

R-50

December 8, 2020

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Adopt a Resolution approving to appoint John Gross, retired annuitant, as an interim appointment to a vacant position during recruitment for a permanent replacement in the Financial Management Department pursuant to Government Code 21221(h) and an exception to the 180-day waiting period for Public Agencies pursuant to Government Code 7522.56 and 21224. (Citywide)

DISCUSSION

On January 1, 2013, the Public Employees' Pension Reform Act added Sections 21221(h), 7522.56 and 21224 to the Government Code, which set forth post-retirement employment requirements applicable to all retirees who are employed by CalPERS employers on or after January 1, 2013. This change added the requirement that the retiree appointment must occur during the recruitment for a permanent appointment and that the retiree may only be appointed to the position once. This change also added the requirement that all retirees must wait 180 days after their retirement date before they are eligible to begin post-retirement employment with a CalPERS agency. An exception to the 180-day wait period can be made if a public agency certifies the nature of the employment and that the appointment is necessary to fill a critically needed position before 180 days have passed. The appointment must be approved by the governing body of the employer in a public meeting and may not be placed on a consent calendar.

The Financial Management Department requests City Council approval to hire John Gross, Director of Financial Management in the Financial Management Department, as the Interim Director of Financial Management, effective January 2, 2021 for a limited duration. Mr. Gross will provide high-level management and assistance with regard to financial policy and strategy in all financial areas, the new budget process, LB COAST Phase II development, and implementation and transition support for when the new Finance Director comes on board. Since Mr. Gross' proposed start date is less than the required 180-day waiting period subsequent to his retirement on December 30, 2020, City Council approval to hire Mr. Gross is required. The approved rate of pay will be \$111.220 per hour. This amount represents the hourly rate he will receive upon retirement and is within the minimum and maximum compensation paid to other employees performing comparable duties as listed in the City of Long Beach's (City) publicly available pay schedule and will be funded through vacancy savings in the Department of Financial Management and from the LB COAST Project Fund.

Mr. Gross has served as a Finance Director for various government agencies for many years and as the Director of Financial Management/CFO for the City for nine years. He has a comprehensive understanding of the City's operations, budget and finances, and also brings a wealth of high-level management and policy and strategy development experience. Bringing Mr. Gross back as a retired annuitant will provide for continuity of operations for a limited term, provide high level management and strategic planning guidance, and provide for an ordered transfer of knowledge to help the City meet its challenging fiscal and operational needs and important financial and system deadlines.

This matter was reviewed by Principal Deputy City Attorney Gary J. Anderson on November 12, 2020 and by Revenue Management Officer Geraldine Alejo on November 18, 2020.

TIMING CONSIDERATIONS

City Council action is requested on December 8, 2020, to ensure minimal impact to the Financial Management Department and the City.

FISCAL IMPACT

The total annual cost is estimated at \$108,319. The cost is based on 960 hours over the CalPERS fiscal year ending June 30th, at a salary rate of \$111.220/ per hour plus Medicare. Actual costs will be based on hours worked. In Fiscal Year 2021, the cost is estimated at \$167,895 based on 1,488 hours covering the period from January 2021 to September 2021. These costs will be funded within existing appropriations from vacancy and other savings in the General Fund Group in the Financial Management Department. In addition, any work specific to the LB COAST project will be funded from the LB COAST project budgeted in the General Services Fund Group in the Technology and Innovation Department. This recommendation has no staffing impact beyond the normal scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



FRED VERDUGO
ACTING HUMAN RESOURCES DIRECTOR

APPROVED:



THOMAS B. MODICA
CITY MANAGER

1 RESOLUTION NO.

2
3 A RESOLUTION OF THE CITY COUNCIL OF THE CITY
4 OF LONG BEACH APPROVING THE INTERIM
5 APPOINTMENT PER GOVERNMENT CODE SECTION
6 21221(h) AND THE EXCEPTION TO THE 180-DAY WAIT
7 PERIOD GOVERNMENT CODE SECTIONS 7522.56 AND
8 21224, FOR RETIRED ANNUITANT JOHN GROSS
9

10 WHEREAS, Government (Gov.) Code section 21221(h) of the Public
11 Employees' Retirement Law permits the governing body to appoint a CalPERS retiree to a
12 vacant position requiring specialized skills during recruitment for a permanent
13 appointment, and provides that such appointment will not subject the retired person to
14 reinstatement from retirement or loss of benefits so long as it is a single appointment that
15 does not exceed 960 hours in a fiscal year; and

16 WHEREAS, in compliance with Government Code Sections 21221(h) and
17 7522.56, the City of Long Beach must provide CalPERS this certification resolution when
18 hiring a retiree to work in a vacant position while recruiting for a permanent replacement
19 and before 180 days has passed since his or her retirement date; and

20 WHEREAS, John Gross, CalPERS ID 5178960789, will retire from the City
21 of Long Beach in the position of Director of Financial Management, effective
22 December 30, 2020; and

