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**FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)**  
**EXECUTIVE OFFICER'S REPORT**

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**AGENDA ITEM No. 7**

**DATE:** March 12, 2014

**TO:** Local Agency Formation Commission

**FROM:** David E. Fey, AICP, Executive Officer

**SUBJECT:** Consider Approval - Amendment of Executive Officer's Employment Agreement and Health Insurance Contribution Policy

**RECOMMENDATIONS:**

1. Amend Executive Officer's Employment Agreement to include a retirement plan through ICMA-RC to which Commission matches 7.5% of the Executive Officer's salary; and
2. Authorize a Commission contribution retroactive as of January 1, 2014, toward Health Insurance Coverage for its employees similar to that provided by Fresno County and further described in this report.

**Commission Retirement Match**

Your Executive Officer's (EO) Employment Agreement currently reads,  
*At the time of signing of this Employment Agreement, the Commission offers a retirement plan through ICMARC to which Commission matches up to 7.5% of an employee's contribution.*

The adopted FY 13-14 budget included an EO salary of \$100,000 and \$7,500 for "Retirement." This is consistent with 7.5% of the anticipated EO's salary. This amount is far in excess of an EO's ICMA-RC retirement contribution unless the EO contributed his entire salary. Your Executive Officer's seeks to amend what appears to be an error in his agreement that he believes was intended to read,

*"...matches ~~up to~~ 7.5% of an employee's salary ~~contribution~~."*

For this reason, your Executive Officer seeks clarification of this language so that proper direction can be given to the Commission's bookkeeping and payroll staff, retroactive to EO's first ICMA-RC contribution.

**Health Insurance Coverage Policy**

As noted in staff's January 15, 2014 report to the Commission, with the commencement of the County Group Health Plan program, staff recommends that the Commission take formal action effective retroactive as of January 1, 2014, to authorize a contribution toward this benefit similar to that provided by Fresno County as follows: a biweekly contribution of \$223.00 for employee only coverage, \$318.00 for employee plus spouse coverage, \$318.00 for employee plus child(ren) coverage, and \$323.00 for employee plus family coverage for all LAFCo employees.

At this time, this contribution will only apply to your EO which is why this request is limited to the EO's Employment Agreement. However, staff recommends that the coverage described above be factored in the Commission's FY 14/15 budget and apply to future employees.

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