

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

**Members of the Council:**

**SUBJECT: City Manager – Approve appropriation of funds from the Torrance Clerical Employees Association (TCEA) salary holding trust account to purchase an actuarial for the Public Agency Retirement Services (PARS) retirement enhancement benefit. Expenditure: Not to exceed \$9,000.**

**RECOMMENDATION**

Recommendation of the City Manager that the City Council approve the appropriation of funds from the Torrance Clerical Employees Association (TCEA) salary holding trust account to purchase an actuarial for the Public Agency Retirement Services (PARS) retirement enhancement benefit.

Funding

Funding is available in the TCEA Holding Trust Account.

**BACKGROUND/ANALYSIS**

As part of the 2007 negotiations with the Torrance Clerical Employees Association (TCEA), the City agreed to allow TCEA to utilize a percentage of the raises in 2008 and 2009 to fund an additional retirement enhancement to a potential Public Agency Retirement Services (PARS) program. Per the TCEA 2007-2010 MOU Section 2.1C (Salary Ranges and Class Titles effective February 3, 2008):

*“The Association may wish to utilize a percentage from the grid above to fund an additional enhancement to a potential PARS program. If this is implemented, a percentage no greater than 3.5% may be used, and the grid above will be adjusted to reflect that reduction.”*

On February 7, 2008, the City and TCEA signed a letter of agreement to hold the pay raise of 3.5% due on February 3, 2008 in a holding trust account until such time that TCEA determines its level of PARS benefit. The provision below is from the attached Joint Letter of Agreement which allows TCEA to utilize a portion of the set aside fund to pay for an actuarial.

*“TCEA agrees to pay for any actuarial, PARS, legal and other related expenses either from its general membership account or from its PARS holding trust account.”*

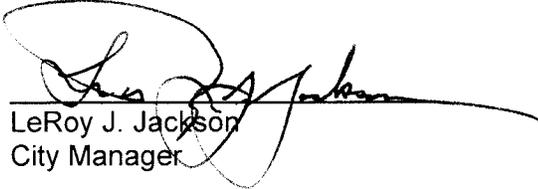
The City recently received a request from TCEA to authorize the expenditure of no more than \$9,000 to fund the PARS actuarial. By approving this item, TCEA will obtain an actuarial that will assist with the selection of a PARS benefit.

Respectfully submitted,

LeROY J. JACKSON  
CITY MANAGER

By   
Aram Chaparyan  
Assistant to the City Manager

CONCUR:

  
LeRoy J. Jackson  
City Manager

Attachment: Management/TCEA Join Letter of Agreement Regarding Implementation of a PARS Benefit Program

February 7, 2008

**TO:** Sue Herbers, City Clerk

**FROM:** Aram Chaparyan, Assistant to the City Manager

**RE:** **MANAGEMENT/TCEA JOINT LETTER OF AGREEMENT REGARDING IMPLEMENTATION OF A PARS BENEFIT PROGRAM**

Management and TCEA have met and have reached agreement as noted on the attached document. Section 14.8.14.b of the Torrance Municipal Code reads:

*"If agreement is reached by management and a recognized employee organization or recognized employee organizations, on matters subject to approval by the City Council, they shall jointly prepare a written and signed memorandum of such understanding and present it to the City Council for determination. **If agreement is reached on matters not subject to approval by the City Council, those conferring shall jointly prepare a written and signed memorandum of such agreement which shall be filed with the City Clerk.**"*

Pursuant to the last sentence of the above paragraph, the City Manager's Office is filing the attached agreement with your office.

Management

*Aram Chaparyan...*

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Torrance City Employees Association

*Jeffrey...*

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*Clay Corey*

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## LETTER OF AGREEMENT

The Torrance City Employees Association and representatives of Management of the City of Torrance have reached an agreement regarding implementation of a PARS benefit program.

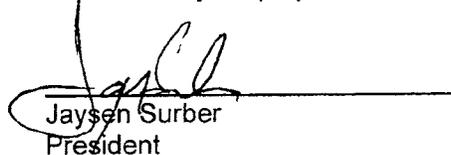
1. The TCEA 2007-2010 MOU Section 2.1C (Salary Ranges and Class Titles effective February 3, 2008) states that:  
*"The Association may wish to utilize a percentage from the grid above to fund an additional enhancement to a potential PARS program. If this is implemented, a percentage no greater than 3.5% may be used, and the grid above will be adjusted to reflect that reduction."*
2. The TCEA general membership has voted to implement a PARS benefit.
3. TCEA and City agree to hold the pay raise of 3.5% due on February 3, 2008 until such time that TCEA determines its level of PARS benefit.
4. City agrees to move the funds to a holding trust account until TCEA notifies the City of its benefit level selection. These funds will accrue interest at the City pool rate.
5. If TCEA decides not to implement the PARS benefit program, any funds accumulated in the holding trust account will be distributed back to employees. Management and TCEA will meet to develop the specific guidelines for such distribution. TCEA agrees to notify the City within 30 days of its decision to not implement the PARS benefit program.
6. TCEA agrees to pay for any actuarial, PARS, legal and other related expenses either from its general membership account or from its PARS holding trust account.
7. TCEA agrees to make its benefit level selection by December 31, 2008. If TCEA does not have a PARS benefit selection by December 31, 2008, all set aside funds and related interest will be returned to the employees in accordance with Paragraph 5 above.

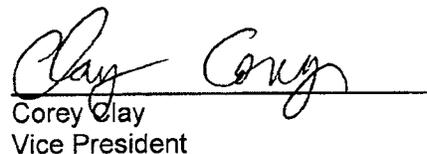
Signed this 7<sup>th</sup> day of February, 2008.

Management

  
 Aram Chaparyan

Torrance City Employees Association

  
 Jaysen Surber  
 President

  
 Corey Clay  
 Vice President