



**CITY OF LODI  
COUNCIL COMMUNICATION**

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**AGENDATITLE:** Consider Notice of Cost to Grant Two Years Additional Service Credit Under Government Code Section 20903.

**MEETING DATE:** December 7, 2011

**SUBMITTED BY:** Human Resources Manager

**RECOMMENDED ACTION:** Consider notice of cost to grant two years additional service credit Government Code Section 20903.

**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 all employees.

The specific resolution would limit the two-year additional service credit incentive to the following classifications: Construction/Maintenance Supervisor, Electric Apparatus Mechanic, Distribution Planning Supervisor, Program Coordinator, Buyer, Fire Captain, Fire Engineer, Street Maintenance Worker III and Water/Wastewater Supervisor.

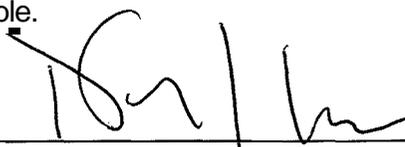
The program requires that participating employees be at least 50 years of age, have five years of service credit with PERS, and retire within a specified period of time as identified by the City. The intended effect of offering this incentive is an overall reduction in the workforce.

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 December 21, 2011 Council meeting, staff will present the resolution adopting the two years service credit purchase for those employees who will be offered this retirement option.

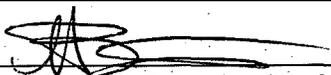
**FISCAL IMPACT:** The cost of this benefit will be amortized over 20 years and included in the City's CalPERS employer contribution rate beginning in FY 2012/2013.

**FUNDING AVAILABLE:** Not applicable.

  
 Dean Gualco, Human Resources Manager

  
 Jordan Ayers, Deputy City Manager/Internal Services Director

APPROVED: \_\_\_\_\_

  
 Konradt Bartlam, City Manager

**TWO YEARS ADDITIONAL SERVICE CREDIT  
Section 20903**

ATTACHMENT A

**Estimated Employer Cost**

<b>Classification</b>	<b>Name</b>	<b>Annual Pay Rate</b>	<b>Cost Factor</b>	<b>PRSA* Yes or No</b>	<b>No PRSA</b>	<b>COLA 3%, 4%, 5%</b>	<b>Additional Employer Contributions</b>
Buyer	Randolph Lipelt	\$ 57,468.32	0.47	Yes		No	\$ 27,010.11
Construction/Maintenance Supervisor	Barry Fisher	\$ 108,451.20	0.53	Yes		No	\$ 57,479.14
Distribution Planning Supervisor	Edward Fitzpatrick	\$ 108,451.20	0.56	Yes		No	\$ 60,732.67
Electric Apparatus Mechanic	Lance Mauck	\$ 85,739.68	0.56	Yes		No	\$ 48,014.22
Fire Captain	William Broderick	\$ 89,013.75	0.87	No	0.95	No	\$ 73,569.86
Fire Captain	Joseph Hansen	\$ 89,013.75	0.87	No	0.95	No	\$ 73,569.86
Fire Captain	Timothy Thalken	\$ 89,013.75	0.87	No	0.95	No	\$ 73,569.86
Fire Captain	Pete Iturraran	\$ 89,013.75	0.87	No	0.95	No	\$ 73,569.86
Fire Engineer	John Heinrich	\$ 76,893.45	0.87	No	0.95	No	\$ 63,552.44
Program Coordinator	Diane Amaral	\$ 43,748.22	0.47	Yes		No	\$ 20,561.66
Street Maintenance Worker III	George Barajas	\$ 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	Richard Morgan	\$ 51,057.68	0.47	Yes		No	\$ 23,997.11
Street Maintenance Worker III	Jose Vargas	\$ 51,057.68	0.47	Yes		No	\$ 23,997.11
Water/Wastewater Supervisor	Christopher Knoll	\$ 69,589.61	0.56	Yes		No	\$ 38,970.18
Water/Wastewater Supervisor	Kelly Powers	\$ 69,589.61	0.47	Yes		No	\$ 32,707.12
Water/Wastewater Supervisor	Ronald Stawski	\$ 69,589.61	0.56	Yes		No	\$ 38,970.18
Water/Wastewater Supervisor	Richard Lenfesty	\$ 69,589.61	0.47	Yes		No	\$ 32,707.12

**Cost: \$ 852,870.23**

**Salary Savings: \$ 1,388,985.84**

Estimated Increase in Employer Contribution: 0.003157075  
(Based on \$20,403,755 annual payroll for Misc. & Fire)

\*PRSA - Post Retirement Survivor Allowance

**Actual Annual Cost: \$ 60,031.05**