AGENDA ITEM NO. 6.c.

City of Garden Grove INTER-DEPARTMENT MEMORANDUM

To:

Matthew J. Fertal

From:

John D.R. Clark

Dept:

City Manager

Dept:

Human Resources

Subject .:

REQUEST WAIVER OF 960-HOUR

Date:

October 13, 2009

PERS SERVICE LIMIT FOR DEPUTY

POLICE CHIEF KEVIN RANEY

OBJECTIVE

To obtain City Council's approval of the attached Resolution requesting that the California Public Employee's Retirement System (PERS) Board of Administration approve a waiver of the 960-hour rule for Deputy Police Chief Kevin Raney.

BACKGROUND

Deputy Chief Raney has worked for the City of Garden Grove since 1976. He became eligible for full retirement in January, 2008 and retired effective December, 2008. Since that time, Deputy Chief Raney has been working as a "retired annuitant," which is allowed by PERS in situations of limited duration and when the retired annuitant possesses specialized skills, for a period not to exceed 960 hours in a fiscal year (just a bit under half of fulltime, which is 2080 hours annually).

Because his retirement occurred halfway through the 2008-2009 fiscal year, Deputy Chief Raney was able to work, as a retired annuitant, for 960 hours in the remainder of that fiscal year (i.e., January, 2009 through June, 2009), and another 960 hours in the current fiscal year, 2009-2010. Because the 960-hour allotment will be used up by December, 2009, fulltime or close-to-fulltime work for the rest of the fiscal year will require a waiver pursuant to Government Code § 21221(h) from the PERS Board.

DISCUSSION

Garden Grove Police Department has a formal structure of one chief, one deputy chief, three captains (operations, administrative services, and support services) and various divisions under both lieutenants and civilian managers. Because of budgetary considerations, the department has held the administrative captaincy vacant, with Deputy Chief Raney filling both that role and his regular job. The operations captain is relatively new and expected to stay in that role for some years. The support services captain has indicated he will probably retire at the end of 2010 or 2011. Given that three of four command positions are or will become vacant within the next two years, the department is concerned about succession planning.

WAIVER OF 960-HOUR RULE FOR PERS RETIREE

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between December, 2009 and December, 2010. The five remaining lieutenants have all been appointed to that rank within the past three years; two of them within the past year. With the expected turnover in command ranks, the chief believes it is essential to retain Deputy Chief Raney for another year to help mentor and develop the lieutenant pool.

FISCAL IMPACT

Even though working as a retired annuitant allows Deputy Chief Raney to both collect his pension and receive an hourly salary at his old rate, the City is projected to save \$140,000 over the cost of promoting a regular captain because pensioners do not receive City-paid health insurance, additional pension contributions, or other fringe benefits.

RECOMMENDATION

It is recommended that the City Council:

- Adopt the attached Resolution requesting that the California Public Employee's Retirement System (PERS) Board of Administration approve a waiver of the 960-hour rule for Deputy Police Chief Kevin Raney; and
- Direct the Human Resources Director to file the certified and enrolled Resolution with the PERS Board of Administration with all deliberate speed.

JOHN D.R. CLARK

Hughan Resources Director/City Treasurer

Recommended for Approval

Matthew Ferta City Manager

Attachment: Proposed resolution

RESOL	UTION	NO.	
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A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GARDEN GROVE REQUESTING APPROVAL FROM THE BOARD OF ADMINISTRATION OF THE PUBLIC EMPLOYEES' RETIREMENT SYSTEM FOR THE APPOINTMENT OF THE DEPUTY POLICE CHIEF TO EXCEED 960 HOURS DURING THE 2009-2010 FISCAL YEAR

Section 1. The City Council hereby finds, determines, and declares as follows:

- A. Kevin Raney (Deputy Police Chief) was appointed to serve as the Deputy Police Chief, for a limited duration.
- B. The Deputy Police Chief is a retired member of the California Public Employees' Retirement System (CalPERS) and, with certain exceptions is permitted to serve for not more than 960-hours for any PERS covered employer in any fiscal year without reinstatement from retirement or loss or interruption of benefits.
- C. The Deputy Police Chief possesses specialized skills acquired from a long and distinguished career in law enforcement, including previous service as a Captain, Lieutenant, Sergeant, and Officer with the City of Garden Grove.
- D. The City of Garden Grove previously deemed the position of Deputy Police Chief to be a position of limited duration and requiring specialized skills.
- E. Government Code Section 21221(h) provides that when an appointment to a position deemed by the governing body to be of a limited duration and requiring specialized skills is expected to, or will, exceed 960-hours in any calendar year the governing body shall request approval from the CalPERS Board of Administration to extend the temporary employment.
- F. The City has determined that the appointment of the Deputy Police Chief will exceed 960-hours during the 2009-2010 fiscal year and that it is desirable to retain the Deputy Police Chief because of his knowledge of the Garden Grove Police Department and the Garden Grove community.
- G. The Deputy Police Chief's knowledge and expertise are also required to assist the City of Garden Grove in recruiting qualified successors for the position of Police Captain to meet the community's service needs, to continue development of internal candidates, and to provide continuity and stability in the City's public safety and security services during this process.

- H. It is now desired by the City Council of the City of Garden Grove to request of the Board of Administration of the California Public Employee's Retirement System (Board) to allow employment of the Deputy Police Chief to extend beyond the 960-hour limit for the balance of the 2009-2010 fiscal year.
- <u>Section 2</u>. The Human Resources Director shall provide for the transmission of this Resolution to the Board prior to the expiration of the 960-hour maximum for the fiscal year.
- <u>Section 3</u>. The City Clerk shall certify to the adoption of this Resolution and shall cause this Resolution and the certification to be entered in the Book of Resolutions of the City Council of the City of Garden Grove.