



**CITY OF LODI
COUNCIL COMMUNICATION**
TM

AGENDATITLE: Notice of Cost to Grant Two Years Service Credit Under Government Code Section 20903.
MEETING DATE: July 15,2009
SUBMITTED BY: Human Resources Manager

RECOMMENDED ACTION: Consider recommendations relating to notice of cost to grant two years additional service credit for certain classifications of employees under Government Code Section 20903 and Certification of Compliance with Government Code Section 7507.

BACKGROUND INFORMATION: The CalPERS two year additional service credit program, as established under California Government Code Section 20903, allows the City (as part of a budget reduction process) to offer a retirement incentive of two years service credit to employees. The current PERS contract allows the City--with Council approval--to offer the program to Miscellaneous and Fire (sworn) employees.

This specific Resolution limits the two year additional service credit incentive to the current Street Maintenance Worker III classification. Previously, when the original additional service credit program was presented to the Council, Street Maintenance Worker III's were excluded from eligibility. As the budget negotiations unfolded, lay-offs were proposed for the Street Maintenance Worker III's yet they had not had the opportunity to pursue early retirement in lieu of lay-offs.

The program requires that participating employees be at least fifty years of age, have five years of service credit with PERS, and retire within a specified period of time as identified by the City. The intended effect of offering this incentive is an overall reduction in the workforce.

Government Code Section 7507 requires that the costs to provide this benefit as stated in Attachment A be made public at a public meeting at least two weeks prior to the adoption of the Resolution. This communication serves as that public notice.

As stated earlier, the cost of the program must be made public for a minimum of two weeks. At the August 5, 2009 Council meeting, staff will present the resolution adopting the two years service credit purchase for those employees who will be offered this retirement option.

FISCAL IMPACT: The cost of this benefit will be amortized over twenty years and included in the City's CalPERS employer contribution rate beginning in FY 2011-2012.

FUNDING AVAILABLE: Not applicable.

Respectfully submitted,



 Dean Guasco, Human Resources Manager

APPROVED: 

 Blair King, City Manager

Estimated Employer Cost

Classification	Name	Annual Pay Rate	Cost Factor	PRSA* Yes or No	No PRSA	COLA 3%, 4%, 5%	Estimated Employer Contributions
Street Maintenance Worker III	Steven Haley	\$ 51,057.68	0.56	Yes		No	\$ 28,592.30
Street Maintenance Worker III	Randall McVinnie	\$ 51,057.68	0.56	Yes		No	\$ 28,592.30
Street Maintenance Worker III	George Barajas	\$ 51,057.68	0.56	Yes		No	\$ 28,592.30
Street Maintenance Worker III	Curtis Gokey	\$ 51,057.68	0.47	Yes		No	\$ 23,997.11

Cost: \$ 109,774.01

Annual Salary Savings \$ 204,230.72

(not including benefits)

Estimated Increase in Employer Contribution:
(Based on \$18,200,077 annual payroll for Misc.)

0.000455552

Actual Annual Cost: \$ 8,198.05