

# Debate over money-saving step for city gets testy on equity, police pay

By **ERIC A. HOWALD**  
Of the *Keizertimes*

Plans to rehire a Keizer Police Department (KPD) officer after submitting his resignation have been snarled at the Keizer City Council's dais for the past three weeks.

The council approved an offer for Sgt. David LeDay's continued employment with KPD at its May 3 meeting, but it was a narrow 4-3 reversal of a decision from a prior meeting.

Under normal circumstances the council would not be involved in personnel matters, but in absence of an interim or full-time city manager, the offer of a new contract fell to the councilors. It was met with questions of equity, and disputes regarding LeDay's skills and compensation that, with benefits, would amount to about \$190,000 per year.

LeDay's gross pay is roughly \$105,000 as a sergeant for the department, said Tim Wood, Keizer's finance director and pro tem city manager.

The core question the council had to answer before offering LeDay a new contract after retiring was whether to take advantage of an action by the Oregon Legislature to allow PERS-eligible employees to return to work at the same agency full-time rather than being limited to

**Council approves move to allow retirements, then full-time contracts to save on PERS costs.**

part-time as was previously the case. The superintendent of the Salem-Keizer School District recently opted to take an offer similar to the ones that were under discussion for Keizer's city employees. Making the offers has some potential financial benefits for the city.

Allowing employees to retire and then be rehired under contract allows the agency to avoid paying 6.5% of a salary into the PERS fund. In addition, it allows those savings to be credited against the city's unfunded PERS obligations. If the city were to fold-up overnight, it would still be on the hook for roughly \$11.8 million to provide for the retirements of employees who have already retired with the city. The option for employees to take advantage of such extended full-time employment sunsets at the end of 2024.

The Legislature is allowing state agencies and local governments to offer full-time contracts as a way to reduce the number of overall employees whose contributions are at the top of the PERS pension scale, and thereby reduce the overall debt of the PERS system.

In Keizer's case, allowing the 15 employees in the top PERS tiers to retire and then be rehired would save approximately \$900,000.

"If all the employees eligible took us up on the offer, which I think is unlikely, we could save \$200,000 in compensation costs during the next three years," said Wood. "We could

also reduce the city's unfunded liability by approximately \$700,000."

At the meeting earlier this week, the council approved making retirement/rehiring offers to eligible employees, but the specific offer to LeDay was contested.

The council voted down the proposal to offer LeDay a new contract in April by a 4-3 vote, Mayor Cathy Clark and councilors Ross Day, Kyle Juran and Elizabeth Smith all opposed the offer initially.

Clark cited concerns about equity and whether to offer all eligible employees a similar package. Day had concerns over the specific amount being proposed as overall compensation and whether the skills LeDay possesses were worth the cost.

LeDay's specific skillset resides in his role with the Marion County Crash Team, an interagency task force charged with investigating "all fatal and major non-fatal traffic accidents where a contributing factor may be criminal in nature." The team's scope of work includes physical violence and homicides in addition to vehicular crash reconstruction.

KPD Chief John Teague said the Crash Team might only respond to incidents in Keizer a half-dozen times per year, but access to the team as a whole and LeDay's expertise in informing whether to prosecute certain crimes were within expected compensation for his experience.

Even if LeDay were replaced with a new sergeant, without the Crash Team training, the savings would not be as noticeable, said Wood and Teague. LeDay will be training another KPD officer to become part of the Crash Team until his employment with the city ends.

Day was unmoved. "Has the city evaluated whether it would be less expensive to outsource these duties than the \$190,000 we will commit to him as a contract employee?" he asked.

Day called the process "a complete mess" and suggested the council take a step back and possibly even hold a public hearing.

Smith said she didn't want to make a decision without having a representative from the city's human resources department present.

The calls to delay, ignited a terse response from Teague who said LeDay had been "strung along since February" and the council should be offering a one-year contract for continued employment.

Day told Teague he was out-of-line and that the council was "trying to figure this mess out."

Teague retorted, "It's nothing personal and I don't think you should take offense."

The council approved offering LeDay a one year contract in a 4-3 vote, Clark switched her position after ensuring all eligible employees would be offered similar packages.

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