23 WHEREAS, an appointment under Government Code Section 21221(h)
24 requires the retiree is appointed into the interim appointment during recruitment for a
25 permanent appointment and Section 7522.56 requires that post-retirement employment
26 commence no earlier than 180 days after the retirement date, which is June 28, 2021,
27 without this certification resolution; and

28 WHEREAS, the governing body has authorized the search for a permanent

OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
411 West Ocean Boulevard, 9th Floor
Lona Beach, CA 90802-4664

1 appointment on November 2, 2020; and

2 WHEREAS, Section 7522.56 provides that this exception to the 180-day wait
3 period shall not apply if the retiree accepts any retirement-related incentive; and

4 WHEREAS, the City Council, the City Manager, the City of Long Beach and
5 John Gross, certify that John Gross has not and will not receive a Golden Handshake or
6 any other retirement-related incentive; and

7 WHEREAS, the City Manager with City Council desires to appoint John
8 Gross, a retired annuitant, on an interim basis to the vacant position of Director of
9 Financial Management for the City of Long Beach under Government Code Section 21224
10 and Section 21221(h), effective January 2, 2021; and

11 WHEREAS, this Government Code Section 21221(h) appointment shall only
12 be made once and therefore will end on or about April 30, 2021; and

13 WHEREAS, the appointment letter between John Gross and the City of Long
14 Beach has been reviewed by this body and is attached hereto as Exhibit "A;" and

15 WHEREAS, no matters, issues, terms or conditions related to this
16 employment and appointment have been or will be placed on a consent calendar; and

17 WHEREAS, the employment shall be limited to 960 hours per fiscal year;
18 and

19 WHEREAS, the compensation paid to retirees cannot be less than the
20 minimum nor exceed the maximum monthly base salary paid to other employees
21 performing comparable duties, divided by 173.333 to equal the hourly rate; and

22 WHEREAS, the maximum base salary for this position is \$30,000 monthly
23 and the hourly equivalent is \$173.077, and the minimum base salary for this position is
24 \$4,000 monthly and the hourly equivalent is \$23.077; and

25 WHEREAS, at the direction of City Council, the hourly rate paid to John
26 Gross as a retired annuitant will be \$111.220; and

27 WHEREAS, John Gross has not and will not receive any other benefit,
28 incentive, compensation in lieu of benefit or other form of compensation in addition to this

1 hourly pay rate; and

2 NOW, THEREFORE, the City Council of the City of Long Beach resolves as
3 follows:

4 Section 1. The City Council hereby certifies the nature of the appointment of
5 John Gross as described herein and detailed in the attached appointment letter and that
6 this appointment is necessary to fill the critically needed position of interim Director of
7 Financial Management, for the City of Long Beach effective January 2, 2021, to assist with
8 high-level management and assistance with regard to financial policy and strategy in all
9 financial areas, the new budget process, LB COAST Phase II development and
10 implementation, and transition support for a new Director of Financial Management when
11 that person comes on board.

12 Section 2. John Gross has served as a Finance Director of various
13 government agencies for many years and as the Director of Financial Management/CFO
14 for the City of Long Beach for nine years. He has a comprehensive understanding of the
15 City of Long Beach's operations, budget and finances and also brings a wealth of high-
16 level management, policy and strategy development experience. Bringing Mr. Gross back
17 as an Interim Director of Financial Management will provide for continuity of operations for
18 a limited term, provide high level management and strategic planning guidance, and
19 provide for an ordered transfer of knowledge to help the City meet its challenging fiscal
20 and operational needs and important financial and system deadlines. The effective date
21 of this appointment will be January 2, 2021. The hourly rate of compensation for retired
22 annuitant John Gross will be \$111.220.

23 Section 3. This resolution shall take effect immediately upon its adoption
24 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

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CHARLES PARKIN, City Attorney
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Lana Beach, CA 90802-4664

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I hereby certify that the foregoing resolution was adopted by the City Council
of the City of Long Beach at its meeting of _____, 20____, by the following vote:

Ayes: Councilmembers: _____

Noes: Councilmembers: _____

Absent: Councilmembers: _____

Recusal(s): Councilmembers: _____

City Clerk

THOMAS B. MODICA
City Manager

December 8, 2020

[REDACTED]
[REDACTED]
[REDACTED]

Dear Mr. Gross:

It is my pleasure to make you a conditional offer of employment as Interim Director of Financial Management, pending City Council approval. Your appointment as a PERS retired annuitant will be effective January 2, 2021 at an hourly rate of \$111.220.

As a PERS retired annuitant, you are limited to 960 hours during the PERS fiscal year (July 1 through June 30). You are also limited to one interim appointment as Director of Financial Management.

I look forward to your continued support with our Department of Financial Management.

Sincerely,



Thomas B. Modica
City Manager

cc: Fred Verdugo, Acting Director HR
Personnel File