



## Legislation Text

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**File #:** 22-0065, **Version:** 1

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Recommendation to adopt resolution approving the appointment of David Nakamoto, 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)

On January 1, 2013, the Public Employees' Pension Reform Act added Sections 21221(h), 7522.56, and 7522.57 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 is appointed into the interim appointment during recruitment for a permanent appointment, and 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 hereby requests City Council approval to hire Mr. David Nakamoto, former City Treasurer in the Financial Management Department, as the Interim City Treasurer, effective January 19, 2022, for a limited duration. Mr. David Nakamoto will be responsible for the City's cash, investment, and financing activities. He will manage the Treasury Bureau and address a variety of financing issues, including refunding of existing bonds, issuing new debt, public-private partnership opportunities, capital lease financings, special project services, and other challenges. He will effectively coordinate and direct the City of Long Beach's (City) counterparties including commercial bankers, investment bankers, municipal advisors, bond counsels, bond insurers, credit rating agencies, bond holders, investment advisors, and other professional consultants. He will provide liquidity of funds to meet all disbursement requirements, implement investment strategies consistent with the principles of safety and liquidity in compliance with State Government Code and City Investment Policy and obtain a reasonable return. Bringing Mr. Nakamoto back as a retired annuitant will provide for continuity of operations for a limited term; high-level management and strategic planning guidance; and, an orderly transfer of knowledge to help the City as it recruits and appoints the next City Treasurer.

Mr. Nakamoto began serving as City Treasurer over 15 years ago and helped the City meet and overcome numerous financial challenges. He has a comprehensive understanding of the

City's Treasury operations, a wealth of historical knowledge, and the experience to seamlessly step back into the City Treasurer role in the wake of the unexpected resignation by his recently promoted successor (for an even more attractive position with a nearby university). The department will prioritize filling the vacancy for his position, but his continued involvement until the position is filled is imperative.

Since Mr. Nakamoto's proposed start date is less than the required 180-day waiting period subsequent to his retirement on December 30, 2021, City Council approval to hire Mr. Nakamoto is required. The approved rate of pay will be \$82.553 per hour. This amount represents the hourly rate he received upon retirement and is within the minimum and maximum compensation paid to other employees performing comparable duties as listed in the City's publicly available pay schedule and will be funded through vacancy savings in the Financial Management Department.

This matter was reviewed by Principal Deputy City Attorney Gary J. Anderson and Revenue Management Officer Geraldine Alejo on December 30, 2021.

City Council action is requested on January 18, 2022, to ensure minimal impact to the Financial Management Department and the City's treasury operations.

The total annual cost is estimated to not exceed \$85,314. The estimated cost is based on 960 hours over the CalPERS fiscal year ending June 30<sup>th</sup>, at a salary rate of \$82.553 per hour plus Medicare and FICA. The actual costs will be based on hours worked and not expected to exceed 960 hours over the CalPERS fiscal year. The cost will be funded from vacancy savings in the General Fund Group in the Financial Management 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.

Approve recommendation.

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JOE AMBROSINI,  
HUMAN RESOURCES DIRECTOR

APPROVED:

THOMAS B. MODICA  
CITY MANAGER