

RESOLUTION NO. 2009-112

LATE FILING

SPONSOR Mr. Pry

DATE April 13, 2009

COMMITTEE: Personnel

An amended Resolution approving and enacting the County of Summit Voluntary Separation Plan, authorizing the County Executive to administer said Plan, and authorizing said Plan to be available to all County appointing authorities, offices, agencies, boards and commissions, for the Executive, and declaring an emergency.

WHEREAS, the current economic crisis has negatively impacted many of the revenues received by the County; and

WHEREAS, as a result of decreased revenues, this Council approved a 2009 budget that reduced overall spending by 3.3% and general fund spending by 5.5%; and

WHEREAS, as the economic crisis has worsened in recent months, County revenue outlooks have worsened, thereby threatening to increase the budget deficit in 2009; and

WHEREAS, the single largest costs of the County are personnel costs; and

WHEREAS, in the interest of permanently reducing personnel costs without negatively impacting current employees in an involuntary fashion, the County Executive has proposed that employees of the County have the one-time option of voluntarily separating from the County and providing an economic incentive to do so, hereinafter known as the County of Summit Voluntary Separation Plan; and

WHEREAS, the County of Summit Voluntary Separation Plan also requires ~~permanent savings of 50% of all salaries for employees who elect to voluntarily separate from the County~~ **certain ongoing personnel savings from each participating office for the employees that separate from the County under the Plan;** and

WHEREAS, as a result of the Voluntary Separation Plan's required ~~permanent 50% salary~~ **personnel** savings and the limitation of the plan to a one-time option to separate from the County prior to August 31, 2009, this Council and the Executive anticipate realizing savings in one year or less with ongoing savings beyond that point; and

WHEREAS, this Council finds and determines, after reviewing all pertinent information, that it is necessary and in the best interest of the County to approve the County of Summit Voluntary Separation Plan, to authorize the County Executive to administer said Plan, and to authorize said Plan to be available to all County appointing authorities, offices, agencies, boards and commissions.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the County of Summit, State of Ohio, that:

SECTION 1

The County of Summit Voluntary Separation Plan, a one-time retirement/resignation incentive plan, attached hereto as Exhibit A and incorporated herein by reference, is hereby approved and enacted by this Council and the County Executive is hereby authorized to administer said Plan.

SECTION 2

This Resolution is hereby declared an emergency in the interest of the health, safety and welfare of the citizens of the County of Summit and for the further purpose to immediately enact the aforementioned Voluntary Separation Plan to protect and preserve the current County fund balances and control and limit the 2009 budget deficit.

SECTION 3

Provided this Resolution receives the affirmative vote of eight members, it shall take effect immediately upon its adoption and approval by the Executive; otherwise, it shall take effect and be in force at the earliest time provided by law.

SECTION 4

It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, including section 121.22 of the Ohio Revised Code.

INTRODUCED March 16, 2009

ADOPTED April 13, 2009

Shirley F. Green
CLERK OF COUNCIL

Nick Kostandaras
PRESIDENT

APPROVED April 13, 2009

[Signature]
EXECUTIVE

April 13, 2009
ENACTED EFFECTIVE

Voice Vote: 9-0 YES: Crossland, Feeman, Kostandaras, Poda, Prentice
Rodgers, Schmidt, Shapiro, Smith ABSENT: Comunale, Crawford

FEDERALLY FUNDED AGENCY ADDENDUM

Separation incentive conditions applicable to employees of federally funded agencies, including Jobs and Family Services and Child Support Enforcement Employees, and certain Juvenile Court employees.

