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Staff Report

ITEM 4-3

To: Lemoore City Council

From: Joe Simonson, Parks and Recreation Director 

Date: March 12, 2015 **Meeting Date:** March 17, 2015

Subject: Budget Amendment – Increase in Funding for Retirement Functions

Discussion:

The City of Lemoore has recently experienced several long time employee retirements and been faced with a budgeted amount of \$500 to thank them for their service. Department staff have several pending retirements this year and potential retirements in the next couple of years.

City Council Budgets in the past have footed a large portion of the expense for retiring employee's retirement parties, providing a small reception allowance. Currently, the amount allocated for retirement functions is \$500. This amount has been in existence since at least 2007 and maybe as early as 1999. The economy has dramatically changed in the ensuing years and \$500 does not meet reception/dinner needs for staff to provide an appropriate parting farewell.

Currently administrative staff/ employees pitch in to provide an appropriate farewell gift. In some instances where there has been a dinner/reception charge, employees have had to decide whether to fund a gift or pay to be at the event. Department head staff has recognized this and funded the majority of the expense to provide a no cost event that is open to all employees.

The current administrative policy for retirement functions has the following conditions: 1) A maximum of \$500 will be spent only on food, supplies, and other such needs to provide for a function in honor of the retiree; 2) No gifts will be purchased with these funds, Employees, Council Members, etc. are free to donate funds to purchase a gift for the retiree; 3) No alcohol will be purchased with these funds; 4) Any remaining funds will be returned to the City's General Fund; and 5) If the retiree prefers to forego a retirement function, the retiree may instead have the \$500 donated to one of the following charities: a) Lemoore Recreation Fund; b) Lemoore Teen Center; c) Lemoore Volunteers in Policing; d) Lemoore Police Explorers; or e) A charity or cause approved by the City Manager keeping with appropriate standards for the use of public funds.

Administration and staff would like to propose a budget amendment to provide a budget amount of \$4,000 for the remainder of the 2014-15 budget year for funding reception costs of retiring employees. The \$4,000 would be made available to a department for retiring employees in amounts as follows: under 20 years of service would receive a maximum of \$500 per event; for 20 to 30 years - \$1,000 per event; for 30 to 35 years - \$1,500 per event; 35 years and above would receive \$2,000 per event towards the dinner/reception event. City Council may at any time propose an amount that differs from this schedule should it choose. Employees whose contacts reach far into the community through regional committees, county partnerships and surrounding community commitments pose a larger group of individuals that would be invited to attend. Providing reasonable prices for attendees is staff's concern for those who have worked alongside or under the retiring employee. A proposal for future years would allocate a maximum of \$6,000 per budget cycle with the same proposed amounts as shown above.

If Council approves an increase in funding for retirement functions, the Administrative Policy will be updated to reflect those changes.

Budget Impact:

If approved by City Council, additional funds will be allocated to the City Council Fund 001-4211-4220 in the amount of \$4,000 for the balance of 2014-15 and propose a maximum of \$6,000 amount for 2015-16 budget year.

Recommendation:

That the City Council, by motion, approve a budget amendment to the City Council budget 001-4211-4220 in the amount of \$4,000 to be used for current and future retirement expenses of fiscal year 2014-15 as stated above or by City Council's stipulations.