

FY 2020/21 Budget Options - Employee Voluntary Separation Program

June 1, 2020

PRESENTED TO THE
City of San Pablo City Council

Why a Voluntary Separation Program?

- Employee voluntary separation programs are a typical option for public agencies who need to achieve budgetary savings in situations such as the current economic downturn and City financial losses associated with SIP orders related to COVID-19 and serve the following objectives:
 - Reduce salary and benefit costs in response to fiscal challenges.
 - Focus the organization on core priorities, and strategic objectives, within a resource constrained environment.
 - Minimize potential involuntary separations.

Summary of Employee Voluntary Separation Program

- The proposed Employee Voluntary Separation Program (EVSP) allows the City to offer employees a one-time lump sum payment equivalent to twelve weeks of base salary up to a maximum of \$40,000 as an incentive to voluntarily separate.
- The City may offer this incentive to employees who volunteer to separate by resignation or retirement.
- Vacated positions are intended to result in a net decrease in costs to the City for as long as the position can remain unfilled without compromising the core priorities of the City.
- The EVSP is not an entitlement or benefit, but rather is intended to supplement the range of budget reduction options available to the City. Not every individual application will be approved, as requests will be considered on a case-by-case basis to determine the impact and the ability to achieve long-term savings.

Who is eligible and who isn't?

Eligible employees are:

- Full-time, permanent employees who have passed their probation.
- Employee has reached normal retirement age for their applicable retirement formula.
- Ineligible employees include:
 - Part-time
 - Executive Management, Contract Employees and Division Managers
 - Employees needed to meet minimum staffing or who possess specialized skills needed for core operations
 - Employees who have already resigned or submitted retirement papers
 - Employees undergoing a disciplinary process or who have received a notice of intent to terminate.

Implementation Plan

- Staff anticipates opening the application period for the EVSP on June 2, 2020 if approved by City Council action this evening. Completed applications must be received by June 30, 2020 to begin producing potential FY 2020/21 cost savings no later than August 31st accounting for all needed time related to City employee noticing and review.
- The effective date of separation will be confirmed by the City Manager's Office and will be on or before August 31, 2020. Accepted applicants must voluntarily accept and sign a Separation Agreement that contains a release of all employment rights and claims.

REPORT CONCLUSION

- QUESTIONS OR COMMENTS?