

RESOLUTION NO. _____ (CM)**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WATSONVILLE CONTINUING THE VOLUNTARY TIME OFF AND RETIREMENT INCENTIVE PROGRAMS AVAILABLE TO EMPLOYEES THROUGH 2011-2012**

WHEREAS, the City Council approved and offered City employees the Voluntary Time Off and Retirement Incentive Programs in May 2009 and April 2010; and

WHEREAS, City staff recommends that the City Council reinstate the Voluntary Time Off and Retirement Incentive Programs for Fiscal Year 2011-2012; and

WHEREAS, the proposed Voluntary Time Off and Retirement Incentive Programs aim to achieve savings, minimize the impact on public services, and help mitigate layoffs and other personnel reductions.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WATSONVILLE, CALIFORNIA, AS FOLLOWS:

1. That the Voluntary Time Off (VTO) Program available until July 6, 2012, a copy of which is attached hereto and incorporated herein, is hereby adopted and approved.
2. That the Retirement Incentive (RI) Program available until September 30, 2011, a copy of which is attached hereto and incorporated herein, is hereby adopted and approved.

**CITY OF WATSONVILLE
VOLUNTARY TIME OFF (VTO)
REQUEST/AGREEMENT
EFFECTIVE THROUGH JULY 6, 2012**



PURPOSE

The purpose of the Voluntary Time Off (VTO) program is to provide voluntary, personal leave without pay as a method to reduce City salary costs during a budget crisis. Another objective of the VTO program is to assist in mitigating layoffs and other personnel reductions. Use of this program is strictly an effort to achieve salary savings and shall not be considered or construed as a lack of work. If the VTO does not result in cost savings to the City, creates staffing levels that cannot provide adequate service to the public, or hinders departmental operations, then the VTO leave may be denied.

PROGRAM

The City intends to offer this voluntary time off without pay to regular, non-temporary City employees only during periods of economic hardship designated as such by the City Manager. Participation in the VTO program requires approval of the employee's supervisor, department head, and City Manager under the conditions stated above.

VTO must be taken in whole hour increments when a weekly work schedule is reduced. VTO must be taken in whole day increments if employee elects to take more than one day off without pay.

All employees approved to participate in the program must sign an agreement committing to the reduced work schedule or specified days off without pay in a defined time period.

The City shall continue to pay the same level of health benefits (medical, dental, vision, life, etc.) and accrued benefits (vacation, sick leave, holidays, admin leave, etc.) during a period of VTO as the employee qualified for prior to participation in the program. Qualifications for merit increases shall not be impacted by VTO. Seniority accruals shall not be impacted by VTO.

Employees may reduce their annual hours worked to approximately 1,720 hours and still receive a full year of service credit from the California Public Employees' Retirement System (CalPERS). The amount of worked hours required to earn a full year of service credit is established by CalPERS and subject to change. Employees who are concerned about their service credit accrual should consult with Human Resources before committing to the VTO program. Participation in the VTO program may impact retirement benefits and those considering participation in the VTO program during their last year of employment before retiring should consult with CalPERS about the potential impact on their retirement benefits. Employees are responsible for monitoring the effect of VTO on future retirement benefits.

For certain positions, granting of VTO may result in additional City costs, such as overtime, which offset or exceed savings from VTO or result in unacceptably low staffing levels, hindering the delivery of critical services to the public. In such cases, the purpose of VTO would not be achieved and the VTO request may not be authorized. VTO must result in savings to the City without compromising delivery of critical services to the public or having a material negative impact on departmental operations. The City Manager may cancel or suspend an employee's approved VTO if operational needs

**CITY OF WATSONVILLE
VOLUNTARY TIME OFF (VTO)
REQUEST/AGREEMENT
EFFECTIVE THROUGH JULY 6, 2012**



mandate the employee's services. Employees will be noticed about VTO cancellation in accordance with the schedule change provisions of the appropriate Memorandum of Understanding (MOU) or 14 days (whichever is greater).

VTO shall not be available to employees on other leaves without pay nor be used to extend leaves of absence. Employees shall not use accrued paid time in lieu of VTO hours.

VTO used during a pay period shall not count as time worked toward the computation of overtime.

During VTO periods, employees remain responsible for paying the health benefit premium that is normally deducted from every pay check. If the employee will not be receiving a paycheck for a VTO period or if the paycheck will not cover the amount of the health premium deduction, arrangements must be made with Payroll to make these payments to ensure the continuance of health coverage.

PROCEDURE

1. Requests to enroll in the VTO program must be submitted in writing to the employee's supervisor or department head using the attached Voluntary Time Off (VTO) Request/Agreement.
2. The employee's supervisor shall review and make a statement regarding the workload impact, anticipated cost savings, and a recommendation regarding the request. The request shall then be forwarded to the department head.
3. The department head will review the employee's request and the supervisor's statement and, upon approval, forward it to the City Manager for final approval. The department head is responsible for ensuring that the VTO is consistent with the conditions and intent of the VTO policy.
4. Upon approval by the City Manager, the VTO form shall be distributed as follows: one copy to the employee, one copy to the initiating department, one copy to the Human Resources, and one copy to Payroll.
5. Once a VTO form is approved by the City Manager, it is binding upon the employee for the entire period at the agreed upon participation level unless it is found that continuation in the program will cause undue hardship to the employee due to unforeseen circumstances.
6. This program is in effect through July 6, 2012.

