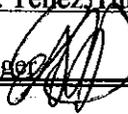
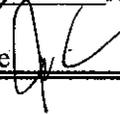




Meeting Date: 3 / 23 / 10

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input checked="" type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other

Prepared By: Michelle H. Téllez Human Resources Director  Agenda Item No. I-6

Reviewed By: City Manager  City Attorney  Finance  Other (Specify) _____

DATE: March 16, 2010

TO: City Council

FROM: Michelle H. Téllez, Human Resources Director
Human Resources

SUBJECT: Early Retirement Incentive Program

RECOMMENDATION

That City Council:

1. Adopt a resolution authorizing an early retirement incentive program to eligible City employees under the condition that the program meets the fiscal, managerial and operational goals of the City.
2. Authorize the City Manager to execute documents on behalf of the City to implement the program.

DISCUSSION

One long term measure to assist with the current budget situation is a retirement incentive program. City staff are recommending that a supplemental retirement program or "SRP" be implemented for eligible City employees. The specific item discussed in this staff report, the SRP can "work" if it:

- Accomplishes restructuring goals by allowing the City Manager and Department Directors the ability to re-think service delivery (and the staffing therein).
- Accomplishes fiscal goals; in effect, saving money from year one. This is done by not filling, or filling in a different manner, the positions vacated by the retiring employee.
- Treats retiring employees fairly and respectfully.

The proposed allows the City to set the payment, eligibility and refilling practice based on our own managerial and fiscal needs. With PARS, the City still has an expense, but it is tied to the purchase of what is in effect an annuity for each retiring employee so our expense is known and quantifiable.

The recommended SRP level of benefit is seven percent (7%) of an employee's final pay, payable over a period of time starting at five (5) years, going through the employee's lifetime, the election of which is the employee's.

PARS has been providing supplemental retirement programs since 1983 and their program is used by more than 228 agencies with over 15,000 participants in California.

FINANCIAL IMPACT

Actual saving will depend on participation however current estimates are for savings to the General Fund of \$1.9 million over a five year period and annual savings of \$1.4 million after that.

MT/SP

Attachment #1 - Resolution Authorizing the Establishment of the ERIP Program

RESOLUTION NO.

A RESOLUTION AUTHORIZING ADOPTION OF A SUPPLEMENTAL RETIREMENT PLAN (SRP) TO ELIGIBLE CITY EMPLOYEES ADMINISTERED BY PHASE II SYSTEMS, PARS TRUST ADMINISTRATOR FOR CITY EMPLOYEES

WHEREAS, the City Council finds it to be in the fiscal interest of the City of Oxnard (the "City") and its employees to consider the provision of a Supplemental Retirement Plan to eligible employees who wish to voluntarily exercise their option to separate from City service; and

WHEREAS, the City is a member of the Public Agency Retirement System (PARS) for the purpose of providing tax qualified retirement benefits; and

WHEREAS, the PARS Trust has made available a Supplementary Retirement Plan (SRP), supplementing CalPERS and qualifying under the relevant section of the Internal Revenue Code and the California Government Code.

NOW THEREFORE, the City Council of the City Of Oxnard resolves as follows:

The City Council does hereby adopt the PARS Supplemental Retirement Plan (SRP) as described in this Resolution, effective March 24, 2010; and

The City Council hereby appoints the Human Resources Director or her designee as the City's Plan Administrator for the PARS Supplementary Retirement Plan; and implement a PARS Supplemental Retirement Program with a SRP level of benefit of seven percent (7%) of an employee's final base pay, payable through the employee's lifetime, with an option of payment for five (5) to ten (10) years, at the employee's election. In addition, if the City's PARS Administrator finds that the PARS SRP benefit must be limited under Section 415 of the Internal Revenue Code, then the Plan Administrator will implement replacement benefit programs at no additional cost to the City.

APPROVED AND ADOPTED this 23rd day of March, 2010 by the following vote:

AYES:

NOES:

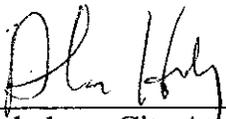
ABSENT:

Dr. Thomas E. Holden, Mayor

ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO FORM:


Alan Holmberg, City Attorney

ATTACHMENT # 1
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