



SACRAMENTO CITY UNIFIED SCHOOL DISTRICT BOARD OF EDUCATION

Agenda Item# 8.1e

Meeting Date: October 18, 2012

Subject: Deferred Chief Human Resources Officer Retirement Agreement and Post Retirement Per Diem Services

- ☐ Information Item Only
- ☒ Approval on Consent Agenda
- ☐ Conference (for discussion only)
- ☐ Conference/First Reading (Action Anticipated: _____)
- ☐ Conference/Action
- ☐ Action
- ☐ Public Hearing

Division: Superintendent's Office

Recommendation: Approve Deferred Chief Human Resources Officer Retirement Agreement and Post Retirement Per Diem Services

Background/Rationale: The Chief Human Resources Officer (CHRO) has agreed to defer his retirement eligibility and to retire no earlier than September 30, 2013. The CHRO has also agreed, after retirement, to continue to serve as the District's chief labor negotiator on a per diem basis including the District's lowest cost health plan unless eligible for other health care coverage per the agreement such as Medicare.

Financial Considerations: Cost savings will result by the CHRO's deferral of retirement and post retirement service, on a per diem basis, as the District's chief labor negotiator. The per diem cost would be \$500 per day for an annual total of \$30,000 based upon 60 days of negotiations. The initial annual cost of the District's lowest cost health plan is approximately \$15,700 which, together with the per diem amount, equals \$45,700 (\$30,000 + \$15,700). Use of an outside negotiator such as a labor law firm would result in an annual estimated cost of \$2,040 per day for a total of \$122,400 (60 days x \$2,040). The average annual savings would be approximately \$75,000 a year for per diem negotiations performed by the retired CHRO even assuming an annual increase to the lowest cost health plan.

Documents Attached:

Retirement Agreement (Deferred Chief Human Resources Officer Retirement Agreement and Post Retirement Per Diem Services)

Estimated Time of Presentation: N/A

Submitted by: General Counsel

Approved by: Jonathan P. Raymond, Superintendent

RETIREMENT AGREEMENT
(Deferred Chief Human Resources Officer Retirement Agreement
And Post Retirement Per Diem Services)

This Retirement Agreement (Deferred Chief Human Resources Officer Retirement Agreement and Post Retirement Per Diem Services) (Agreement) is by and between the Sacramento City Unified School District (District) and Jess Serna (Employee) is based upon the following:

RECITALS

WHEREAS, Employee is the Chief Human Resources Officer for the District and wishes to retire from the District;

WHEREAS, the District would like have the Employee continue to work for at least one (1) additional year and to serve as a consultant to the District after his retirement to conduct labor negotiations as the District's representative; and

WHEREAS, Employee is willing to extend his retirement date for at least one (1) year and is willing to serve as the District's labor representative after retirement.

NOW, THEREFORE, the Parties hereby agree to the following:

1. Employee agrees to extend his retirement date for at least one (1) additional year.
2. Employee agrees that after his retirement he shall serve as the District's labor negotiations representative for all bargaining units as a retiree at least through the 2013-2014 unless this Agreement is terminated pursuant to paragraph 5 below.
3. As compensation for his post retirement service, District and Employee agree that after his retirement, Employee shall be covered under the District's lowest cost health plan for himself and his current spouse at District expense for medical insurance benefits only. The medical benefits shall be based on the plan that is offered to active employees at the time of coverage. There is no guarantee made to Employee of a particular plan level for coverage other than that which is offered to active employees. During the term of this Agreement, this coverage shall continue until the Employee reaches the age of 65, at which time it shall be terminated. If at any time prior to reaching the age of 65, Employee becomes eligible for medical insurance coverage through other employment, the District's obligation to provide medical insurance coverage under this Agreement shall terminate effective the date of his first eligibility for the other medical insurance.
4. During each year of post retirement work for the District, District shall compensate Employee at the rate of Five Hundred Dollars (\$500.00) per day for each day of service, not to exceed earnings as prescribed by PERS.

5. District and Employee agree that this Agreement may be terminated by District for cause only by giving written notice to the other thirty (30) days in advance of termination.
6. Employee agrees to retire from full time employment by the District no sooner than September 30, 2013.
7. This Agreement shall not apply to any person other than Employee and shall not constitute a precedent for any future waiver for any other employee of the District.

Dated: _____

SACRAMENTO CITY UNIFIED
SCHOOL DISTRICT

EMPLOYEE

Jonathan P. Raymond, Superintendent

Jess Serna, Chief Human Resources
Officer