



## **CITY OF COMMERCE AGENDA REPORT**

**TO:** HONORABLE CITY COUNCIL

**Item No. \_\_\_\_\_**

**FROM:** CITY ADMINISTRATOR

**SUBJECT:** A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, APPROVING REVISIONS TO THE CITY OF COMMERCE PERSONNEL POLICIES AND PROCEDURES MANUAL, SICK AND VACATION LEAVE CONVERSION PLAN (PRE-RETIREMENT) (V-14)

**MEETING DATE:** DECEMBER 6, 2016

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### **RECOMMENDATION:**

Staff is recommending the City Council adopt the revised Sick and Vacation Leave Conversion Policy (V-14) and authorize the City Administrator and the Director of Human Resources to execute the revised policy.

### **ANALYSIS:**

The Human Resources Department manages and maintains the City's Personnel Policies and Procedures Manual. The Sick and Vacation Leave Conversion Policy (V-14) allows employees that are planning on retirement within thirty-six (36) months, to convert accumulated sick leave and accumulated vacation leave to deferred compensation under one of the City-sponsored deferred compensation plans. This benefit allows retiring employees to roll sick and vacation leave into this plan and avoid the immediate tax consequences associated with being paid out for these benefits.

This conversion currently only applies toward a plan offered by the City under Section 457 of the Internal Revenue Code. Staff is recommending offering an additional plan under Section 401 of the Internal Revenue Code to allow for an increased amount eligible for deferral.

### **FISCAL IMPACT:**

This agreement may be carried out without any financial impact on the current operating budget.

### **RELATIONSHIP TO STRATEGIC GOALS:**

This item is related to a specific 2016 **Strategic Focus Area – City Organization** as follows:

The City of Commerce is an organization and workplace that encourages innovation, attracts and retains employees through a supportive working environment with competitive salary and benefits.

Prepared by: Michael A. Casalou, Director of Human Resources

Fiscal Impact Approved by: Vilko Domic, Finance Director

Approved as to Form: Eduardo Olivo, City Attorney

Respectfully submitted: Jorge Rifá, City Administrator

**ATTACHMENT:**

1. Sick and Vacation Plan (Pre-retirement) (V-14)