



## Agenda Report

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**File #:** 19-0130

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### **AGENDA REPORT REQUEST FOR CITY COUNCIL ACTION**

**DATE:** 2/20/2019

**TO:** Honorable Mayor and City Council Members

**FROM:** Police Department

**SUBJECT:**

City Council consideration of a Memorandum of Understanding (MOU) between the California Public Employee's Retirement System (CalPERS) and the City of Corona for the elected board member employer reimbursement of Jason Perez and a General Fund appropriation request of \$97,613 for backfilling Jason Perez's position as a Police Sergeant and increase General Fund revenue by \$73,145, per reimbursement, for Fiscal Year 2018-19, and adjust all revenues and expenditures as required for the duration of his elected terms served.

**RECOMMENDED ACTION:**

That the City Council:

1. Approve the Memorandum of Understanding (MOU) between California Public Employee's Retirement System (CalPERS) and the City of Corona for the elected board member employer reimbursement of Jason Perez.
2. Authorize the City Manager to execute the Memorandum of Understanding (MOU) between California Public Employee's Retirement System (CalPERS) and the City of Corona for the elected board member employer reimbursement of Jason Perez.
3. Authorize an increase of the General Fund revenue projections by \$73,145 for the CalPERS employer reimbursement which is sixty-one (61) percent of Jason Perez's salary/benefits as a Police Sergeant, based on the Fiscal Year 2018-19 costs and prorated effective for January 16, 2019.
4. Authorize one Police Sergeant position, range 532-572, (\$8,553 - \$10,442) with a five (5) percent special assignment pay, to backfill a Police Sergeant position, while Jason Perez is on the CalPERS Board.

5. Appropriate \$97,613 from the General Fund for a backfill Police Sergeant position, with \$73,145 of the costs being offset with the CalPERS employer reimbursement, and the remaining \$24,468 from the available General Fund Balance.
6. Authorize the City Manager to execute any other MOU changes and/or amendments which allow for changes in the employer reimbursement percentages. These percentages can change based on any further CalPERS board assignments and/or responsibilities, later possible re-election, while employee is serving in the elected position.

**ANALYSIS:**

On October 04, 2018, Jason Perez, a Corona Police Sergeant, was successfully elected to the California Public Employee's Retirement System (CalPERS) Board of Administration. With this responsibility, the CalPERS Board of Administration approved an MOU that allows up to sixty-one (61) percent compensation reimbursement to the City of Corona, for Sergeant Perez's time as related to CalPERS board activities. The City will be required to submit invoices for quarterly reimbursement.

The Police Department is requesting that the funding for Sergeant Perez be allocated to backfill his Police Sergeant position, while he serves as an elected board member. Since the reimbursement is at sixty-one (61) percent, it is requested that the General Fund provide the remaining funding to complete the backfilled Police Sergeant's position's cost.

Currently, the Police Department is authorized twenty-one (21) Police Sergeant positions and this recommended action will temporarily increase the authorization to twenty-two (22) Police Sergeant positions, while Sergeant Perez serves his elected term. The authorized position count will revert to twenty-one (21), upon termination of Sergeant Perez's elected CalPERS duties.

Additionally, since Sergeant Perez's term may involve appointments to other CalPERS committees and responsibilities, it is recommended that the City Manager be delegated the authority to work with CalPERS for any MOU revisions and to direct the Administrative Services Department in any revised invoice reimbursements and budget changes accordingly.

Sergeant Perez's annual full-time equivalent hours are 2080, with CalPERS reimbursing sixty-one (61) percent or approximately 1260 hours. CalPERS has indicated if Sergeant Perez is assigned additional board duties, the City will be reimbursed additional monies for this as follows:

- Serving as president at 552 hours
- Serving as chair of a standing committee at 108 hours
- Serving as chair of an ad hoc committee at 72 hours
- Serving as vice president of the board at 60 hours
- Serving as vice chair of a standing committee 36 hours

The MOU effective date begins January 16, 2019, with no ending date listed, an elected board members term is for four (4) years. Currently, Sergeant Perez's term is from 2019 to 2023.

The City Attorney has reviewed and approved as to form the agreement.

**COMMITTEE ACTION:**

Not applicable.

**STRATEGIC PLAN:**

Not applicable.

**FISCAL IMPACT:**

The City of Corona will be reimbursed sixty-one (61) percent of Sergeant Perez's salary/benefits for his elected board duties. The Police Department is requesting a backfilled Police Sergeant position, during Sergeant Perez's elected board term, using the CalPERS reimbursement, with the difference being funded from the available General Fund balance. Prorated costs for the reimbursement are effective beginning January 16, 2019. The back-filled position is prorated effective February 21, 2019. Below are the estimated costs and reimbursements, prorated for Fiscal Year 2018-19 and future annual totals:

Estimated Prorated FY 2018-19 Cost:

Police Sergeant Jason Perez's position (5.5 mos.)	\$119,909.00
CalPERS reimbursement at 61% =	\$ 73,145.00

Backfill, one Police Sergeant position (4.5 mos.)	\$ 97,613.00
<u>CalPERS reimbursement offset</u>	<u>(\$ 73,145.00)</u>
Net General Fund Impact - Prorated	\$ 24,468.00

Future Estimated Annual Cost:

Police Sergeant Jason Perez's position	\$271,495.00
CalPERS reimbursement at 61%	\$165,612.00

Backfill, one Police Sergeant position	\$269,510.00
<u>CalPERS reimbursement offset</u>	<u>(\$165,612.00)</u>
Net General Fund Impact - Annual	\$103,898.00

<b>GENERAL FUND</b>	
Budget Workshop May 23, 2018 - Estimated Revenue Over Expenditures	\$6,626,911
Previously approved budget adjustments (net)	<u>(5,976,016)</u>
Current Estimated Revenue Over Expenditures*	650,895
Appropriation - Police Sergeant Position Revenue - Reimbursement from CalPERS	(97,613) <u>73,145</u>
<b>Revised Estimated Revenue Over Expenditures</b>	<b>\$626,427</b>
Budget Balancing Measures Reserve - Actual 6/30/18	\$25,182,735
Estimated FY 2018-19 Change in Budget Balancing Measures	<u>626,427</u>
<b>Budget Balancing Measures Reserve - Estimated Balance 06/30/19</b>	<b>\$25,809,162</b>

**ENVIRONMENTAL ANALYSIS:**

No environmental review is required because the proposed action is exempt under the California Environmental Quality Act.

**PREPARED BY:** BARBARA THIERJUNG, PUBLIC SAFETY FINANCE DEPUTY DIRECTOR

**REVIEWED BY:** JERRY RODRIGUEZ, POLICE CAPTAIN

**REVIEWED BY:** GEORGE JOHNSTONE, CHIEF OF POLICE

**REVIEWED BY:** KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES DIRECTOR

**REVIEWED BY:** MICHELE NISSEN, ASSISTANT CITY MANAGER

**SUBMITTED BY:** DARRELL TALBERT, CITY MANAGER

**Attachment:**

1. Memorandum of Understanding between the City of Corona and the California Public Employees' Retirement System