



CITY COUNCIL AGENDA REPORT

MEETING DATE: December 6, 2004

ITEM NUMBER:

SUBJECT: RESOLUTION TO PROVIDE A DESIGNATED PERIOD IN ORDER TO GRANT TWO YEARS ADDITIONAL SERVICE CREDIT

DATE: NOVEMBER 23, 2004

FROM: ADMINISTRATIVE SERVICES DEPARTMENT/ HUMAN RESOURCE DIVISION

PRESENTATION BY: HOWARD PERKINS/ ACTING ADMINISTRATIVE SERVICES DIRECTOR

FOR FURTHER INFORMATION CONTACT: MICHELLE GILLETTE, RISK MANAGEMENT ANALYST
AT (714) 754-5104

RECOMMENDATION:

Adopt Resolution No. 04-____ (Attachment 1) and authorize the City Manager and City Clerk to execute the required documents (Attachment 2) to provide a designated period for granting two years additional service credit for selected local miscellaneous members of the California Public Employees Retirement System (CalPERS).

BACKGROUND:

At the Council meeting of November 15, 2004, the subject resolution was presented and action was taken to place the item on this agenda for final adoption.

Government Code 20903 allows a contracting agency to provide two years additional service credit for designated miscellaneous members faced with layoffs. The Public Employee Retirement System requires a public agency to publish at a public meeting the costs associated with providing the two years of additional retirement service credit. This was accomplished at November 15, 2004 (Attachment 3) Council meeting.

ANALYSIS:

If adopted, the window period will be from December 8, 2004 to April 8, 2005. The City Council must declare that members in the classification of Assistant City Attorney and Paralegal Secretary will be eligible for the benefit. Any vacancies created by the retirements shall remain permanently unfilled thereby resulting in an overall reduction in the City's workforce.

FISCAL REVIEW:

Based upon CalPERS guidelines for calculating the costs, it is anticipated that it will cost Costa Mesa up to \$134,902 for the benefit. The added cost to the retirement fund for the two employees who may retire during the designated window period will be included in the City's unfunded actuarial accrued liabilities and affect the employer contribution rate for the

fiscal year that begins two years after the end of the designated period. The salary and benefit costs for the subject employees for the remainder of the six-month layoff period after their retirement date will be applied to defer the costs to the City for granting the additional service credit.

LEGAL REVIEW:

The City Attorney has reviewed the documents and approved them as to form.

CONCLUSION:

It is recommended that the City Council take final action to authorize the City Manager and City Clerk to execute the required documents to provide a designated period to grant two years additional service credit for selected local miscellaneous members of the California Public Employees Retirement System (CalPERS).

MICHELLE GILLETTE
Risk Management Analyst

HOWARD PERKINS
Acting Administrative Services Director

MARC R. PUCKETT
Director of Finance

KIMBERLY HALL BARLOW
CITY ATTORNEY

DISTRIBUTION: City Manager
City Attorney
Department
Directors
Deputy City Clerk
CMCEA

ATTACHMENTS: 1 [Resolution No. 04-](#)
2 [Required Documents](#)
[\(Certification of Governing Body's Action, Certification of](#)
[Compliance with Government Code Section 7507,](#)
[Certification of Compliance with Government Code Section](#)
[20903, Resolution\)](#)
3 [Agenda Report from November 15, 2004 Council Meeting](#)

