

Agenda Report

DATE: December 14, 1998

TO:

City Council

FROM:

City Manager

SUBJECT: Adoption of Resolution to Grant Four-year Retirement

Service Credit

RECOMMENDATION

It is recommended that the City Council adopt the attached Resolution to Grant Four Years Additional Service Credit for one Production employee who will be displaced from the Power Supervisor position in the Water and Power Department. designated window period during which the retirement and service credit may occur will be December 15, 1998 to February 13, 1999.

BACKGROUND

In accordance with PERS requirements and government code section 7507, the costs of the two years service credit must be made public at a meeting of the City Council at least two weeks prior to the adoption of the resolution to grant a two years service Public Notice was provided at the Council meeting of November 30, 1998.

Government Code Section 20903.5 allows extra service credit to be purchased for employees who retire due to impending mandatory transfer, demotion, or layoff resulting from curtailment of or change in the manner the agency provides services.

PERS requires contracting agencies to designate a period between 60 and 120 days on length during which such retirements may occur designated classifications and organizational Eligibility for such service credit extends only to employees of retirement age who have at least ten years of service credit at

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the time of retirement. Additionally, the City must certify at the time of the contract amendment that its intention in granting such service credit is that the position remains unfilled for at least 5 years, resulting in an overall reduction in the work force of the affected organization.

All of these conditions will be met upon deletion of the position to which this service credit is granted in the classification designated above.

FISCAL IMPACT

The cost of a four years additional service credit for the employee in the position will be as follows:

Power Production Supervisor

\$ 56,744.313

The cost to purchase the four year service credit will be paid for by the employee electing to take advantage of this benefit, by deduction of the costs from their already approved separation package, which has been budgeted.

The total annual salary and benefit cost savings in succeeding years will be realized through the elimination of this position. The projected annual savings for the Water and Power Department is \$ 85,959.

Respectfully submitted,

NTHIA J. KUI

Lity Manage

Approved by:

GALE E. HARRISON

Director of Human Resources

rector of Finance

Concurrence:

RUFUS HIGHTOWER

Gen. Manager - Water & Power