



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

June 17, 2014

Ordinance 17833

Proposed No. 2014-0173.2

Sponsors McDermott

1 AN ORDINANCE related to extending the 2012 and 2013
2 pilot program for 2014 through 2016 to incent the
3 voluntary separation of retirement-eligible employees as a
4 cost saving measure and as necessary to minimize the
5 number of employees subject to a reduction in force.

6 **STATEMENT OF FACTS:**

7 1. Because significant budget shortfalls in key areas were identified for
8 2013 and forecasted for 2014, on November 16, 2012, Ordinance 17457
9 was enacted by the King County council. The ordinance authorized the
10 executive branch to pilot a voluntary separation program in 2012 and 2013
11 designed to incent retirement-eligible employees to voluntarily leave
12 county employment. The desired result was to minimize the need for
13 reductions in force and provide for cost savings and efficiencies.

14 2. The initial pilot has concluded, and the county executive has reported
15 the following resulting benefits:

- 16 a. The avoidance of twenty-seven reductions in force;
- 17 b. The ability to better align resources and work programs with agency
- 18 priorities, the opportunity to create critically needed positions and reported
- 19 increases in productivity and flexibility; and

20 c. A conservative estimate of net cost savings of over one million dollars
21 as a result of the pilot.

22 3. Because the initial pilot program to incent the voluntary separation of
23 retirement eligible employees proved beneficial, the executive
24 recommends that it be extended for further evaluation and the opportunity
25 to generate additional cost savings.

26 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

27 SECTION 1. A. The executive is hereby authorized to extend, covering the
28 period from the effective date of this ordinance through December 31, 2016, the pilot
29 program providing an incentive for the voluntary separation of currently employed
30 retirement-eligible employees in agencies identified by the executive, but only if:

31 1. The voluntary separation program will enable the agency to avoid a budget
32 shortfall that would result in program cuts or reductions in force, or the voluntary
33 separation program will result in labor cost savings; and

34 2. The agency will not fill the separating employee's position or will fill the
35 position at a lower wage rate that is expected to result in a net cost savings of two times
36 the amount of the incentive pay within twenty-four months following the employee's exit
37 from employment.

38 B. The executive is further authorized to enter into or extend agreements with
39 labor organizations to provide for such an incentive program through December 31, 2016,
40 on the same terms as for nonrepresented employees under this ordinance. If such an
41 agreement addresses no other subject, it shall have the force of law upon execution by the
42 parties, without enactment by ordinance.

43 C. In order to be eligible for the extended pilot program, the employee must have
44 at least five years of county service, must not be a temporary employee and must be
45 eligible to apply for a pension from the Law Enforcement Officers and Firefighters
46 Retirement System, Public Employees Retirement System, Public Safety Employees
47 Retirement System or the city of Seattle Retirement Plan, before December 31 of the
48 calendar year in which the employee applies for the program. While the employee must
49 be retirement eligible and must separate from the county, the employee need not actually
50 begin drawing a pension to be considered eligible for the pilot program. An employee
51 who, before the employee's employing agency has announced its intention to participate
52 in the pilot program, has already resigned or retired or submitted written notification of
53 the employee's intent to do so, is ineligible to participate in the pilot program.

54 D. Participation in the extended pilot program by employees is entirely voluntary.

55 E. As a financial incentive, the county shall pay to currently employed,
56 retirement-eligible employees who request, and are authorized by the executive, to
57 voluntarily separate from county service, a one-time payment of sixteen thousand two
58 hundred dollars, prorated to reflect a part-time employee's expected unemployment
59 benefit.

60 F. The extended pilot program shall require that participating employees enter
61 into a written agreement with King County that sets forth the terms and conditions of
62 their voluntary separation, including but not limited to:

63 1. Any employee approved to participate in the pilot program in 2014 must
64 leave county employment by written resignation or retirement no later than December 31,
65 2014. Any employee approved to participate in 2015 or 2016 must leave county

66 employment by written resignation or retirement no later than December 31 of the
67 calendar year in which the employee applies for the program. Agencies may establish
68 deadlines and procedures, which may vary by department, for employee participation in
69 the pilot program;

70 2. The employee will not seek reemployment with the county in any county
71 position;

72 3. The employee agrees that they are not eligible for nor will apply for
73 unemployment compensation and signs a waiver of any claim for unemployment
74 compensation; and

75 4. The employee must sign a waiver or release of any claim under the Age
76 Discrimination in Employment Act and the Older Worker Benefit Protection Act.

77 G. The executive's approval of any employee request to participate in the
78 extended pilot program is discretionary, and consideration will be given to the impact to
79 service delivery, retention of a skilled employee or employees, cost of refilling a position
80 or positions, short-term and long-term budget savings and the employee's length of
81 service with the county.

82 H. All decisions to approve or deny the requests of individual employees to
83 participate in the extended pilot program shall be in writing and shall demonstrate either
84 short-term or long-term savings, or both. Decisions to approve or deny a request shall
85 not be the subject of a grievance.

86 I. The executive shall include, as part of the extended pilot program, a clear
87 designation of who is authorized in each agency to approve or deny employee requests to
88 participate in the program. Employees of agencies headed by elected officials other than

89 the executive are ineligible to participate in the pilot program unless their request is
90 approved by both the executive and the head of the applicable agency.

91 SECTION 2. The executive shall file by April 1, 2017, a paper original and an
92 electronic copy of a report with the clerk of the council, who shall retain the original and
93 provide an electronic copy to all councilmembers and the lead staff for the budget and
94 fiscal management committee or its successor, detailing:

95 A. The total number of retirement-eligible employees by agency who participated
96 in the pilot program;

97 B. The extent to which the pilot program minimized reductions in force or
98 resulted in cost savings, or a combination thereof; and

99 C. A recommendation on whether the pilot program should be codified.

100 SECTION 3. Severability. If any provision of this ordinance or its application to
101 any person or circumstance is held invalid, the remainder of the ordinance or the

102 application of the provision to other persons or circumstances is not affected.

103 SECTION 4. This ordinance expires May 1, 2017.

104

Ordinance 17833 was introduced on 5/12/2014 and passed by the Metropolitan King County Council on 6/16/2014, by the following vote:

Yes: 9 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,
Ms. Lambert, Mr. Dunn, Mr. McDermott, Mr. Dembowski and Mr.
Upthegrove
No: 0
Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Larry Phillips, Chair

ATTEST:



Anne Noris, Clerk of the Council

APPROVED this 24 day of JUNE, 2014.



Dow Constantine, County Executive

Attachments: None

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CLERK
KING COUNTY COUNCIL