



CITY COUNCIL AGENDA REPORT

MEETING DATE: JULY 6, 2010

ITEM NUMBER:

SUBJECT: RESOLUTION TO GRANT ANOTHER DESIGNATED PERIOD FOR TWO YEARS
ADDITIONAL SERVICE CREDIT - LOCAL FIRE SAFETY MEMBERS

DATE: JUNE 23, 2010

FROM: ADMINISTRATIVE SERVICES DEPARTMENT/HUMAN RESOURCES DIVISION

PRESENTATION BY: DEBRA YASUI, HUMAN RESOURCES ADMINISTRATOR

FOR FURTHER INFORMATION CONTACT: DEBRA YASUI AT (714) 754-5052
RYAN THOMAS AT (714) 754-5104

RECOMMENDATION:

- 1) Adopt Resolution No. ___ titled "City Council of the City of Costa Mesa Resolution to Grant Another Designated Period for Two Years Additional Service Credit" (Attachment I) for local Fire Safety members of the California Public Employees' Retirement System (CalPERS).
- 2) Authorize the City Clerk to execute the required CalPERS certifications and documents (for local Fire Safety members):
 - a. CON-12- Certification of Governing Body's Action (Attachment II).
 - b. CON-12A – Certification of Compliance with Government Code Section 7507 (Attachment III).
 - c. Certification of Compliance with GC Section 20903 (Attachment IV).

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. In particular, it provides an incentive for retirement through additional service credit. The decision to retire and accept this benefit is strictly voluntary.

The current Memorandum of Understanding (MOU) between the City of Costa Mesa and the Costa Mesa Firefighters Association states the CalPERS contract will be amended to provide the 3%@50 retirement formula for the Fire group. This process was completed, and on June 6, 2010, the CalPERS contract amendment became effective. Article 6.1 of

the CMFA MOU provides that “After the CalPERS contract has been amended to provide the 3%@50 benefit, the City also agrees to amend the CalPERS Safety Plan to provide

CalPERS Section 20903 (Two Years Additional Service Credit) option as soon thereafter as permitted by CalPERS.”

At the City Council meeting of June 15, 2010, the process was initiated to provide “Two Years Additional Service Credit” for eligible Fire Safety employees. This included a disclosure of costs, which is required two weeks prior to the adoption of a Resolution designating a retirement window period.

ANALYSIS:

To conclude the process to provide “Two Years Additional Service Credit”, CalPERS requires adoption of the above-referenced Resolution which provides the designated retirement window period and specifies the eligible members (City’s sworn Fire employees). Additionally, CalPERS requires the execution of certifications and documents that ensure compliance with State regulations.

If adopted, the attached Resolution will open a retirement period on July 7, 2010. The window will remain open for 90 days, until October 4, 2010.

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 services credit was included in the staff report presented at the City Council meeting of June 15, 2010.

LEGAL REVIEW:

The attached Resolution Number ___ has been reviewed by the City Attorney and is approved as to form.

CONCLUSION:

The CMFA MOU provides that a designated period for two years additional service credit be opened for eligible Fire safety members as soon after their retirement formula amendment is effective as permitted by CalPERS. Staff recommends that the City Council authorize and approve the procedural steps required by CalPERS, and the final step includes the adoption the Resolution granting the window period and authorization for the City Clerk to execute required CalPERS certifications and documents to ensure compliance with CalPERS’ regulations.

DEBRA YASUI
Human Resources Administrator

STEPHEN N. MANDOKI
Director of Administrative Services

KIMBERLY HALL BARLOW
City Attorney

COLLEEN O'DONOGHUE
Assistant Finance Director

DISTRIBUTION: City Manager
 City Attorney
 City Clerk
 Assistant Finance Director
 Budget and Research Officer

- ATTACHMENTS:
- I Resolution to Grant Another Window Period for Two Years Additional Service Credit (Fire Safety Employees)
 - II CON-12- Certification of Governing Body's Action
 - III CON-12A- Certification of Compliance with Government Code Section 7507
 - IV Certification of Compliance with GC Section 20903