

Project title: Adopt an Ordinance establishing a Separation Incentive Program that will be available to all eligible City of Everett Employees.

City Council Agenda Item Cover Sheet

Council Bill # *interoffice use*

CB2003-21

Agenda dates requested:

March 18, 2020

Briefing

Proposed action

Consent

Action

Ordinance

Public hearing

Yes ☒ No

Budget amendment:

Yes ☒ No

PowerPoint presentation:

Yes ☒ No

Attachments: Plan Adoption Agreement(s)

Department(s) involved:

HR, Finance, Legal

Contact person:

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Initialed by:

Department head

Administration

Council President

Consideration: Adopt an Ordinance establishing a Separation Incentive Program.

Project: Ordinance Voluntary Separation Program

Partner/Supplier :

Location:

Preceding action:

Fund: Various

Fiscal summary statement:

The proposed Separation Incentive Program will provide an incentive for employees to voluntarily separate or retire from the City. The purpose of the program is to reduce compensation costs and staffing levels as well as to facilitate redeployment, reorganization, and other efforts to make more efficient and effective use of the City's limited resources.

Project summary statement:

The Proposed Ordinance will provide an incentive to those that retire or voluntarily separate from the City. The program is open to Appointive, Everett Police Management Association (EPMA), Snohomish County Crafts and Trades, and AFSCME. Eligible Employees approved for voluntary separation may elect to receive one of the three following options:

- 1) Eighteen (18) months of enrollment in the City's self-insured HMA medical plan for the Eligible Employee plus eligible dependents (eligible dependents include those dependents that are eligible under active employees' health benefits coverage) commencing on the date that the Eligible Employee's existing coverage expires, based on the Date of Separation, at no cost to the Eligible Employee; or
- 2) A contribution equal to the cost of eighteen (18) months of enrollment in the City's self-insured HMA PPO medical plan (for the Eligible Employee plus eligible dependents) applied to eighteen (18) months of Kaiser Permanente coverage commencing on the date that the Eligible Employee's existing coverage expires, based on the Date of Separation, at no cost to the Eligible Employee; or
- 3) A one-time cash incentive payment based on the Eligible Employee's current base salary, exclusive of longevity, out-of-class, lead pay differential, call out pay, and overtime. In addition to the cash incentive payment, the employee can either elect to have either (1) access to the Vera Clinic for themselves and eligible family members for one year or (2) two months of COBRA coverage under their current medical plan for the employee and their eligible dependents at no cost to the employee.

Recommendation (exact action requested of Council): Adopt an Ordinance establishing a Separation Incentive Program that will be available to all eligible City of Everett Employees.



ORDINANCE NO. _____

AN EMERGENCY ORDINANCE Establishing a Separation Incentive Program for Eligible City of Everett Employees.

WHEREAS,

- A.** The City deems it in is the City's best interest to provide an incentive for employees to voluntarily separate or retire from the City.
- B.** The purpose of the voluntary separation program is to reduce compensation costs and full-time employee levels, as well as to facilitate redeployment, reorganization, and other efforts to make more efficient and effective use of the City's limited resources.
- C.** The need to reduce compensation costs is now an emergency due to the financial impact on the City of the COVID 19 pandemic, which the Mayor has declared a civil emergency for the reasons set forth in her March 4, 2020 Proclamation of Civil Emergency.

NOW, THEREFORE, THE CITY OF EVERETT DOES ORDAIN:

Section 1. Voluntary Separation Program Description

- A.** The City hereby establishes a Separation Incentive Program (Program) for Eligible Employees as defined in section 1.B
- B.** "Eligible Employees" are those employees, who are regular full-time or regular part-time AFSCME, appointive, Everett Police Management Association, and Snohomish County Construction Crafts employees who have at least 2 cumulative years of service with the City as of the Date of Separation
- C.** The "Date of Separation" is the final day of an employee's employment with the City, as specified in the voluntary separation agreement described in section 3 of this Ordinance.
is hereby repealed.

Section 2. Basic Provisions

- A.** Participation in the Program shall not be based on protected class status, protected activity, or

other unlawful factors.

B. Participation in the program is voluntary. Eligible Employees choosing to participate in the Program must acknowledge in writing that their decision to participate is voluntary.

C. Voluntary separation will be subject to all applicable terms and conditions of labor agreements in effect on the date the Eligible Employee applies for voluntary separation. No Employee shall have a contractual right to an incentive offered through this Program.

