



OFFICE OF
LABOR RELATIONS

CITY OF SACRAMENTO
CALIFORNIA

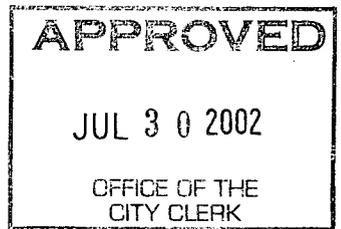
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July 24, 2002

City Council
Sacramento, California

Honorable Members in Session:



**SUBJECT: Report-back on Administrative Policy Statement
on Retiree Rehires To Sworn Police Positions**

LOCATION AND COUNCIL DISTRICT: City-wide

RECOMMENDATION: The Council adopt the attached Resolution amending the budget authority of the City Manager as part of the City implementation of retiree hiring to fill sworn police positions for eighteen (18) months. In addition, administrative policies are recommended to cover the near-term staffing needs of the Police Department and to provide for public protection during the transition following a large number of retirements beginning in July 2002.

CONTACT PERSON: Dee Contreras, Director of Labor Relations, 264-5424

FOR COUNCIL MEETING OF: July 30, 2002 (afternoon)

SUMMARY: The City has begun the hiring of retirees to fill vacancies over the short-term until the training academies scheduled for the next two years are completed. This is to amend the budget authority of the City Manager to an eighteen (18) month period for such sworn retirees and to adopt administrative principles as follows: that the use of retirees at this time is not to save money, block promotional opportunities or eliminate acting assignments; there will be a break in service of four

weeks or longer between sequential retiree appointments for an individual; a status report will be provided to City Council as part of the mid-year budget review in Spring 2003 and the policy issue will be examined as part of the Fiscal Year 2004 budget review in May and June of 2003.

COMMITTEE/COMMISSION ACTION: None

BACKGROUND INFORMATION: The City is currently facing a shortfall in sworn staff in the Police Department as a result of an increased number of officers retiring due to enhanced retirement benefits. In negotiations in 2000 the Police Unit Agreement was finalized through the binding arbitration process and they were awarded the new PERS safety 3% at age 50 formula. In addition, the State legislature unilaterally increased the cap on safety retirement for the second time in two years totaling a jump from 75 % to 90%. The net effect of these changes was to create a greatly enhanced retirement benefit for younger retirees. While the difference for those retiring after age 55 is about 10%, the increase for those at age 50 can be 50% or more.

The City position is not unique as there has been a very tight market for peace officers, and the City has aggressively worked to overcome a difficult hiring curve exacerbated by the binding arbitration decision on retirement. Staffing in the Department has historically run at 96 to 99% including probationary officers. In the last two years it was 93% and as of the start of this fiscal year it is down to 90%. Last year the City Council allocated an additional \$500,000 to enhance recruitment in anticipation of the upcoming shortage. As a result of the increased recruitment effort, applications between January to July 2002 compared to January to July 2001 increased from 295 to 870. While we normally run one or two training academies a year with 25 cadets, in FY 2003 there will be 3 academies of up to 40 cadets. Until those officers are on board, even as probationers, we will be below our full complement of sworn police officers. It is in this environment that the City is now hiring retirees to sworn positions in the Police Department.

FINANCIAL CONSIDERATIONS: The City Manager's budget authority will be amended to allow hiring of retirees for a period of eighteen (18) months. There are no other financial considerations as the retirees are appointed to funded vacant positions.

ENVIRONMENTAL CONSIDERATIONS: Not applicable

POLICY CONSIDERATIONS: These administrative policies are consistent with the City's right to hire retirees and serve to reinforce the City commitment to insure that such rehires do not create significant adverse impacts on career employees.

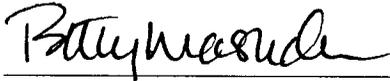
ESBD CONSIDERATIONS: Not applicable

Respectfully Submitted,

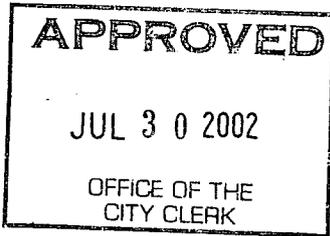


DEE CONTRERAS
Director of Labor Relations

Recommendation Approved:



ROBERT P. THOMAS
City Manager



RESOLUTION NO. 2002-512

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

**A RESOLUTION ADOPTING ADMINISTRATIVE POLICIES
ON RETIREE REHIRE IN THE POLICE DEPARTMENT**

WHEREAS the City is experiencing a shortage of sworn police officers due to increased retirements following the effective date of the enhanced PERS retirement awarded to the Unit in binding arbitration;

WHEREAS the City is committed to providing a level of staffing necessary for the public protection;

WHEREAS the increased staffing necessary to meet the City's commitment will not be on board until after December 31, 2003;

WHEREAS there are qualified retirees available and interested in working as permitted by PERS law;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL AND The CITY OF SACRAMENTO, that it adopt the following principles governing the implementation of retiree rehires in the Police Department:

- 1) The budget authority of the City Manager shall be amended to provide a term of eighteen (18) months for the use of retirees in the Police Department
- 2) The Police Department will continue to increase its efforts in recruitment of cadets and lateral transfers
- 3) The City Council will assess the recruitment success and use of retirees in the mid-year budget review in Spring 2003
- 4) The Council will again evaluate the staffing and use of retirees in the Fiscal Year 2004 budget process in 2003

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____