



Meeting Date: 04/17/2012

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input 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 checked="" type="checkbox"/> Other: Council Business

Prepared By: Alan Holmberg Agenda Item No. N-1

Reviewed By: City Manager [Signature] City Attorney AH Finance [Signature] Other N/A

DATE: April 9, 2012

TO: City Council

FROM: Alan Holmberg, City Attorney

SUBJECT: \$300 per month, Supplemental Post-Retirement Benefit

RECOMMENDATION

That City Council consider this report concerning the \$300 per month supplemental post-retirement benefit and provide direction to the Interim City Manager.

DISCUSSION

In 2003, the City Manager established a supplemental post-retirement benefit plan, to be used as a tool for recruiting Department Directors. The plan provides that an individual holding the position of City Manager, Assistant City Manager, Deputy City Manager, City Attorney or Department Director for five (5) years or more, is eligible to receive a post-retirement benefit of \$300 per month, in addition to any other retirement benefits received by that person. This supplemental post-retirement benefit plan was instituted by the City Manager and was not considered or approved by the City Council. At this time, five (5) former Department Directors and a former City Attorney are receiving the benefit.

On several occasions in past months, there has been discussion at City Council meetings concerning whether the supplemental post-retirement plan should be continued, whether it legally can be terminated as to prospective employees, existing employees, and those persons who have retired and are receiving the benefit. Special Counsel's opinion is that since the retirement benefit was instituted only at the administrative level, and since the City Council is the only body authorized to set and adjust compensation and benefits for employees, the benefit likely may be terminated as to all three categories, prospective employees, existing employees and retirees. The opinion of Special Counsel is that because the City Council is the only body authorized to set the compensation, and it did not do so, the action of the City Manager confers no "vested right" in either existing employees or retirees.

The City Council has several options at this point. The options include ratifying the action of the City Manager, determining to continue a supplemental post-retirement benefit plan in its present form or adopting a different benefit program. Council could simply terminate the supplemental post-retirement benefit. Any of the foregoing require that the matter be placed on a future Council agenda for action. The City Attorney recommends that if the Council determines to agendize possible termination of the benefit, noticed of the proposed action be mailed to those presently receiving the benefit.

Supplemental Post-Retirement Benefit

April 9, 2012

Page 2

It should be noted that the opinion of Special Counsel does not state that the benefit certainly may be terminated without consequences; rather, it states that the benefit likely may be terminated.

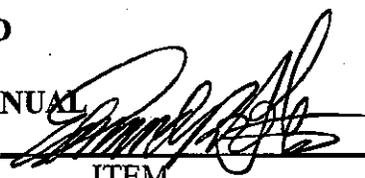
FINANCIAL IMPACT

Approval of the recommended action has no financial impact. Future Council action will have financial impact.

Attachment #1 - Administrative Manual Item No. E28 Establishing Supplemental Post-Retirement Benefit

CITY OF OXNARD

ADMINISTRATIVE MANUAL



SUBJECT: Supplemental Post-Retirement Benefit	ITEM NUMBER	PAGE
EFFECTIVE DATE: January 2008	E-28	1 of 1

POLICY

Effective July 1, 2003, the City Manager has established a Supplemental Post-Retirement Benefit (SPRB) for certain eligible employees. The terms and conditions for participation in the SPRB are described below.

1. Eligibility

- a. An employee occupying the classification of City Manager, Assistant City Manager, Deputy City Manager, City Attorney or Department Director is eligible to receive the SPRB.
- b. To be eligible to receive the SPRB, an employee shall occupy one of the above-listed classifications for a minimum of five consecutive years and shall separate from City of Oxnard (City) service by retirement.
- c. An eligible employee retiring July 1, 2003, or later, is entitled to receive the SPRB of up to \$300 per month, payable quarterly.

2. Process for Payment of SPRB

- a. To receive the SPRB, a retiree shall submit a request in writing to the City's Purchasing Agent no later than three (3) months after retirement from the City.
- b. The payment of the SPRB shall cease at the request of the retiree or upon the death of the retiree.

3. City Manager Authority

The City Manager may amend the terms of the SPRB or cease providing the SPRB at any time.