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| COUNTY OF SONOMA AGENDA ITEM SUMMARY REPORT | | | Clerk of the Board Use Only Meeting Date Held Until ___/___/___ ___/___/___ Agenda Item No: Agenda Item No: _____ _____ |
| Department: Human Resources | | | () 4/5 Vote Required |
| Contact: Ann Goodrich | Phone: (707) 565-2875 | Board Date: August 4, 2009 | Deadline for Board Action: August 4, 2009 |
| <p>Agenda Short Title: Additional job classifications to be offered the Early Retirement Option (ERO) Program</p> <p>Requested Board Action: Concurrent Resolution approving the offer of the ERO Program to additional job classifications for the departments and positions identified herein.</p> | | | |
| CURRENT FISCAL YEAR FINANCIAL IMPACT | | | |
| <u>Expenditures</u> Estimated Cost \$ _____ Amount Budgeted \$ _____ Other Avail Approp \$ _____ (Explain below) | | <u>Add'l Funds Requiring Board Approval</u> Contingencies \$ _____ (Fund Name:) Unanticipated Revenue \$ _____ (Source:) Other Transfer(s) \$ _____ (Source:) | |
| Additional Requested: \$ _____ | | Add'l Funds Requested: \$ _____ | |
| <p>Explanation (if required): Costs to be covered by funds already allocated in department salary accounts. Minor costs may be incurred in the form of future SCERA unfunded liability, however additional cost savings will be realized from mitigated unemployment payments for laid off employees.</p> | | | |
| <p>Prior Board Action(s): 9-15-92 Board provided policy direction regarding an "early retirement: option." 10-6-92 Board approved 2 years service credit ERO (1) Program from 10/15 – 12/31/92 2-9-93 Board approved 2 years service credit ERO (2) Program from 4/1- 9/27/93 11-30-93 Board approved 2 years service credit ERO (3) Program from 12/1/93- 5/30/94 6/21/94 Board approved 2 years service credit ERO (4) Program from 12/1/93 to 5/30/94 6/16/09 Board approved ERO Program for Salary Resolution from 6/15/09 – 8/24/09 6/23/09 Board approved ERO Program for SEIU, ESC, IUOE (Local 39), SCLEA, and SCLEMA</p> | | | |
| <p>Alternatives – Results of Non-Approval: An increased number of County employees will be laid off.</p> | | | |

Background:

Currently, the County is faced with significant budget shortfalls resulting in the deletion of authorized positions, and layoffs are necessary to meet required budget goals. In a continuing effort to mitigate effects of involuntary layoffs on departments and employees, the County authorized an Early Retirement Option Program in June 2009, to encourage voluntary retirements of employees where staffing deletions are occurring.

The Early Retirement Option (ERO) program was proposed as part of an overall County plan to mitigate the need for layoffs of employees in a department. Employees in an affected job class who are eligible for retirement may be offered a salary incentive to take advantage of an early retirement program. An ERO Program is designed to encourage voluntary attrition which will mitigate involuntary layoffs. The approved ERO Program for 2009 includes a sliding payment incentive which is funded through existing resources in affected departments.

ERO incentives may only be offered in job classifications and quantities requested by departments, subject to Program provisions (Attachment A), and approved by the Board of Supervisors. Eligible job classifications must also belong to employee organizations that have signed a Letter of Agreement indicating that their membership is eligible to participate.

In June, the Board authorized 62 ERO incentives. To date, 27 incentives have been accepted – each one mitigating a layoff of a County employee.

Departments are facing additional staff lay offs as more budgetary issues come into focus including State funding cuts, and continued shortfalls in general fund revenues. Positions that were cut in the original 2009-10 budget, but slated for restoration if a mandatory furlough program was approved, are now proceeding with layoff. ERO incentives in these job classifications could mitigate the scheduled lay offs.

At this time, County departments would like to request that the ERO incentive be approved for the attached job classifications, in the quantities noted, with the continued goal of mitigating the lay off of County employees.

Cost:

The cost of ERO salary incentive is paid by departments out of existing budget revenues and are partially offset by costs that are mandatory for layoff employees that would not be incurred. There is also an estimated minor impact to the County's retirement unfunded liability that is included in the June 16, 2009 action item.

Attachments: Resolution, Attachment A (ERO Program Plan), Attachments B (job classifications)

On File With Clerk: Letters of Understanding between the County and SEIU, ESC, Local 39, SCLEA and SCLEMA

CLERK OF THE BOARD USE ONLY

Board Action (If other than "Requested")

Vote:

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Background (continued):

In short, the County is looking for all possible ways to reduce layoffs and impacts to department staffing. Because this program is funded through existing resources, no additional funds are required to sponsor the Program. Because employees will be leaving as retirees, not lay offs, the County will not bear the expense of unemployment for each employee whose job is preserved by the ERO Program.

Recommendation:

Adopt Concurrent Resolution approving the offer of the ERO Program to additional job classifications for the departments and positions identified herein.