



# CITY COUNCIL AGENDA REPORT

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MEETING DATE: AUGUST 18, 2009

ITEM NUMBER: Item Number

**SUBJECT:** ADOPTION OF URGENCY ORDINANCE AND SECOND READING AND ADOPTION OF NON-URGENCY ORDINANCE AUTHORIZING AN AMENDMENT TO THE CALPERS CONTRACT TO PROVIDE TWO YEARS ADDITIONAL SERVICE CREDIT FOR SAFETY MEMBERS OF CALPERS.

**DATE:** AUGUST 6, 2009

**FROM:** ADMINISTRATIVE SERVICES DEPARTMENT/HUMAN RESOURCES DIVISION

**PRESENTATION BY:** DEBRA YASUI, HUMAN RESOURCES ADMINISTRATOR

**FOR FURTHER INFORMATION CONTACT:** DEBRA YASUI, HUMAN RESOURCES ADMINISTRATOR  
RYAN THOMAS, HUMAN RESOURCES ANALYST

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## **RECOMMENDATION:**

- 1) Adopt Urgency Ordinance No. \_\_\_ authorizing an amendment to the contract between the City of Costa Mesa and the California Public Employees' Retirement System (CalPERS) to provide "Two Years Additional Service Credit" (Attachment I) for Safety members of CalPERS.
- 2) Give Second Reading and Adopt Ordinance No. \_\_ authorizing an amendment to the contract between the City of Costa Mesa and the California Public Employees' Retirement System (CalPERS) to provide "Two Years Additional Service Credit" (Attachment II) for Safety members of CalPERS.

## **BACKGROUND:**

The City contracts with CalPERS for retirement benefits for all full-time and some eligible part-time employees who qualify for retirement benefits. "Two Years Additional Service Credit" is a CalPERS contracted benefit designed to assist agencies during periods of economic or financial crisis. It provides an incentive for retirement through additional service credit and may only be offered in the event of impending mandatory transfers, demotions or layoffs. The decision to retire and accept this benefit is strictly voluntary.

At the City Council meeting on July 21, 2009, the City began the process required by CalPERS to provide "Two Years Additional Service Credit" for eligible City employees. This included a disclosure of costs to provide the benefit and authorization to process the required certifications in adherence to the Government Code. Additionally, as the City's contract with CalPERS must be amended to provide this benefit for Safety (fire and police) members, the "Resolution of Intention to Approve an Amendment to Contract" for the Safety groups (Resolution No. 09-52) was adopted and a first reading of the Ordinance authorizing the contract amendment was given at that meeting. The remaining step in this process is adoption of the Ordinance to amend the contract.

For informational purposes, a Resolution granting a retirement window period for Miscellaneous employees was adopted at the City Council meeting of August 4, 2009. The retirement window for this group has been designated as August 18, 2009 through December 31, 2009.

**ANALYSIS:**

Based upon discussions with the various employee associations regarding elements of the “ten point” plan (which is included in the management budget strategies for fiscal year 2009/10) and subsequent decisions made by City Council, staff recommends adoption of the attached Urgency Ordinance amending the contract with CalPERS to include the “Two Years Additional Service Credit” benefit for Safety members. By adopting the Urgency Ordinance, the City may waive the 30-day waiting period normally required with the passage of a standard non-urgency Ordinance. It is further recommended that the retirement window period for this group be designated as September 1, 2009, through December 31, 2009. Commencing the window period on September 1, 2009, ensures that CalPERS will have sufficient time to process and approve the contract amendment and required documents. Pursuant to Government Code 20903 (“Two Years Additional Service Credit”), a member must be in employment status and retire during the designated period, and the retirement date may not be first day of the designated period. Therefore, the earliest date that eligible Safety employees may retire is September 2, 2009.

The City Attorney advises concurrently presenting for adoption a standard non-urgency Ordinance should the Urgency Ordinance be challenged. If passed, the retirement window period will be designated as September 18, 2009 through December 31, 2009. The earliest date that eligible Safety employees may retire is September 19, 2009.

**ALTERNATIVES CONSIDERED:**

Requirements of Meet and Confer as referenced in Government Code Section 3500 et seq. (Meyers-Milias-Brown Act) and Meet and Consult have been fulfilled. If CalPERS adoption requirements are met, no other alternatives are being considered.

**FISCAL REVIEW:**

A full cost disclosure of providing “Two Years Additional Service Credit” was included in the staff report presented at the City Council meeting of July 21, 2009. This represented costs for both Safety and Miscellaneous members. It is important to note that the actual savings resulting from the CalPERS retirement enhancement will not be known until the time period to accept the enhancement has elapsed and the employees electing to retire are known.

**LEGAL REVIEW:**

The attached Urgency Ordinance No.\_\_\_\_ and Ordinance No.\_\_\_\_ have been reviewed by the City Attorney and are approved as to form.

**CONCLUSION:**

One component of the City’s “ten point” budget strategy plan for fiscal year 2009/10 is to offer the CalPERS retirement incentive of “Two Years Additional Service Credit” to create vacancies within the City. Staff recommends that the City Council adopt Urgency Ordinance No.\_\_\_\_ and give second reading to and adopt Ordinance No.\_\_\_\_ authorizing an

amendment to the CalPERS contract to provide "Two Years Additional Service Credit" to the City's Safety members of CalPERS.

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STEPHEN N. MANDOKI  
Director of Administrative Services

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DEBRA YASUI  
Human Resources Administrator

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MARC R. PUCKETT  
Director of Finance

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KIMBERLY HALL BARLOW  
City Attorney

DISTRIBUTION: City Manager  
City Attorney  
City Clerk  
Director of Finance

ATTACHMENTS: I [Urgency Ordinance No. \\_\\_\\_ authorizing amendment to CalPERS contract](#)  
II [Ordinance No. \\_\\_\\_ authorizing amendment to CalPERS contract](#)

Two Years Addl Svc Credit

8-06-09

2pm