



## Legislation Details (With Text)

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**File created:** 5/12/2014      **In control:** Budget and Fiscal Management Committee

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

**Sponsors:** Joe McDermott

**Indexes:** Human Resources Management Division

**Code sections:**

**Attachments:** 1. Ordinance 17833.pdf, 2. 2014-0173 Legislative Review form.pdf, 3. A. Voluntary Separation Program Pilot Report, 4. 2014-0173 transmittal letter.docx, 5. 2014-0173 fiscal note.xls, 6. Staff Report Proposed Ordinance 2014-0173 Voluntary Separation of Retirement-Eligible Employees, 7. Attachment 1 Striking Amendment S1 to 2014-0173.docx, 8. Attachment 3 to 2014-0173 Redline showing changes made by Striking Amendment S1.docx, 9. Attachment 4 Voluntary Separation Program Pilot Report.doc, 10. Revised Staff Report Proposed Ordinance 2014-0173 Voluntary Separation of Retirement-Eligible Employees.docx

Date	Ver.	Action By	Action	Result
6/16/2014	2	Metropolitan King County Council	Hearing Held	
6/16/2014	2	Metropolitan King County Council	Passed	Pass
6/3/2014	1	Budget and Fiscal Management Committee	Recommended Do Pass Substitute	Pass
5/12/2014	1	Metropolitan King County Council	Introduced and Referred	

Clerk 06/06/2014

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

### STATEMENT OF FACTS:

1. Because significant budget shortfalls in key areas were identified for 2013 and forecasted for 2014, on November 16, 2012, Ordinance 17457 was enacted by the King County council. The ordinance authorized the executive branch to pilot a voluntary separation program in 2012 and

2013 designed to incent retirement-eligible employees to voluntarily leave county employment.

The desired result was to minimize the need for reductions in force and provide for cost savings and efficiencies.

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

- a. The avoidance of twenty-seven reductions in force;
- b. The ability to better align resources and work programs with agency priorities, the opportunity to create critically needed positions and reported increases in productivity and flexibility; and
- c. A conservative estimate of net cost savings of over one million dollars as a result of the pilot.

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

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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

1. The voluntary separation program will enable the agency to avoid a budget shortfall that would result in program cuts or reductions in force, or the voluntary separation program will result in labor cost savings; and
2. The agency will not fill the separating employee's position or will fill the position at a lower wage rate that is expected to result in a net cost savings of two times the amount of the incentive pay within twenty-

four months following the employee's exit from employment.

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

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

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

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

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

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

2015 or 2016 must leave county employment by written resignation or retirement no later than December 31 of the calendar year in which the employee applies for the program. Agencies may establish deadlines and procedures, which may vary by department, for employee participation in the pilot program;

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

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

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

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

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

I. The executive shall include, as part of the extended pilot program, a clear designation of who is authorized in each agency to approve or deny employee requests to participate in the program. Employees of agencies headed by elected officials other than the executive are ineligible to participate in the pilot program unless their request is approved by both the executive and the head of the applicable agency.

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

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

B. The extent to which the pilot program minimized reductions in force or resulted in cost savings, or a

combination thereof; and

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

SECTION 3. Severability. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance or the application of the provision to other persons or circumstances is not affected.

SECTION 4. This ordinance expires May 1, 2017.