

item # 20B

**Consolidated Municipality of Carson City
Agenda Report**

Date Submitted: March 22, 2010

Agenda Date Requested: April 1, 2010

Time Requested: 10 minutes

To: Board of Supervisors

From: Jennifer Schultz, Human Resources Director

Subject Title: Action to approve the Voluntary Separation Program for all eligible Carson City employees and to authorize the City Manager to approve the individual agreements. (Jennifer Schultz)

Staff Summary: The Consolidated Municipality of Carson City is facing severe budget shortfalls as a result of declining sales tax revenues. City officials are taking this opportunity to review overall City operations and determine if there are long-term efficiencies that can be gained.

To assist meeting this challenge and create position vacancies resulting in needed budget reductions, the City has designed the Voluntary Separation Program to determine if there are benefits to be gained for both employees and the City.

Type of Action Requested: (check one)

☐ Resolution

☐ Ordinance

☒ Formal Action/Motion

☐ Other (Specify)

Does This Action Require A Business Impact Statement: ☐ Yes ☒ No

Recommended Board Action: I move to approve the Voluntary Separation Program for all eligible Carson City employees and authorize the City Manager to approve the individual agreements.

Explanation for Recommended Board Action: The Board of Supervisors is requested to approve this proposed Voluntary Separation Program designed to incent employees to voluntarily choose to leave City employment at the earliest date, while allowing the City to review and consider what essential functions are necessary to the operations of the City and what positions may be eliminated or resources realigned due to vacancies created

Applicable Statue, Code, Policy, Rule or Regulation: n/a

Fiscal Impact: Up to \$500,000 from landfill closure fund

Explanation of Impact: Reduction of the landfill closure fund

Funding Source: Landfill closure fund.

Alternatives: Approve or deny

Supporting Material: Voluntary Separation Program Summary

Prepared By: Jennifer Schultz, Human Resources Director

Reviewed By: [Signature] Schreiner Date: 3-22-10
(Department Head)
[Signature] Date: 3/23/10
(City Manager)
[Signature] Melanie R. Ketter Date: 3-23-10
(District Attorney)
[Signature] Julie Shoultz Date: 3-23-10
(Finance Director)

Board Action Taken:

Motion: _____ 1) _____ Aye/Nay
2) _____

(Vote Recorded By)

Consolidated Municipality of Carson City Voluntary Separation Program

Purpose:

The Consolidated Municipality of Carson City is facing severe budget shortfalls as a result of declining sales tax revenues. City officials are taking this opportunity to review overall City operations and determine if there are long-term efficiencies that can be gained.

To assist meeting this challenge and create position vacancies resulting in needed budget reductions, the City has designed the Voluntary Separation Program to determine if there are benefits to be gained for both employees and the City.

This program is designed to incent employees to voluntarily choose to leave City employment at the earliest date, while allowing the City to review and consider what essential functions are necessary to the operations of the City and what positions may be eliminated or resources realigned due to vacancies created.

To ensure employees are not discriminated against, the Human Resources Department will be the point of contact for interested employees. Departmental leadership will be directed to refrain from any conversation, formal or informal, that might be perceived as an attempt to coerce or pressure an employee to apply, or not apply, for the program and will be advised not to conduct staff meetings or group discussions during which any employees are identified as a potential candidate for separation. The voluntary nature of this program will be maintained at all times.

Employees who will be retiring from the City are strongly encouraged to contact PERS, Hartford and/or ING representatives as soon as possible. Individual estimates, purchase of service credit and other information is gathered only by direct personal PERS contact.

The application period for the Voluntary Separation Program is: Thursday, March 25, 2010 through Friday, April 9, 2010.

The City will cap the bonus pay-outs at a total of \$500,000. Applications will be considered in the order received and date stamped by the City Manager and Human Resources Director.

Overview:

The Voluntary Separation Program (VSP) offers a one-time incentive for employees who voluntarily leave employment with the City under the plan no later than July 9, 2010. In certain circumstances, exceptions to the July 9, 2010 date may be allowed, if the exception is to the benefit of both the City and the Employee, and with the approval of the City Manager.

Under this proposal the bonus amount would be equal to \$1,000 per full-year of full-time continuous service with Carson City. Full-years of service will be measured as of April 9, 2010. The bonus amount is subject to all applicable taxes and withholdings, but pursuant to PERS regulations, is not PERS reportable.

All employees who have successfully completed their probationary period are eligible, without regard to age, years of service, department, or any other criteria protected by federal or state law.

Due to the temporary nature of many grant funded positions, employees occupying short term grant funded positions are not eligible for voluntary separation. Additionally, the City Manager reserves the right to decline applications for voluntary separation if the individual occupies a critical position or possesses skills or knowledge deemed critical to the safety and/or security of the City. In some cases, although the position occupied may be critical, the application may be considered, if through re-engineering an overall benefit to the City may be realized.

Selected employees will determine the method of payout, with one or a combination of the following options, all of which are subject to IRS tax withholding regulations:

1. Direct purchase of PERS Service Credit (if eligible under PERS regulations)
2. Deferred Compensation Plan (to the maximum allowable IRS limit)
3. Cash
4. Any combination of the above

Separated employees will not be eligible for re-employment for any regular part-time or full-time position with Carson City for a minimum of twenty-four (24) months.

Separated employees, if currently receiving insurance benefits, will be eligible for continued benefits following separation as provided under COBRA. The cost for COBRA is the responsibility of the separated employee.

Employees who retire from the City (actually draw a retirement benefit from PERS at separation) will be eligible to continue insurance coverage as a retiree. Cost for insurance will be deducted each month from PERS benefits. Please contact Zee McClintock at 283-7239 for individual retiree premium costs.

Separation Document:

Any employee who makes application for and is accepted for the VSP will be required to sign a separation release document.

Process:

1. All applications for voluntary separation will be submitted to the Human Resources Director only.
2. Departmental leadership will be notified following receipt.
3. The City Manager, Departmental leadership and Human Resources will review and approve or deny the requests no later than Friday, April 16, 2010.

Contact:

Jennifer Schultz
Human Resources Director
(775) 283-7475

Timeline:

Thursday, March 25, 2010

Human Resources begins accepting Voluntary Separation Program applications at 8:00 a.m.

Thursday, April 1, 2010

Board of Supervisor's discussion and possible approval of the voluntary separation program

Friday, April 9, 2010

Application deadline for Voluntary Separation Program at 5:00 p.m.

Friday, April 16, 2010

Final employee notification of selection/denial for Voluntary Separation Program

Friday, July 9, 2010

Final eligible separation date for Voluntary Separation Program

This Voluntary Separation Program is conditioned upon approval by the Board of Supervisors on Thursday, April 1, 2010.

**Application for Voluntary Separation Program
Consolidated Municipality of Carson City**

TO: Human Resources

FROM: _____
(print name here)

DATE: _____

SUBJECT: Voluntary Separation Program

I am submitting my application for the 2010 Voluntary Separation Program with the Consolidated Municipality of Carson City.

My submission and request for consideration is strictly voluntary.

I understand the Voluntary Separation Program is subject to approval of the Board of Supervisors on Thursday, April 1, 2010.

Following Board of Supervisor approval, my request is subject to approval of the City Manager.

Applicant Signature

Position Title

Department

Immediate Supervisor's Name