

# Agenda Report

February 24, 2003

TO: City Council

FROM: City Manager

RE: Approval of a Resolution of Intent to amend the PERS Contract to Implement the Credit for Unused Sick Leave Provision for Local Fire Employees, and introduction of an Ordinance.

## RECOMMENDATION:

It is recommended that the City Council adopt a Resolution of Intention and hold the First Reading of an Ordinance to amend the City's contract with the Public Employees Retirement System (PERS) to implement the Credit for Unused Sick Leave Provision (Govt. Code Sec. 20965) for Local Fire employees, provided for in the adopted Memoranda of Understanding between the City of Pasadena and the Pasadena Fire Fighters Association (PFFA) and Pasadena Firefighters Management Association (PFMA). The effective date of the contract amendment is anticipated to be April 28, 2003.

## BACKGROUND:

The Credit for Unused Sick Leave provision was approved by the City Council as part of recent contract negotiations with the PFFA, and the PFMA. The attached PERS contract amendment is required to implement the terms of the Memoranda of Understanding with PFFA and PFMA.

This benefit provides an enhanced retirement benefit, by allowing unused accumulated sick leave to be converted to additional service credit at time of retirement, at the rate of .004 year of service credit for each day of unused sick leave.

In order to amend the PERS contract for this benefit, PERS regulations require that the City Council adopt a Resolution of Intention giving public notice of the intention to approve a specified amendment to the PERS contract. The PERS contract must be amended by Ordinance, the first reading of which may be done concurrently with the Resolution of Intent, with a second reading no earlier than 20 days after adoption of the Resolution of Intention. The contract amendment to provide for Credit for Unused Sick Leave would be effective 30 days after the second reading of the ordinance, or around April 28, 2003.


FISCAL IMPACT:

The PERS actuarial valuation conducted in November, 2002 reports an increase of 0.227% to the City's Total Employer Rate for Safety Employees. This will result in an estimated additional annual cost of \$62,965. Sufficient funds are available in the Personnel Reserves, and additional appropriations are not necessary.

Respectfully Submitted,

  
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Concur:

  
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