Pursuant to Federal Publication ASMB C-10 (Cost Principles and Procedures for Developing Cost Allocation Plans and Indirect Cost Rates Agreements with the Federal Government) Ch 3-13

Program Guidelines

Ref: 3-13 (4) a. Cost Allocations

1. Any full-time permanent bargaining or non-bargaining employee who was on the payroll and had completed their initial probation period as of January 1, 2009 and who continually maintains their full-time permanent status through the date of their application for the VSP is eligible to receive a voluntary separation incentive payment equal to ~~25~~ **30%** of the first \$50,000 in annual salary, and 5% of the amount in excess of \$50,000.
2. This is in addition to any accumulated vacation or sick leave hours the employee is entitled to receive pursuant to the County of Summit Codified Ord. 169 or the applicable collective bargaining agreement.
3. The County of Summit Voluntary Separation Plan is being offered to employees of all elected officeholders and agencies of the County.
4. The affected federal programs include
 - Title IV-D
 - Title IV- E
 - TANF
 - Medicaid and federal food stamp program (income maintenance)
 - WIA
 - Title XX Social Services
 - Title XX Transfer
 - FSET
 - Help Me Grow
 - County Child Care
 - Refugee Social Services
 - Community Development Block Grant (CDBG)

Costs will be allocated to federal funds using RMS allocations (DJFS) or other cost – allocation method currently used in the federally- funded program (CSEA), (and CDBG). RMS allocations of separation incentives will be based on the RMS allocation in effect at the time of separation, as is consistent with the allocation of accrued leave time for normal turnover as defined under OMB circular A-87.

Ref 3:13 (4) b. County- wide Program

All employees of all appointing authorities, offices, agencies, boards and commissions of the County of Summit (hereinafter collectively referred to as "Offices") are eligible to participate in the VSP. This program is not a purchase of service credit program for retirement. Employees who already have sufficient age/service credit for retirement and employees who for example have other sources of income and separate from the County by Aug. 31, 2009 are eligible to receive this incentive payment.

Ref: 3-13 (4) c. Re-employment policy

1. An employee in a federally- funded agency who accepts a voluntary separation payment is ineligible for re-employment in any position with the County for a period of 24 months from the date of voluntary separation. (or consequently must repay the full amount of the voluntary separation payment prior to being eligible for any County position).

Ref 3-13 (4) d. Cost Effectiveness

1. Before offering the program to its employee's the officeholder must agree to a permanent salary savings of at least 50% for every employee from a federally-funded agency or **75% for** employees from general fund supported programs taking the incentive. Options for the savings include:
 - Permanently abolishing the position
 - Promoting to or under-filling the position and abolishing the resultant vacant position (this can be a cascade of positions, but it must be demonstrated that the **50% required** permanent savings is accomplished within 6 months.
2. The voluntary separation plan is a cost-effective method of reducing payroll costs.
 - Unlike traditional early retirement programs offered through employee pension plans (Ohio Public Employee Retirement System) the plan does not incur the cost of purchasing additional service credits or the cost of health care service costs for retiring employees.

The attached spreadsheet (Attachment A) identifies the anticipated number of employees in the major federally- funded agencies, and the anticipated cost and annual savings.

Ref 3-13 (4) e. Effect of Voluntary Separation Program on Operation, Continuity, and Effectiveness of Federally- Funded Programs.

1. The VSP is expected to reduce the number of positions in federally-funded agencies. This reduction is necessary to deal with reductions in federal and state support and declining local revenues. However, the operation, continuity and effectiveness of federally-funded programs will not be jeopardized by the VSP.
 - Approximately 50% of the positions estimated to be vacated by the VSP are assumed to be filled with new employees at lower starting rates. The total reduction in positions at both DJFS and the CSEA is less than 10% of the current employment levels.
 - Replacement of positions which provide direct service to clients will be emphasized, such as case manager positions. Administrative and support positions will only be filled if essential to assure continuity and efficiency, and less than 50% of those positions will be filled, to assure a higher ratio of jobs filled at the case manager level.

Ref 3-13 (4) f Agreement to comply with terms of federal requirements.

The County of Summit acknowledges that the payments made from federal funds for the voluntary separation plan are subject to audit, and failure to adhere to the terms of the federal programs rules and/or this plan regarding eligibility of costs could result in a finding to recover those costs from the County.

