



# City of Woodland

## REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR  
AND CITY COUNCIL

DATE: December 1, 2009

SUBJECT: Approve Two Years Additional Service Credit (Golden Handshakes)  
Resolution and Certifications

### **Report in Brief**

On November 17, 2009, the City Council approved implementing a Golden Handshake program. In order to finalize the implementation of this program, the City Council must adopt a Resolution and authorize the City Clerk and/or Mayor to sign related certifications.

Staff recommends that the City Council adopt Resolution No. \_\_\_\_\_ and authorize the City Clerk and the Mayor to sign related certifications.

### **Background**

On November 17, 2009, the City Council approved implementing a Golden Handshake Program (two additional years of service credit to eligible employees) as an incentive for employees to retire within a designated time period to alleviate and/or minimize layoffs in the 2009/2010 fiscal year and General Fund budget shortfalls.

In order to implement a Golden Handshake program, CalPERS requires that the approximate cost of implementing such program be made public at a public meeting at least two weeks prior to the adoption of a Resolution to “grant another designated period for two years additional service credit”. The approximate cost to provide this benefit (\$337,700) was made available to the public at the November 17, 2009 City Council meeting. This cost will be amortized over twenty years starting in 2012.

### **Discussion**

Seven employees have indicated they will retire with a Golden Handshake if approved by City Council. Implementing a Golden Handshake program, as well as other budget saving measures, will

minimize the need to layoff staff as previously presented to the City Council on March 31, 2009 and as anticipated based on the current General Fund shortage. By implementing this program, the City will be required to keep vacancies created by retirements or at least one vacancy in any position in any department unfilled thereby resulting in an overall reduction in the work force. Staff has evaluated existing staffing and proposed retirements and has determined that at least one vacancy in the designated departments with employees accepting a Golden Handshake will remain permanently vacant thus resulting in the required minimum 1% reduction in workforce.

In addition to disclosing the cost of a Golden Handshake program to the public, the City Council must adopt a Resolution and the following Certifications must be signed by the City Clerk and/or Mayor in order to implement the program: 1) Certification of Governing Body's Action, 2) Certification of Compliance with Government Code Section 7507, and 3) Certification of Compliance with Government Code Section 20903. If the resolution and certifications are adopted by the City Council on December 1, 2009, the designated period for retirement for the individuals electing a Golden Handshake would be from December 2, 2009 through April 30, 2010.

### **Fiscal Impact**

The annual structural savings resulting from seven Golden Handshakes is \$688,186, of which \$477,795 is from the General Fund. The budgeted FY2010 savings resulting from the Golden Handshake program is less than this amount. This difference relates to varying retirement dates of the participants with most retiring closer to the end of the fiscal year. This results in FY2010 savings totaling \$145,120, of which \$118,137 is from the General Fund.

The total cost to provide this benefit is \$337,700 which will be amortized over twenty years starting in 2012. The approximate annual cost, starting in 2012, would be \$29,450, of which \$16,261 is from the General Fund. The cost to implement the Golden Handshake program would be financed by cost savings from positions vacated by employees and/or other budget savings measures/revenue sources at the time.

### **Public Contact**

Posting of the City Council agenda.

**SUBJECT:** Approve Two Years Additional Service Credit (Golden Handshakes) Resolution and Certifications

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**ITEM:**

**Recommendation for Action**

Staff recommends that the City Council adopt Resolution No. \_\_\_\_ and authorize the City Clerk and the Mayor to sign related certifications.

Prepared by: Christine Engel  
HR Analyst

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Mark G. Deven  
City Manager

Attachments:

Resolution to Grant Another Designated Period for Two Years Additional Service Credit  
Certification of Governing Body's Action  
Certification of Compliance with Government Code Section 7507  
Certification of Compliance with Government Code Section 20903

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

WHEREAS, the City Council of the City of Woodland is a 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 said City Council does seek to add another designated period, and does hereby authorize this Resolution, indicating a desire to add a designated period from December 2, 2009 through April 30, 2010 for eligible Miscellaneous members in the Administrative Services, Library, and the Parks and Recreation Departments and Safety members in the Fire Department.

Adopted and approved this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

CITY COUNCIL  
OF THE  
CITY OF WOODLAND

BY \_\_\_\_\_  
Presiding Officer

Attest:

\_\_\_\_\_  
Clerk/Secretary

**CALIFORNIA PUBLIC EMPLOYEE'S RETIREMENT SYSTEM**

Actuarial and Employer Services Branch

Public Agency Contract Services

P.O. Box 942709

Sacramento, CA 94229-2709

(888) CalPERS (225-7377)

**CERTIFICATION OF GOVERNING BODY'S ACTION**

I hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the City Council of the City of Woodland on December 1, 2009.

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Clerk/Secretary

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Title

**CALIFORNIA PUBLIC EMPLOYEE'S RETIREMENT SYSTEM**

Actuarial and Employer Services Branch

Public Agency Contract Services

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**CERTIFICATION OF COMPLIANCE WITH  
GOVERNMENT CODE SECTION 7507**

I hereby certify that in accordance with Section 7507 of the Government Code the future annual costs as determined by the System Actuary for the increase in retirement benefit(s) have been made public at a public meeting of the City Council of the City of Woodland on November 17, 2009, which is at least two weeks prior to the adoption of the Resolution.

\_\_\_\_\_  
Clerk/Secretary

\_\_\_\_\_  
Title

Date \_\_\_\_\_

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**CERTIFICATION OF COMPLIANCE WITH  
GOVERNMENT CODE SECTION 20903**

In accordance with Government Code Section 20903 and the contract between the Public Employees' Retirement System, the City Council of the City of Woodland hereby certifies that:

1. Because of an impending curtailment of, or change in the manner of performing service, the best interests of the agency will be served by granting such additional service credit.
2. The added cost to the retirement fund for all eligible employees who retire during the designated window period will be included in the contracting agency's employer contribution rate for the fiscal year that begins two years after the end of the designated period.
3. It has elected to become subject to Section 20903 because of impending mandatory transfers, demotions, and layoffs that constitute at least 1 percent of the job classification, department or organizational unit, as designated by the governing body, resulting from the curtailment of, or change in the manner of performing, its services.
4. Its intention at the time Section 20903 becomes operative is to keep all vacancies created by retirements under this section or at least one vacancy in any position in any department or other organizational unit permanently unfilled thereby resulting in an overall reduction in the work force of such department or organizational unit.

THEREFORE, the City Council of the City of Woodland hereby elects to provide the benefits of Government Code Section 20903 to all eligible members who retire within the designated period, December 2, 2009 through April 30, 2010.

CITY COUNCIL  
OF THE  
CITY OF WOODLAND

BY \_\_\_\_\_  
Presiding Officer

Attest:

\_\_\_\_\_  
Clerk/Secretary

\_\_\_\_\_  
Date