D. Eligible Employees who apply and are approved for voluntary separation under the Program will receive a one-time severance payment in the form of either COBRA(Consolidated Omnibus Budget Reconciliation Act) benefits, or a cash incentive payment to include either one year of access to the Vera Clinic or two months of COBRA coverage as described below. Eligible Employees approved for voluntary separation may elect to receive one of the following:

- 1) Eighteen (18) months of enrollment in the City's self-insured HMA medical plan for the Eligible Employee plus eligible dependents (eligible dependents include those dependents that are eligible under active employees' health benefits coverage) commencing on the date that the Eligible Employee's existing coverage expires, based on the Date of Separation, at no cost to the Eligible Employee; or
- 2) A contribution equal to the cost of eighteen (18) months of enrollment in the City's self-insured HMA PPO medical plan (for the Eligible Employee plus eligible dependents) applied to eighteen (18) months of Kaiser Permanente coverage commencing on the date that the Eligible Employee's existing coverage expires, based on the Date of Separation , at no cost to the Eligible Employee; or
- 3) A one-time cash incentive payment based on the Eligible Employee's current base salary, exclusive of longevity, out-of-class, lead pay differential, call out pay, and overtime, according to the following schedule:

Full Years of Service	Weeks of Base Pay	Full Years of Service	Weeks of Base Pay
2	8.00	17	15.50
3	8.50	18	16.00
4	9.00	19	16.50
5	9.50	20	17.00
6	10.00	21	17.50

7	10.50	22	18.00
8	11.00	23	18.50
9	11.50	24	19.00
10	12.00	25	19.50
11	12.50	26	20.00
12	13.00	27	20.50
13	13.50	28	21.00
14	14.00	29	21.50
15	14.50	30 or Greater	22.00
16	15.00		

- a. In addition to the cash incentive payment, the employee can elect to have either (1) access to the Vera Clinic for themselves and eligible family members for one year or (2) two months of COBRA coverage under their current medical plan for the employee and their eligible dependents at no cost to the employee.

E. While the City acknowledges that Eligible Employees choosing to participate in the Program may apply for unemployment compensation benefits following separation from the City, the City will object to such claim on the basis that separation from the City was voluntary.

F. Voluntary separation payments will be paid in one lump sum within two weeks of the Date of Separation based on the payroll cycle. Voluntary separation payments will not be considered excess compensation and shall not increase an Eligible Employee's monthly pension payout or the City's pension contribution rates. Voluntary separation payments are subject to applicable tax withholdings, but are not considered income (average final compensation) for retirement purposes.

G. Unless exempted from this section by the Mayor, eligible Employees who voluntarily separate under the Program and return to work as a regular part-time and/or full-time employee at the City within five years of the Date of Separation must repay any separation payment received or the value of COBRA insurance received. The means and method for such repayment shall be agreed to by the City and the Eligible Employee before the Eligible Employee returns to the City as an employee



Section 3. Approval Criteria

Voluntary separation under this Program can be approved only by written agreement executed by the City, the Eligible Employee and the applicable labor union, if any, will be given notice of the proposed terms of any written agreement and be given the opportunity to negotiate on behalf of their members. The voluntary separation agreement shall be approved by the City Attorney and include indemnity and other protections for the City. It shall also include the Eligible Employee's acknowledged acceptance of the terms and conditions of the Program, specify the Eligible Employee's election of incentive under section 2.D, and designate the final date of employment with the City (the Date of Separation).

Section 4. Notification and Separation Requirements

- A. To be considered for participation in this Program, Eligible Employees must apply by submitting a written notification to the Human Resources Department no later than May 31, 2020.
- B. The Date of Separation shall be no later than June 30, 2020, unless the Mayor determines that a later Date of Separation is in the best interest of the City.

Section 5. Position Backfill

- A. Positions vacated under the Program will remain vacant for at least five (5) months or will result in another vacancy through staff reorganization that is expected to remain open for at least five (5) months.
- B. Requests to backfill positions vacated through the Program are subject to review and approval by a committee to be determined by the Mayor.
- C. Backfill requests that facilitate redeployment, reorganization, and/or other efforts to make more efficient and effective use of the City's limited resources will receive priority consideration.

Section 6. The City Clerk and the codifiers of this Ordinance are authorized to make necessary corrections to this Ordinance including, but not limited to, the correction of scrivener's/clerical errors, references, ordinance numbering, section/subsection numbers, and any internal references.

Section 7. The City Council hereby declares that should any section, paragraph, sentence, clause or phrase of this ordinance be declared invalid for any reason, it is the intent of the City Council that it would have passed all portions of this ordinance independent of the elimination of any such portion as may be declared invalid.

Section 8. The enactment of this Ordinance shall not affect any case, proceeding, appeal or other matter currently pending in any court or in any way modify any right or liability, civil or criminal, which may be in existence on the effective date of this Ordinance.

Section 9. It is expressly the purpose of this Ordinance to provide for and promote the health, safety and welfare of the general public and not to create or otherwise establish or designate any particular class or group of persons who will or should be especially protected or benefited by the terms of this Ordinance. It is the specific intent of this Ordinance that no provision or any term used in this Ordinance is intended to impose any duty whatsoever upon the City or any of its officers or employees. Nothing contained in this Ordinance is intended nor shall be construed to create or form the basis of any liability on the part of the City, or its officers, employees or agents, for any injury or damage resulting from any action or inaction on the part of the City related in any manner to the enforcement of this Ordinance by its officers, employees or agents.

Section 10. This ordinance is an emergency ordinance under Section 3.4 of the City Charter.

Cassie Franklin, Mayor

ATTEST:

Sharon Fuller, City Clerk

PASSED: _____

VALID: _____

PUBLISHED: _____

EFFECTIVE DATE: _____