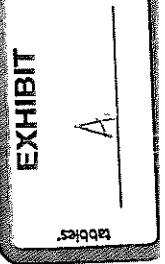
Voluntary Separation Incentive Plan Analysis
 Employees Eligible thru 8/31/2009
 Avg Employee Leave Date 8/31/2009

FOP adjusted
 30% <\$50K, 5% > \$50

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	Potential Savings				Potential Cost				Participation Est.	
	#Pos.	Avg Sal & Benefits	Annual Svgs w/ Benefits	Sick/Vacation Payout	(30% - 5%) Voluntary Sep Incent. Plan	Total Separation Cost	Years Payback	Dayton Participation Rate	COS Savings @ Dayton Rate	
30 Year Svcs Gen Fund	25%	78,404.04	3,954,504	1,872,308	980,292	2,852,599	0.72	69%	2,727,244	
25 Yr Law En JFS	25%	65,570.20	1,622,863	594,560	438,146	1,032,706	0.64	69%	1,119,216	
CSEA	25%	47,810.88	1,075,217	352,217	31,874	67,091	0.62	69%	74,189	
Engineer	50%	59,198.88	266,395	153,025	116,373	269,398	1.01	69%	183,721	
Fiscal - REA	50%	56,271.31	156,153	66,468	64,779	131,248	0.84	69%	107,692	
Juv - Reclaim	50%	73,171.80	219,515	129,980	85,559	215,539	0.98	69%	151,390	
Clerk - Title	50%	57,564.00	115,128	44,208	51,168	95,376	0.83	69%	79,399	
DOES	50%	66,584.16	432,797	304,578	183,492	488,070	1.13	69%	298,481	
Other	50%	81,742.53	416,887	389,062	158,070	547,132	1.31	69%	287,508	
Total	32%	71,481.27	7,291,816	3,589,408	2,109,752	5,699,160	0.78	69%	5,028,838	
>55_25 or >60_10	25%	66,868.40	4,265,368	1,605,226	1,109,840	2,715,067	0.64	25%	1,055,117	
CSEA	25%	55,975.47	1,763,227	577,564	497,987	1,075,551	0.61	25%	436,167	
Engineer	50%	52,303.13	666,865	194,008	195,508	389,516	0.58	25%	164,961	
Fiscal - REA	50%	59,218.71	414,531	168,299	173,823	342,122	0.83	25%	102,542	
Juv - Reclaim	50%	72,001.48	417,609	175,550	155,956	331,506	0.79	25%	103,303	
Clerk - Title	50%	37,627.20	18,814	3,803	8,362	12,164	0.65	25%	4,654	
DOES	50%	51,283.44	153,850	81,712	68,122	149,834	0.97	25%	38,058	
Other	50%	55,826.28	379,406	306,591	306,591	685,998	0.95	25%	179,526	
Total	33%	72,800.41	449,543	256,675	177,595	434,270	0.97	25%	111,203	
Total		61,802.12	8,875,548	3,442,244	2,693,784	6,136,028	0.69	25%	2,195,530	
Gen Fund	25%	71,962.11	8,219,872	3,477,534	2,090,132	5,567,666	0.68		3,782,361	
JFS	25%	60,197.16	3,386,090	1,172,124	936,133	2,108,257	0.62		1,555,382	
CSEA	25%	51,629.29	774,439	229,226	227,382	456,608	0.59		239,151	
Engineer	50%	59,210.95	680,926	321,324	290,196	611,520	0.90		286,263	
Fiscal - REA	50%	66,910.96	573,761	242,018	220,735	462,753	0.81		210,995	
Juv - Reclaim	50%	68,094.00	238,329	133,783	93,921	227,704	0.96		156,044	
Clerk - Title	50%	53,795.66	268,978	125,921	119,290	245,210	0.91		117,456	
DOES	50%	59,412.24	1,158,539	683,984	490,084	1,174,068	1.01		478,006	
Other	50%	76,845.18	866,429	645,737	335,665	981,402	1.13		398,711	
Total	33%	65,795.43	16,167,364	7,031,652	4,803,536	11,835,188	0.73		7,224,369	
Benefits Savings Assumed at 35%										
30 Year Svcs Total GF Supported		73,413.28	5,684,941	2,502,085	1,450,311	3,952,397	0.70		3,920,649	
25 Yr Law En (GF, JFS, CSEA)		61,973.49	6,695,460	2,376,799	1,803,335	4,180,134	0.62		1,656,245	
>55_25 or >60_10 (GF, JFS, CSEA)		66,749.70	12,380,401	4,878,884	3,253,647	8,132,531	0.66		5,576,894	
Total										

