



ORDINANCE NO. 4041-24

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

WHEREAS,

- A. Due to the failure of Proposition 1 (Levy Lid Lift for Public Safety and Essential Public Services) and the City's ongoing structural deficit; and
- B. The City deems it is in the City's best interest to provide an incentive for eligible employees, defined in Section 1.B, to voluntarily separate or retire from the City; and
- C. The purpose of a 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.

NOW, THEREFORE, THE CITY OF EVERETT DOES ORDAIN:

Section 1. Voluntary Separation Incentive Program Description

- A. The City hereby establishes a Voluntary Separation Incentive Program (Program, or VSIP) for Eligible Employees as defined in Section 1.B.
- B. "Eligible Employees" are those employees, who are regular full-time or regular part-time, in the following departments and classifications: Administration (all classifications); Communications (all classifications); Economic Development (all classifications); Emergency Management (all classifications); Finance (Clerk's Office Only – all classifications); Fire (all appointive classifications); Library (all classifications); Parks & Facilities (Facilities only – all classifications, Parks – all appointive classifications and all Ranger classifications); Police (all appointive and EPMA classifications, all Parking Enforcement classifications). To be eligible for the program, employees must be in one of the workgroups listed above and have at least 18 continuous months of service with the City of Everett and have not previously provided written notification of upcoming retirement.
- 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 4 of this Ordinance.
- D. The Program is subject to collective bargaining obligations as required by RCW 41.56.

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 Eligible 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 COBRA (Consolidated Omnibus Budget Reconciliation Act) benefits, access to the Vera Clinic, and a cash incentive payment as indicated below:
 - 1) **COBRA and Vera Clinic** - Six (6) months of city-paid COBRA coverage on a city-sponsored medical plan for the Eligible Employee, plus eligible dependents (eligible dependents include those dependents that are enrolled under Eligible Employees' health benefits coverage), commencing on the date the Eligible Employee's existing coverage expires, based on the Date of Separation, at no cost to the Eligible Employee; and city-paid access to the Vera Clinic for themselves and eligible dependents for one (1) year; and
 - 2) **Cash Severance Pay** - A one-time cash incentive payment equal to four (4) months base salary, exclusive of additional pays such as longevity, out-of-class, lead pay differential, call out pay, holiday premium, and overtime, not to exceed \$55,000.
- 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 (1) lump sum within three (3) 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 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 (5)



years of the Date of Separation must repay any separation payment received and 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 or contractor.

Section 3. Approval Criteria

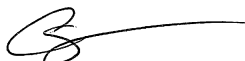
Voluntary separation under this Program can be approved only by written agreement executed by the City, the Eligible Employee and the labor union, if applicable. Labor unions will be given notice of the proposed terms of any written agreement and be given the opportunity to negotiate on behalf of their members. The voluntary separation agreement shall be approved by the City Attorney and include indemnity and other waiver protections for the City. It shall also include the Eligible Employee's acknowledged acceptance of the terms and conditions of the Program, specify the cash-value of the Eligible Employee's 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 an official application to the Human Resources Department no later than September 6, 2024. Employees who submit an official application by this deadline will then be provided additional information, along with review periods as established by law.
- B. The Date of Separation shall be no later than November 30, 2024, unless the Mayor determines that a later Date of Separation is in the best interest of the City.

Section 5: Position Backfill

- A. The City will endeavor to hold positions vacated through VSIP open for at least twelve (12) months. Requests to backfill VSIP positions vacated through the Program are subject to review and approval by the Mayor or designee. In order to assure efficient and cost effective delivery of city services, the Mayor or designee reserves the right to reallocate the vacated position to another classification which must then remain open for at least twelve (12) months. Council will be notified within 30 days when any VSIP position is filled within one year of it becoming vacant.
- B. 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.



Cassie Franklin, Mayor

ATTEST:



Marista Jorve, City Clerk

PASSED: 08/28/2024

VALID: 08/30/2024

PUBLISHED: 08/31/2024

EFFECTIVE DATE: 09/13/2024













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Final Audit Report

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