

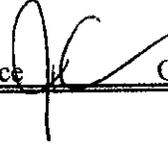


Meeting Date: 7/13 / 10

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

0-1

Prepared By: Michelle Tellez and James Cameron Agenda Item No. _____

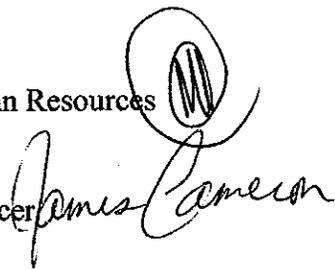
Reviewed By: City Manager  City Attorney  Finance  Other (Specify) _____

DATE: July 13, 2010

TO: City Council

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

James Cameron, Chief Financial Officer
Finance Department



SUBJECT: Early Retirement Incentive Program

RECOMMENDATION

That City Council:

1. Receive a report on the Early Retirement Incentive Program (ERIP).
2. Adopt a resolution authorizing the ERIP to eligible City employees.
3. Authorize the City Manager to execute documents on behalf of the City to implement the program.

DISCUSSION

On March 23, 2010, the City Council directed the City Manager to extend the offer to participate in the Early Retirement Incentive Program to eligible employees. The original deadline of April 30, 2010 was extended until June 18, 2010 to allow employees more time to consider the program as it relates to their personal goals. Based on this extended deadline, we currently have 46 employees that have submitted their interest in participation. Pursuant to City Council direction, staff is returning to Council to report on the potential savings and service impacts of the ERIP.

FINANCIAL IMPACT

The 46 employees that have applied for the ERIP represent \$4.7 million in salaries and benefits with annual ERIP payments of approximately \$400,000. Staff has performed an analysis of potential scenarios for selective hiring based on technical requirements as well as transfer or promotion options. For example, based on feedback from Department Directors and their staff, one option is to hire 15 employees (32% of those applying) based on regulatory and other requirements for special skills and certifications. The remaining 31 positions (68%) would be unfilled or alternate positions after potential transfers and promotions would not be filled or funded. A scenario that maximizes savings to the General Fund would provide an annual General Fund savings of \$1.7 million with \$1.4 million estimated for FY 2010-11 net of ERIP payments. Total net annual savings are estimated to be \$3.1 million with \$2.6 million in FY 2010-11.

JC/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 July 14, 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 to 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 13th day of July, 2010 by the following vote:

AYES:

NOES:

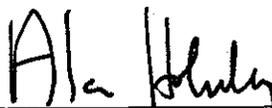
ABSENT:

Dr. Thomas E. Holden, Mayor

ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO FORM:



Alan Holmberg, City Attorney

ATTACHMENT #
PAGE 1 OF 1