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09 - 112 County of Summit Voluntary Separation Plan

1. The County of Summit is offering a one-time Voluntary Separation Plan (“VSP”) as part of its efforts to reduce the long term expenditures of the County. All employees of all appointing authorities, offices, agencies, boards and commissions of the County of Summit (hereinafter collectively referred to as “Offices”) are eligible to participate in the VSP. Each Office shall sign a memorandum of understanding with the County Executive agreeing to the terms of the program, as set forth herein, no later than 4:00 p.m. on April 30, 2009.

Plan Eligibility, Payout and Separation Details

2. The VSP is available to all full-time (defined as an employee who works at least 72 hours a pay period), permanent, bargaining (pending union approval) or non-bargaining employees who were on the payroll and completed their initial probation period as of January 1, 2009 and who continually maintain their full-time, permanent status through the date of their application for the VSP. Individuals seeking to retire as a result of disability are not eligible to participate in the VSP. Elected officials and appointed or elected board members are not eligible to personally participate in the VSP. In order for employees of a bargaining unit to be eligible, that unit must agree to participation either through terms of a collective bargaining agreement or a memorandum of understanding between the unit and the employer.
3. Employees participating in the VSP shall receive a lump sum payment, after the separation of their employment, equal to 30% ~~25%~~ of the first \$50,000.00 of the employee’s “base salary” and an additional 5% of the portion of the “base salary” that exceeds \$50,000.00. Said payment shall be made only upon separation of the employee from employment with the County.
4. “Base salary” is calculated by using the employee’s regular hourly rate as of January 1, 2009, times 2080 hours for an 80 hour per pay period employee, or 1872 hours for a 72 hour per pay period employee. The “base salary” does not include any amounts for overtime, salary roll-ups, or any benefits. Income paid to an individual on a contract basis or attributed to a 1099 is not included in “base salary.”
5. In the event that an employee has not been employed for at least one year immediately preceding their termination date, the “base salary” will be the regular hourly rate as of January 1, 2009 multiplied by the actual number of hours actually worked (i.e., paid or unpaid leave will not be included) during the previous twelve months.
6. Any employee who elects to participate in the VSP will also receive the normal vacation payout pursuant to CH 169 of the County codified ordinance and/or Collective Bargaining Agreement, after they resign or retire from County employment, in the same form, fashion and amount as a normal severance from the County.
7. If an employee elects to voluntarily terminate employment under the VSP and retire, the employee will also receive their sick leave payout pursuant to CH. 169 of the County Codified Ordinances and/or Collective Bargaining Agreement, in the same form, fashion and amount as a normal severance from the County. In order to receive a sick leave

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payout, the County will need to receive confirmation of the eligible employee's election to receive an age and service pension from OPERS.

8. Employees electing to participate in the VSP must agree to terminate their employment with the County, effective no later than the close of business on August 31, 2009. The employee's termination shall be a voluntary resignation or retirement and the employee shall agree on the VSP application to the voluntary nature of the termination and acknowledge that, as such, the employee is not eligible for unemployment compensation. Employee agrees that election to participate in the VSP shall be a voluntary termination of employment for any purpose whatsoever. Employees who elect to participate in the VSP will be removed from the payroll at the close of business on the effective date of their resignation. As stated below, resignation of an employee pursuant to the VSP may be delayed pending the Office's submittal and approval of the required savings/reduction plan.

