

Agenda Report

DATE: November 2, 1998

TO: City Council

FROM: City Manager

SUBJECT: Public Notice of Resolution to Grant Two-year Retirement Service Credit

RECOMMENDATION

This agenda item is for purposes of information and public notice only as required by the Public Employees Retirement System and the California Government Code. Therefore, no recommendation is being made.

BACKGROUND

On the agenda for the meeting of November 23, 1998, the City Council will be requested to adopt a resolution to grant two years additional service credit for one employee who will be displaced from the Inspection Supervisor position in the Planning and Permitting Department. The designated window period during which the retirement and service credit may occur will be November 24, 1998 to March 24, 1999.

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 credit. This agenda report meets this requirement.

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 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 two years additional service credit for the employee in the positions will be as follows:

Inspection Supervisor \$ 30,007

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 Planning & Permitting Department is \$ 74,314.


Respectfully submitted,


for CYNTHIA J. KURTZ
City Manager

Approved by:


GALE E. HARRISON
Director of Human Resources

Concurrence:


JAY M. GOLDSTONE
Director of Finance