



KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

November 6, 2012

Ordinance 17457

Proposed No. 2012-0398.2

Sponsors McDermott

1 AN ORDINANCE related to establishing a pilot program
2 for 2012 and 2013 to incent the voluntary separation of
3 retirement-eligible employees as necessary to minimize the
4 number of employees subject to a reduction in force.

5 **STATEMENT OF FACTS:**

- 6 1. A significant budget shortfall in key areas has been identified for 2013.
7 In order to address the shortfall, program cuts and reductions in force are
8 being implemented in 2012 and are planned for 2013.
- 9 2. The county's revenue forecast for 2014 also will call for expenditure
10 reductions.
- 11 3. Many employees who are eligible to retire continue to work for various
12 reasons including, but not limited to, the costs associated with obtaining
13 health insurance upon retirement.
- 14 4. The county recognizes the benefits to it and its customers of responding
15 to budget shortfalls with the voluntary separation of employees who are
16 retirement eligible rather than subjecting other employees to a reduction in
17 force. These benefits include but are not limited to the following:

18 a. a voluntary separation to occur on a date certain provides the county
19 the ability to plan for the transition of work, knowledge and service
20 delivery;

21 b. a voluntary separation to occur on a date certain provides the county
22 time to plan for the realignment of work, resulting in cost savings and
23 efficiencies. It may also minimize the number of future reductions in
24 force;

25 c. a voluntary separation to occur on a date certain provides the county an
26 opportunity to minimize the disruption that reductions in force cause,
27 often resulting in an employee bumping into another employee's position
28 per collective bargaining agreement provisions;

29 d. many other public jurisdictions statewide are currently offering or
30 have offered voluntary separation or early retirement programs in the last
31 two budget cycles. King County has reviewed the voluntary separation
32 programs in other jurisdictions, including, but not limited to, those in the
33 state of Washington, Kitsap county, and the cities of Issaquah, Kent,
34 Bremerton and Bainbridge Island; those entities offered incentives ranging
35 from ten thousand dollars up to over thirty thousand dollars; and

36 e. offering an incentive that does not exceed the county's maximum
37 monetary exposure for unemployment for each laid off employee is cost-
38 effective.

39 5. A pilot program to incent the voluntary separation of retirement
40 eligible employees will enable the county to determine whether or not
41 such a program is beneficial and should be extended.

42 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

43 SECTION 1. A. The executive is hereby authorized to create a pilot program
44 providing an incentive for the voluntary separation of currently employed retirement
45 eligible employees in agencies identified by the executive which are expected to have
46 reductions in force, program cuts, or involve labor cost savings. The executive is further
47 authorized to enter into agreements with labor organizations to provide for such an
48 incentive program on the terms contained in this ordinance; if such an agreement
49 addresses no other subject, it shall have the force of law upon execution by the parties,
50 without enactment by ordinance.

51 B. In order to be eligible for the pilot program, the employee must have at least
52 five years of county service, must not be a temporary employee, and must be eligible to
53 apply for a pension from the Law Enforcement Officers and Firefighters Retirement
54 System, Public Employees Retirement System, Public Safety Employees Retirement
55 System or the city of Seattle Retirement Plan, before December 31 of the calendar year in
56 which the employee applies for the program. While the employee must be retirement
57 eligible and must separate from the county, the employee need not actually begin drawing
58 a pension to be considered eligible for the pilot program. Employees who, before their
59 employing agency has announced its intention to participate in the pilot program, have
60 already resigned or retired or submitted written notification of their intent to do so, are
61 ineligible to participate in the pilot program.

62 C. Participation in the pilot program by employees is entirely voluntary and shall
63 provide currently employed retirement eligible employees who request to and are
64 authorized by the executive to voluntarily separate from county service a financial
65 incentive of a one-time payment of fifteen thousand dollars.

66 D. The pilot program shall require that participating employees enter into an
67 express written agreement with King County that sets forth the terms and conditions of
68 their voluntary separation, to include, but not be limited to:

69 1. Any employee approved to participate in the pilot program in 2012 must
70 leave county employment by written resignation or retirement no later than December 31,
71 2012. Any employee approved to participate in 2013 must leave county employment by
72 written resignation or retirement no later than December 31, 2013. Agencies may
73 establish deadlines and procedures, which may vary by department, for employee
74 participation in the pilot program;

75 2. That the employee will not seek reemployment with the county in a position
76 eligible for health or paid leave benefits;

77 3. That the employee agrees that they are not eligible for unemployment
78 compensation and signs a waiver of any claim for unemployment compensation; and

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

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

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

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

94 SECTION 2. The executive shall file by April 1, 2014, a paper original and an
95 electronic copy of a report with the clerk of the council, who shall retain the original and
96 provide an electronic copy to all councilmembers and the lead staff for the government
97 accountability, oversight and financial performance committee or its successor, detailing:

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

100 B. Whether the pilot program minimized reductions in force, resulted in
101 efficiencies or resulted cost savings, or any combination thereof; and

102 C. A recommendation on whether the pilot program should be extended.

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

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

106 SECTION 4. This ordinance expires April 1, 2014.

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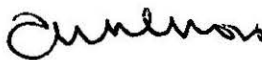
Ordinance 17457 was introduced on 10/1/2012 and passed by the Metropolitan King County Council on 11/5/2012, by the following vote:

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

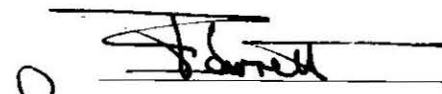
KING COUNTY COUNCIL
KING COUNTY, WASHINGTON


Larry Gossett, Chair

ATTEST:


Anne Noris, Clerk of the Council

APPROVED this 16 day of November, 2012.


Dow Constantine, County Executive

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CLERK
KING COUNTY COUNCIL

Attachments: None