**CITY OF WATSONVILLE
VOLUNTARY TIME OFF (VTO)
REQUEST/AGREEMENT
EFFECTIVE THROUGH JULY 6, 2012**



Employee Name: _____ Date: _____

Department: _____

Job Classification: _____ Division: _____

I hereby voluntarily request a reduction in my work schedule or take a specified number of days off without pay. I acknowledge there will be a reduction in my salary. However, the City shall continue to pay the same level of benefits (sick leave, vacation, administrative leave, medical, dental, vision, life, etc.) as I am entitled to prior to participation in the program. If approved, I agree to the reductions specified below.

Employee Signature: _____ Date: _____

For proposed workweek reduction, please specify enrollment period:

From: _____ To: _____

Specify number of proposed weekly hours: _____
Please detail your proposed weekly schedule:

For proposed days off without pay, please specify enrollment period:

From: _____ To: _____

Specify number of proposed days off without pay: _____
Please detail when you plan to take the specified days off without pay. (i.e. 2 weeks in June, every other Wednesday, 2 months in August & September), etc.

**CITY OF WATSONVILLE
VOLUNTARY TIME OFF (VTO)
AUTHORIZATION**



Supervisor: _____

Date: _____

I recommend ☐ Do not recommend ☐ this VTO enrollment.

Supervisor statement of workload impact, anticipated cost savings:

Supervisor Signature: _____ Date: _____

APPROVALS:

☐ This request is approved as it meets the goals and intent of the VTO program.

Department Head Signature:		Date:
City Manager Signature:		Date:

Comments:

DENIALS:

☐ This request is denied as it does not meet cost savings goals or it cannot be granted without negatively impacting departmental operations.

Department Head Signature:		Date:
City Manager Signature:		Date:

Comments:

Distribution:

*Employee
Initiating Department
Personnel Department
Employee Personnel File
Payroll*

City of Watsonville
Retirement Incentive Program Guidelines
Request\Agreement
Retirement Prior to September 30, 2011



PURPOSE

The purpose of the Retirement Incentive Program is to incentivize employees to retire early to reduce City salary and benefit costs during a budget crisis. Use of this Program is strictly an effort to achieve salary savings and shall not be considered or construed as due to a lack of work. If the Program does not result in significant net cost savings to the City, creates staffing levels that cannot provide adequate service, or has a negative impact on departmental operations, then the application for the Program may be denied. Significant salary savings is often achieved by holding the resulting vacancy for at least one year. However, other substantiated salary savings may be considered.

PROGRAM

Eligible employees approved to participate in the Program, will allow any permanent/regular City employee to request a full retirement on or before September 30, 2011 and receive one of the following incentives:

- 1) Maintain their pre-existing medical plan coverage at their pre-existing employee premium levels for 24 months following retirement. If premiums or medical coverage change for active employees, retirees under this program will be subject to the same changes.
- 2) Receive a one-time, lump sum payment of \$10,000

PROCEDURE

1. Applications to participate in the Retirement Incentive Program shall be submitted in writing to the employee's supervisor or department head using the attached Retirement Incentive Request\Agreement.
2. The employee's supervisor shall review and make a statement regarding the workload impact, anticipated cost savings, and a recommendation regarding the request. The request shall then be forwarded to the department head.
3. The department head shall review the employee's request and the supervisor's statement and, upon approval, forward it to the City Manager for final review and approval. The department head is responsible for ensuring that offering a Retirement Incentive to the employee is consistent with the conditions and intent of the program. For certain positions, granting of an early retirement incentive may not result in significant salary savings or will result in unacceptably low staffing levels, hindering the delivery of critical services to the public. In such cases, the purpose of the retirement incentive would not be achieved and the retirement request may not be authorized. Retirement incentives must result in significant savings to the City without compromising delivery of critical services to the public or having a material negative impact on departmental operations.

City of Watsonville
Retirement Incentive Program Guidelines
Request\Agreement
Retirement Prior to September 30, 2011



4. Upon approval by the City Manager, the Retirement Incentive approval form shall be distributed as follows: one copy to the employee, one copy to the initiating department, one copy to Human Resources, and one copy to Payroll.
5. Once a Retirement Incentive form is approved by the City Manager, it is binding upon the employee except in cases where unforeseeable circumstances change causing undue hardship to the employee should he/she retire when indicated. These will be examined on a case by case basis.

City of Watsonville
Retirement Incentive Program Guidelines
Request\Agreement
Retirement Prior to September 30, 2011



Employee Name: _____ Date: _____
Department: _____
Job Classification: _____ Division: _____

I certify that I plan to retire on or around _____ (please give your best estimation of your retirement date). To qualify for participation in the program the date must be prior to September 30, 2011.

Please indicate desired retirement incentive option:

☐ Maintain pre-existing medical plan coverage at pre-existing employee premium levels for 24 months following retirement or until ineligible to continue on health plan. If premiums or medical coverage change for active employees, retirees will be subject to the same changes.

☐ A one-time, lump sum payment of \$10,000.

Employee Signature: _____ Date: _____

Supervisor: _____ Date: _____
I recommend ☐ Do not recommend ☐ this Retirement Incentive request

Supervisor Statement of workload impact and anticipated cost savings:

APPROVALS:

☐ **This request is approved as it meets the goals and intent of the Retirement Incentive Program.**

Department Head Signature: _____ Date: _____

City Manager Signature: _____ Date: _____

Comments:

City of Watsonville
Retirement Incentive Program Guidelines
Request\Agreement
Retirement Prior to September 30, 2011



DENIALS:

☐ This request is denied as it does not meet cost savings goals or it cannot be granted without impacting critical city services/programs or departmental operations.

Comments:

Department Head Signature:		Date:
City Manager Signature:		Date:

Comments: