

Agenda Report

DATE: June 8, 1998

TO: City Council

FROM: City Manager

SUBJECT: Purchase of 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 employee who will be displaced from the Engineering Manager position in the Water and Power Department. The designated window period during which the retirement may occur will be June 9, 1998 through October 5, 1998.

BACKGROUND

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 in length during which such retirements may occur in designated classifications and organizational units. Eligibility for such service credit extends only to employees of retirement age who have at least ten years of service credit at 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 permanently unfilled, 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 year service credit for the employees in the positions will be as follows:

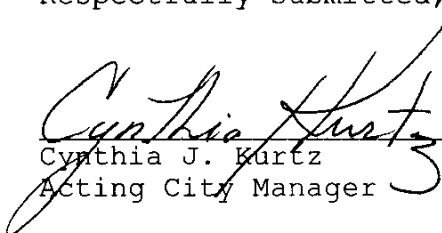
Engineering Manager

\$59,517.02


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 Department of Water and Power is \$119,034.03.


Respectfully submitted,


Cynthia J. Kurtz
Acting City Manager

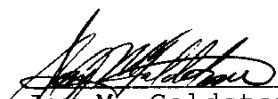
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Concurrence:


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