Employee Enrollment

9. An employee must enroll for the VSP during the enrollment period of May 1, 2009 through June 1, 2009. Failure to enroll in the VSP during that enrollment period will render an employee ineligible for the VSP.
10. Employees must indicate their election to participate in the VSP and their acceptance of all conditions and terms of the VSP, no later than 4:00 p.m. on June 1, 2009, by delivering the fully completed and signed VSP Application and Resignation Form to the Human Resources Department ("HRD"), Room 102, Ohio Building, 175 S. Main St., Akron, Ohio 44308. Delivery shall constitute physical delivery to the HRD or mailing the application by regular U.S. mail. If mailed, the application must be completed, signed and U.S. post-marked no later than June 1, 2009. Electronic or faxed copies, and/or copies submitted by intra-departmental mail are not sufficient to constitute delivery.
11. If the VSP application is incomplete and/or filled out incorrectly, the County will allow the affected employee to correct and/or complete the application within three (3) business days from notification of the incompleteness or incorrectness. If the employee fails to correct the problems and/or complete the VSP application within that period of time, that employee's VSP application will be rejected by the County.
12. Employee may revoke the VSP application by delivering a notice of revocation, in writing, to the HRD no later than seven (7) days after the date that the application is delivered to the HRD. For purposes of the notice of revocation, deliver shall have the same meaning as that set forth in paragraph 10, above.

Salary Savings/Reduction Plan

13. No later than June 15, 2009, the HRD shall deliver to each participating Office a list of employees that have elected to participate, and are eligible to participate, in the VSP. No later than June 30, 2009, each participating Office that is funded in whole or in part by the General Fund, which includes the Executive, Council, Fiscal Office, Clerk of Courts, Prosecutor, Sheriff, Court of Common Pleas- General Division, Summit County Juvenile

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Court, Summit County Probate Court, Court of Common Pleas- Domestic Relations Division, Department of Internal Auditing, Human Resource Commission, Office of Consumer Affairs, Board of Elections and Veterans Services Commission, ("General Fund Office"), that receives a list of participating and eligible employees shall submit a written plan to the Executive's Department of Finance and Budget ("DFB") demonstrating a ~~permanent~~ salary savings/reduction of at least **75% of the total amount of all general-fund and general-fund supported salaries during budget years 2009 and 2010 and 50% of the total amount of all general-fund and general-fund supported salaries for budget year 2011 and forward, and** 50% of the total amount of **non-general fund** salaries for the employees that elect to participate in the VSP, provided that the Veterans Service Commission, Department of Internal Auditing, Office of Consumer Affairs and Human Resource Commission need only demonstrate and realize a savings of 25% of the total amount of all salaries for employees electing to participate in the VSP, given the small size of those offices. Said savings may be accomplished through (i) permanent abolishment of positions or (ii) promotion of remaining employees to newly vacant positions and underfilling or abolishing the prior positions, or (iii) other personnel reorganization that will result in the required 50% salary savings/reduction for the employees electing to participate in the VSP. Following receipt of the required plan, the DFB will review and approve the plan, or suggest revisions to the Office. Failure to submit a plan meeting the required savings/reduction will delay and possibly prevent the processing of personnel actions necessary to replace separating employees.

14. Following submission and approval of the savings/reduction plans, the Executive shall submit to County Council a resolution adjusting each General Fund Office's appropriations to reflect, at a minimum, the ~~50% permanent~~ **required** savings/reduction in ~~general fund~~ salaries for the separating employees for the balance of 2009. Continuing with the 2010 budget, the ~~50% permanent~~ **required** savings/reduction will be reflected in the amount of general fund salaries budgeted for each ~~General Fund~~ Office, consistent with the savings/reduction plan.
15. Once the HRD delivers to each participating Office a list of electing and eligible employees, the Office shall complete a personnel action for each employee indicating the retirement/resignation of the employee, which shall be processed through normal procedures, provided, however, that said personnel action shall not be processed by the HRD until the savings/reduction plan is submitted to and approved by the DFB.

Miscellaneous Provisions

16. The County cannot and does not give any representation as to the treatment given to the Voluntary Separation Plan by the Ohio Department of Jobs and Family Services and the Ohio Public Employees Retirement System. See attached Federally Funded Agency Addendum for Guidelines pertaining to those Agencies
17. An employee who accepts a voluntary separation payment is ineligible for full-time re-employment in any position with the County for a period of 24 months from the date of voluntary separation. (or consequently must repay the full amount of the voluntary separation payment prior to being eligible for any County position). An employee who accepts a voluntary separation payment is eligible to return to the County as a new hire in

either a part-time position or seasonal position that is of a different job classification than the position vacated by the employee, during said 24-month period, provided that there is not a hiring freeze in effect that otherwise bars or limits said employment.

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