is consistent with increases for other unclassified employees.

**ARTICLE X
TRANSPARENCY**

All information and reports described in this Act shall be available for public viewing at an easy to find identified link titled, "City Elected Officials and Employee Earnings Disclosure" at the City's Home Page website. Hard copies shall also be available to members of the public for viewing or pickup at the City Clerk's office during regularly scheduled business hours.

**ARTICLE XI
ONE-YEAR REVIEW**

One year from the adoption of this Amended Act, the Council shall, at a regularly scheduled meeting, review the implementation and practice of this Act and, if necessary, amend the Act to reflect required changes. The Act will continue to be effective whether or not the review takes place.

**ARTICLE XI
EFFECTIVE DATE**

This resolution shall take effect upon its adoption.