

Council Meeting of
January 10, 2006

Honorable Mayor and Members
Of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: CalPERS Contract Amendment/CalPERS Two-Year Service Credit

RECOMMENDATION

It is the recommendation of the City Manager that the City Council adopt the attached Resolution to grant a designated period for two years additional service credit under the California Public Employees' Retirement System (CALPERS).

Funding

Funds exist in the current budget for programs operating under the Workforce Investment Act, a Federal grant source of revenue.

BACKGROUND/ANALYSIS

Since FY 1999/2000, Federal revenues from the Workforce Investment Act (WIA) have declined by close to 43%. As a result, the Workforce Investment Network (WIN) is currently facing a deficit in FY 2005/06 of \$499,176 and a potential deficit of \$700,000 in FY 2006/07. In order to achieve a balanced budget, it is therefore necessary to reduce the number of budgeted staff positions.

On December 20, 2005, Your Honorable Body approved staff commencing the process that would allow the City to offer the CalPERS "two-year service credit" to three City positions as part of a severance package. The total cost of offering this benefit to impacted classifications is \$133,623.

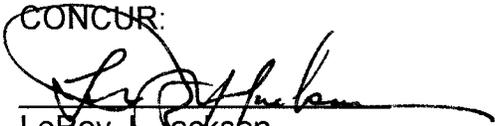
In order to move forward with the process, the attached Resolution is before Your Honorable Body for adoption. The Resolution opens the 120-day window for the two-year service credit option and specifies the eligible City positions. During the open window period, employees may apply for this service credit benefit. The window period is January 17, 2006 through April 17, 2006.

Upon adoption of the Resolution, staff will forward a certified copy to CalPERS for processing as required by Government Code 20903.

Respectfully submitted,

LeRoy J. Jackson
City Manager

By 
Elaine M. Winer
Human Resources Director

CONCUR:

LeRoy J. Jackson
City Manager

Attachments: A) Resolution
B) Council item for December 20, 2005

RESOLUTION NO. 2006-__

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
TORRANCE TO GRANT ANOTHER DESIGNATED PERIOD
FOR TWO YEARS ADDITIONAL SERVICE CREDIT**

WHEREAS, the City Council of the City of Torrance is the contracting Public Agency of the Public Employees' Retirement System; and

WHEREAS, said Public Agency desires to provide another designated period for Two Years Additional Service Credit, Section 20903, based on the contract amendment included in said contract which provided for Section 20903, Two Years Additional Service Credit, for eligible members.

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF TORRANCE DOES HEREBY seek to add another designated period, and does hereby authorize this Resolution, indicating a desire to add a designated period from January 17, 2006 through April 17, 2006, for eligible members in the classifications of:

- Assistant Employment and Training Manager
- Sr. Job Training Project Leader
- Job Training Project Leader

Introduced, approved and adopted this 10 day of January 2006 .

Mayor Dan Walker

APPROVED AS TO FORM:
JOHN FELLOWS III, City Attorney

ATTEST:

by _____
Ronald T. Pohl, Assistant City Attorney

Sue Herbers, CMC
City Clerk

Council Meeting
December 20, 2005

Honorable Mayor and Members
Of the City Council
City Hall
Torrance, California

Members of the Council:

SUBJECT: CALPERS Two-Year Service Credit

Expenditure: \$133,623

RECOMMENDATION

It is the recommendation of the City Manager that the City Council begin the process of offering a new two-year service credit in their CALPERS System to three classifications whose jobs will be recommended for deletion at the January 10, 2006 Council Meeting to achieve budget savings. The cost to purchase the service credit is \$133,623 and is pursuant to Government Code 20903.

Funding

Funds exist in the current budget for programs operating under the Workforce Investment Act, a Federal grant source of revenue.

BACKGROUND

Since FY 1999-2000, Federal revenues flowing from the Workforce Investment Act (WIA) have declined by close to 43%. As a result, Workforce Investment Network (WIN) is currently facing a deficit in FY 2005-2006 of \$499,176 and a potential deficit of \$700,000 in FY 2006-2007. Numerous mitigation measures have been implemented to date which have included staff reductions through attrition, consolidating and reducing office space, renegotiating rents, reducing materials and supplies, and generating fee-based revenue.

In order to achieve a balanced budget, it is therefore necessary to reduce the number of budgeted staff positions. Priority is being given to retaining those positions that provide services mandated by the WIA legislation and achieve the deliverables outlined in the specific grants. Functions that can be eliminated, reduced and/or transitioned to other WIN Division staff have been identified.

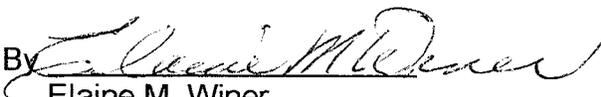
ANALYSIS

It is recommended that employees in three job classifications, Assistant Employment and Training Manager, Senior Job Training Project Leader and Job Training Project Leader, be given the opportunity to purchase the two-year service credit under the CALPERS system as part of the severance package being offered. In order to offer this benefit, two actions must come before the City Council. The first step of this process is the current agenda item, which is required by CALPERS to publicize the total cost of offering a two-year service credit to impacted classifications. The second step is the passage of a Resolution opening a "window period". During the window period, employees who are taking the two-year service credit must retire. The window period is January 17, 2006 to April 17, 2006.

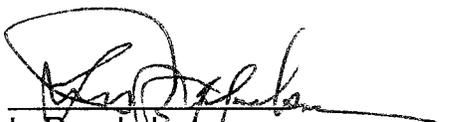
At the present time, it is estimated that offering the two-year service credit Section 20903 of the CALPERS law will cost \$133,623 for three positions. CALPERS estimates the cost of this benefit as being 53% to 57% of an employee's total one year compensation depending on age.

Respectfully submitted,

LeROY J. JACKSON
CITY MANAGER

By 
Elaine M. Winer
Human Resources Director

CONCUR:


LeRoy J. Jackson
City Manager