

City of Garden Grove

INTERDEPARTMENTAL MEMORANDUM

To: Matthew J. Fertal
From: John D.R. Clark
Dept: City Manger's Office
Dept: Human Resources
Subject: RESOLUTION OPENING A
PERS 2-YEAR EARLY-
RETIREMENT OPTION FOR
ASSOCIATION AND LEAGUE
EMPLOYEES
Date: June 12, 2012

OBJECTIVE

Present information regarding the implementation process for the California Public Employee's Retirement System (PERS) 2-Year Early Retirement amendment for all employees represented by the Garden Grove Employees' Association (Association) and Orange County Employees' Association/Employees' League (League) who meet PERS eligibility requirements, and request City Council approval of a resolution authorizing same. The concept behind this 2-Year Early Retirement is to entice higher-paid, longer-term employees to retire earlier than they would otherwise and create cost savings (by holding positions vacant) and lessen the need for layoffs.

The City Council authorized an early-retirement option for management employees on April 24, 2012. This action would extend the same program to non-management civilian employees.

BACKGROUND

The PERS retirement system offers a 2-Year Early Retirement benefit for public agencies facing downsizing, layoffs, and/or reorganizations due to financial pressures or organizational changes. This benefit provides an extra two years of service to employees who retire during a fixed window period established by the city. The retirement factors for employees are based upon an increasing multiplier of both age and years of service. This benefit only adds 2 years to the years-of-service multiplier – but does not affect the age multiplier (i.e., this benefit does not “make” a 48-year-old person 50 in the eyes of PERS).

“Miscellaneous” employees (everyone except sworn Police and Fire), may retire at age 55 or later with full formula, or retire between 50 and 55 with a reduced formula (2% at age 50, rising to the 2.5 formula on their 55th birthday).

The benefit would add 5% for Miscellaneous employees. There are conditions attached to this benefit. Employees accepting this benefit are ineligible for

PERS 2-YEAR EARLY RETIREMENT PROGRAM

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unemployment for this two-year period and, if they even return to the PERS retirement system with any other PERS employer, **they automatically lose these two years of service credit.** The first condition prevents employees from claiming they were forced out (i.e., laid-off) and perhaps collecting unemployment insurance. The second condition prevents an employee from retiring from the City, then going to work for another public agency under PERS and keeping the early retirement benefit.

Use of Early Retirement Option

Garden Grove offered this benefit to all eligible employees in all units in 2010. During that window, 37 employees retired early; of these positions, about 22 remain vacant (about 60%). With the catastrophic loss of redevelopment, it is again necessary to reduce the City's labor costs and this is one method that obviates the need to layoff.

Although it is of necessity just a guess, staff in HR predict about 10 employees represented by these two unions will take early retirement.

Financial Cost and Required Disclosure

PERS requires a specifically-calculated formula to be disclosed in a public meeting at least two weeks prior to adoption of the early retirement program. This was accomplished at the May 22, 2012 City Council meeting.

RECOMMENDED ACTION

It is recommended that the City Council:

- Adopt the attached Resolution to Grant Another Designated Period for Two Years Additional Service Credit for Miscellaneous PERS members listed in Attachment "A," who meet eligibility requirements.



JOHN D.R. CLARK
Human Resources Director

Attachment: Resolution

Recommended for Approval



Matthew Ferial
City Manager

Resolution
of the
City of Garden Grove

RESOLUTION
TO
GRANT ANOTHER DESIGNATED PERIOD
FOR
TWO YEARS ADDITIONAL SERVICE CREDIT

WHEREAS, the of the City of Garden Grove is a contracting City or Town of the Public Employees' Retirement System; and

WHEREAS, the City of Garden Grove desires to provide another designated period for Two Years Additional Service Credit, Government Code §20903, based on the contract amendment included in said contract which provided for Government Code §20903, Two Years Additional Service Credit, for eligible members;

NOW, THERE, BE IT RESOLVED, that the City of Garden Grove does seek to add another designated period, and does hereby authorize this Resolution, indicating a desire to add a designated period from June 15, 2012 – October 31, 2012 for eligible members in the classifications listed in Attachment "A", which are hereby incorporated by reference.

