



Legislation Details (With Text)

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Title: Establish termination date for Memorandum of Understanding between the City of Corona and the California Public Employees' Retirement System for the elected board member employer reimbursement of Police Sergeant Jason Perez, elimination of one Police Sergeant and associated budget adjustments.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Staff Report, 2. Exhibit 1 - California Public Employees Retirement System Revised MOU, 3. Exhibit 2 - Perez California Public Employees Retirement System Resignation, 4. Exhibit 3 - CalPERS Staff Report with attachments February 20, 2019, 5. Exhibit 4 - CalPERS Public Employees Retirement System MOU Effective February 18, 2020

Date	Ver.	Action By	Action	Result
7/7/2021	1	City Council	approved	

REQUEST FOR CITY COUNCIL ACTION

DATE: 07/07/2021

TO: Honorable Mayor and City Council Members

FROM: Police Department

SUBJECT:

Establish termination date for Memorandum of Understanding between the City of Corona and the California Public Employees' Retirement System for the elected board member employer reimbursement of Police Sergeant Jason Perez, elimination of one Police Sergeant and associated budget adjustments.

EXECUTIVE SUMMARY:

City Council consideration to establish a termination date and approve the revised Memorandum of Understanding between the City of Corona and the California Public Employees' Retirement System for reimbursement of salary and benefits for the percentage of time that elected board member Police Sergeant Jason Perez is on leave from the City of Corona. The termination of the revised Memorandum of Understanding would result in the elimination of one Police Sergeant and associated budget adjustments.

**RECOMMENDED ACTION:
That the City Council:**

- a. Approve the Memorandum of Understanding between the City of Corona and the California Public Employees' Reimbursement System for the elected board member employer reimbursement of Police Sergeant Jason Perez effective February 18, 2021, through June 1, 2021.
- b. Authorize the City Manager to execute the Memorandum of Understanding between the City of Corona and the California Public Employees' Reimbursement System for the elected board member employer reimbursement of Police Sergeant Jason Perez.
- c. Remove one full-time Police Sergeant, salary range 534-584 (\$8,639-\$11,086 per month), and reduce the Police Department's General Fund budget by \$235,222 for Fiscal Year 2022.
- d. Reduce General Fund revenue projections for Fiscal Year 2022 by \$176,416 based on the current employer reimbursement agreement, which is 75 percent of Jason Perez's salary/benefits as a Police Sergeant budgeted for Fiscal Year 2022.

BACKGROUND & HISTORY:

On October 04, 2018, City of Corona Police Sergeant Jason Perez was elected to the California Public Employees' Retirement System Board of Administration. With these new responsibilities, the California Public Employees' Retirement System Board of Administration approved a Memorandum of Understanding that provided compensation reimbursement to the City of Corona for 61 percent of Sergeant Perez's time related to the California Public Employees' Retirement System board activities.

On February 2, 2019, the City Council approved the Memorandum of Understanding and allowed the City Manager authority to execute any Memorandum of Understanding changes and or amendments in the employer reimbursement percentages based on board assignments and or responsibilities. At that time, one additional Police Sergeant was authorized to backfill a Police Sergeant position during Jason Perez's term on the California Public Employees' Retirement System's Board. Upon this approval, the Police Department's authorized number of Police Sergeants increased from twenty-one (21) to twenty-two (22) Police Sergeant positions. This approval included the condition that the authorized position count would revert back one Sergeant position upon the termination of Sergeant Perez's term on the California Public Employees' Retirement System Board. During the Fiscal Year 2020 budget process, the Police Department gained an additional Sergeant position for a total number of twenty-three (23) Sergeants.

In June 2020, the California Public Employees' Retirement System Memorandum of Understanding compensation reimbursement to the City of Corona was changed to 75 percent of Sergeant Perez's time related to board activities. This change was backdated, effective February 18, 2020.

ANALYSIS:

The new Memorandum of Understanding (MOU) with the California Public Employees' Retirement System (CalPERS) is effective February 18, 2021 and was approved by the CalPERS Board at the maximum allowable reimbursement of 75 percent.

Sergeant Perez was promoted to Lieutenant on June 5, 2021, and has resigned from the CalPERS Board of Administration effective June 1, 2021. As a result, this MOU will only be for reimbursement for the period of February 18, 2021, through June 1, 2021.

In addition, the Police Department will have a reduction in the number of Sergeants, bringing the number of Sergeants down to twenty-two (22) in the Fiscal Year (FY) 2022.

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

FINANCIAL IMPACT:

Establishing a termination date for the MOU with CalPERS will reduce FY 2022 revenues by \$176,416. In addition, a Police Sergeant position, previously approved as a backfill position, will be removed and reduce the Police Department’s General Fund FY 2022 budget by \$235,222.

GENERAL FUND	
Adopted Budget - FY 2022 Estimated Revenue Over Expenditures	\$ 14,593,66
Less Measure X Reserves	(13,144,41
Previously Approved/Revised Budget Adjustments (Net)*	(23,983
Current Estimated Revenue Over Expenditures [Note 1]	1,425,259
Appropriation Reduction - Remove One Police Sergeant	235,222
Revenue Reduction - Reduce for CalPERS MOU	(176,416
Revised Estimated Revenue Over Expenditures	\$ 1,484,065
Budget Balancing Measures Reserve - Estimated 06/30/2021	27,665,59
Estimated FY 2022 Change in Budget Balancing Measures Reserve	1,484,065
Estimated Budget Balancing Measures Reserve - 06/30/22	\$ 29,149,660

* Approved through Council Action or other operational process.

Note 1: Includes other General Fund items on the July 7, 2021 agenda.

ENVIRONMENTAL ANALYSIS:

This action is exempt pursuant to Section 15061(b)(3) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project is exempt from CEQA if the activity is covered by the commonsense exemption that CEQA applies only to projects that have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. This action is a reimbursement agreement and there is no possibility this will have a significant effect on the environment. Therefore, no environmental analysis is required.

PREPARED BY: MICHELLE ADAMS, MANAGEMENT ANALYST II

REVIEWED BY: ROBERT NEWMAN, CHIEF OF POLICE

Attachments:

1. Exhibit 1 - California Public Employees' Retirement System Revised MOU effective February 18, 2021
2. Exhibit 2 - Perez California Public Employees' Retirement System Resignation
3. Exhibit 3 - California Public Employees' Retirement System Staff Report with attachments February 20, 2019
4. Exhibit 4 - California Public Employees' Retirement System MOU effective February 18, 2020