

# Agenda Report

JUNE 25, 2001

TO: City Council  
THROUGH: Legislative Committee

FROM: Cynthia J. Kurtz, City Manager

SUBJECT: Oppose Senate Bill 1018 (PerataFlorez) – Local Safety Members – Local Prosecutors, Public Defenders and Public Defender

## **RECOMMENDATION**

It is recommended that the City Council oppose Senate Bill 1018 – Local Safety Members – Local Prosecutors, Public Defenders and Public Defender

## **BACKGROUND**

Currently, all City employees employed in the prosecutor classification/category are considered miscellaneous employees for retirement (PERS) purposes. A 7% employer contribution rate is applied to these employees salary and paid to PERS on a bi-weekly basis. Since the City's PERS' account for miscellaneous employees is currently super-funded, there is no additional contribution by the City on behalf of the employees in the miscellaneous membership category.

## **DISCUSSION**

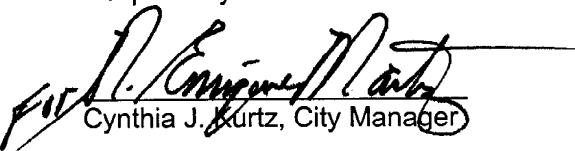
Senate Bill 1018 (SB 1018) creates a new local safety membership classification of "local prosecutors" and provides that every local prosecutor shall become a local safety member no later than January 1, 2002. Prior local miscellaneous service performed by a local prosecutor who becomes a local safety member shall be converted to local safety service. This legislation requires any unfunded liability resulting from the conversion of prior service to be paid by the employer.

This legislation sets a bad precedence by expanding the definition of safety membership. The City's contribution on behalf of safety members automatically increases to 9% from the 7% rate for miscellaneous and since the City's PERS' account for safety members is not super-funded, the City would be obligated to make a supplemental contribution on behalf of each employee. For fiscal year 2001, this rate is 2.491%.


**FISCAL IMPACT**

The annual salary for employees impacted (currently 7.0 full-time equivalent) by this legislation is \$726,910. Currently, the City pays 7% of this amount to PERS. This comes to \$50,884. If considered safety members of PERS, the City would pay 11.491% of this amount to PERS. This comes to \$83,529, an increase of \$32,645.

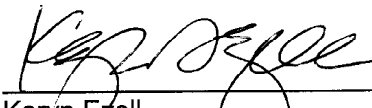
Respectfully Submitted

  
Cynthia J. Kurtz, City Manager

Approved:

  
Jay M. Goldstone  
Director of Finance

Concurred by:

  
Karyn Ezell  
Director of Human Resources