Adopted and approved this _____ day of _____, _____

BY _____



Presiding Officer

Attest:

Clerk/Secretary



Attachment "A"

List of Classifications Eligible for Two Years Additional Service Credit

<u>CLASSIFICATION NUMBER</u>	<u>CLASSIFICATION TITLE</u>
053	ACCOUNT SPECIALIST
054	ACCOUNTANT
060	ACCOUNTING TECHNICIAN
024	ADMINISTRATIVE AIDE
073	ASSISTANT BUYER
215	ASSOCIATE ENGINEER
272	ASSOCIATE PLANNER
286	ASSISTANT COMMUNITY SERVICES SUPERVISOR
214	ASSISTANT ENGINEER
271	ASSISTANT PLANNER
230	BUILDING INSPECTOR
241	BUSINESS TAX INSPECTOR
072	BUYER
019	CABLE PRODUCTION COORDINATOR
058	CLERICAL ASSISTANT
235	CODE ENFORCEMENT OFFICER
289	COMMUNITY SERVICES COORDINATOR
085	COMMUNICATIONS SHIFT SUPERVISOR
099	COMMUNITY SERVICE OFFICER
228	CONSTRUCTION INSPECTOR
445	CUSTODIAN
062	DEPARTMENT SECRETARY
259	ECONOMIC DEVELOPMENT SPECIALIST
273	ELIGIBILITY TECHNICIAN
274	EMPLOYMENT SPECIALIST
211	ENGINEERING TECHNICIAN
236	ENVIRONMENTAL SERVICES SPECIALIST
422	EQUIPMENT MECHANIC
421	EQUIPMENT SERVICE WORKER
423	FIRE APPARATUS MECHANIC
245	FIRE PREVENTION TECHNICIAN
256	FIRE PROTECTION SPECIALIST
107	GIS COORDINATOR
088	GRAPHICS ASSISTANT
089	GRAPHICS DESIGNER
414	HEAVY EQUIPMENT OPERATOR
234	HOUSING ASSISTANT
232	HOUSING SPECIALIST
108	INFORMATION TECHNOLOGY PROGRAMMER
103	INFORMATION TECHNOLOGY TECHNICIAN
081	INSURANCE PROGRAM COORDINATOR
416	MAINTENANCE REPAIR HELPER
415	MAINTENANCE REPAIR WORKER
066	OFFICE ASSISTANT
406	PARK MAINTENANCE WORKER
494	PARKING CONTROL SPECIALIST

Attachment "A"

List of Classifications Eligible for Two Years Additional Service Credit

210	PERMIT TECHNICIAN
201	PLAN CHECK ENGINEER
267	PLANNER
270	PLANS EXAMINER
074	POLICE RECORDS SHIFT SUPERVISOR
057	POLICE RECORDS SPECIALIST
052	PRINCIPAL ACCOUNT SPECIALIST
208	PRINCIPAL ENGINEERING TECHNICIAN
064	PRINCIPAL OFFICE ASSISTANT
023	PROGRAM SPECIALIST
083	PUBLIC SAFETY DISPATCHER
244	PUBLIC WORKS TECHNICIAN
402	PUBLIC WORKS TRAINEE
222	REAL PROPERTY AGENT
092	REPROGRAPHICS EQUIPMENT OPERATOR
055	SENIOR ACCOUNTANT
051	SENIOR ACCOUNT SPECIALIST
014	SENIOR ADMINISTRATIVE AIDE
231	SENIOR BUILDING INSPECTOR
242	SENIOR CODE ENFORCEMENT OFFICER
098	SENIOR COMMUNITY SERVICE OFFICER
091	SENIOR ECONOMIC DEVELOPMENT SPECIALIST
226	SENIOR EMPLOYMENT SPECIALIST
212	SENIOR ENGINEERING TECHNICIAN
246	SENIOR ENVIRONMENTAL SPECIALIST
260	SENIOR FIRE PROTECTION SPECIALIST
294	SENIOR HOUSING SPECIALIST
106	SENIOR INFORMATION TECHNOLOGY TECHNICIAN
067	SENIOR OFFICE ASSISTANT
407	SENIOR PARK MAINTENANCE WORKER
253	SENIOR RECREATION SPECIALIST
090	SENIOR REPROGRAPHICS EQUIPMENT OPERATOR
462	SENIOR SEWER MAINTENANCE WORKER
419	SENIOR STREET MAINTENANCE WORKER
412	SENIOR TRAFFIC SIGNAL ELECTRICIAN
437	SENIOR WATER PRODUCTION OPERATOR
255	SENIOR WATER QUALITY TECHNICIAN
431	SENIOR WATER SERVICE WORKER
078	SENIOR WORD PROCESSING OPERATOR
460	SEWER MAINTENANCE WORKER
424	SMALL ENGINES MECHANIC
312	SPECIAL OFFICER
451	STOCK CLERK
450	STOREKEEPER
411	STREET MAINTENANCE WORKER
405	TRAFFIC SIGNAL ELECTRICIAN
410	UTILITY WORKER
429	WATER CUSTOMER SERVICE WORKER
436	WATER PRODUCTION OPERATOR

Attachment "A"

List of Classifications Eligible for Two Years Additional Service Credit

433	WATER PRODUCTION ELECTRICIAN
438	WATER PRODUCTION MECHANIC
115	WATER QUALITY TECHNICIAN
430	WATER SERVICE WORKER
102	WEBMASTER
077	WORD PROCESSING OPERATOR