

Agenda Report

DATE: May 18, 1998

TO: City Council
FROM: City Manager
SUBJECT: Public Notice of Resolution to Grant Four-Year Retirement Service Credit

RECOMMENDATION

There is no recommendation - This item is for purposes of information and public notice only.

On the agenda for the meeting of June 8, 1998, the City Council will be requested to adopt a resolution to grant four-years additional service credit for one employee who will be displaced from the Engineering Manager position in the Department of Water & Power. The designated window period during which the retirement and service credit may occur will be June 9, 1998 to October 5, 1998.

In accordance with PERS requirements and government code section 7507, the costs of the four-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 four-years service credit. This agenda report meets this requirement.

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

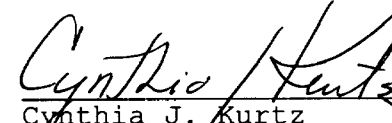
The cost of a four year service credit for the employees in the positions will be as follows:

Engineering Manager	\$59,517.02
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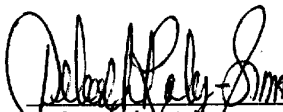
The cost to purchase the four year service credit will be paid for by the employee electing to take advantage of this benefit, by deduction of the costs from their already approved separation package, which has been budgeted.

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,


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Acting City Manager

Prepared by:


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Concurrence:


Robert Person
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