



April 29, 2010

Agenda Item 14.0: Voluntary Separation Program

TO: Sacramento Public Library Authority Board Members

FROM: Rivkah K. Sass, Library Director

RE: Voluntary Separation Program

RECOMMENDED ACTION(S):

- 1. Approve** the Voluntary Separation Program (VSP) as outlined in the Rules and Procedures attached as Exhibit A, and direct staff to implement the VSP in accordance with these approved guidelines.
- 2. Approve** the application of the Rules and Procedures to unrepresented employees and employees represented by recognized employee organizations, which have agreed to the terms of the Program.
- 3. Approve** a budget appropriation of \$200,000 to fund approved severance payouts, and \$200,000 to fund payouts of employee leave balances related to the VSP separation.
- 4. Authorize** the Library Director to approve VSP applications in a total amount not to exceed \$200,000 in severance payouts and to sign related separation agreements.

BACKGROUND AND REASON FOR RECOMMENDATION

On March 11, 2010, Library Staff outlined a Voluntary Separation Program for employees with long-term service in the Authority with the intent to create salary savings.

The Authority Board directed staff to return with details of the program to consider for approval at the April 29, 2010, Authority Board meeting. The following information outlines the program scope and details:

Number of staff potentially eligible to participate by seniority and position:

Currently, a total of 117 employees potentially are eligible to participate in the VSP.

By seniority:

- 20 years or more of service - 57 employees;
- 10-19 years of service - 60 employees.

By position:

Librarian	23
Library Assistant	35



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Library Technician/Specialist	6
Circulation Supervisor	10
Library Supervisor I, II	11
Library Supervisor III	13
Administration; Facilities; Finance; Information Technology	19

Amount of funding available for program:

The total funding recommended for this program is \$200,000 for the VSP benefit and an estimated \$200,000 to pay for PTO and leave balances that are required to be paid at separation. Staff estimates that this will provide up to 10 positions that could be accepted for voluntary separation.

Estimate of severance benefit calculations:

Staff has estimated the total cost of program implementation to be approximately \$350,000 to \$400,000 once leave benefit payout is included. Staff anticipates minimum cost savings to exceed \$400,000 annually, as the program strategy is to accept applications from staff occupying positions that can be eliminated, frozen for an extended period, or which have duties that can be delegated to other positions. Applications from positions that meet these criteria will be given priority in order to achieve the desired outcome.

Staffing plan to ensure appropriate levels of service:

Once the application period has closed and those applications identified for acceptance determined, a staffing plan will be developed that will determine the level of service to be provided in consideration of the positions being vacated. This staffing plan will be submitted with the FY 2010/11 Final Budget in September 2010.

Program Parameters

In order to ensure the best possible outcome for the Authority, staff, and service to the public, staff has carefully considered, developed, and discussed with union leadership the program parameters, eligibility requirements, rules and procedures, application guidelines and draft agreements

The Voluntary Separation Program shall be offered to all full time career employees with ten (10) or more years of continuous service. Employees with twenty (20) years of service will be reviewed first. In the event that the applications submitted exceed the maximum amount allocated for this program, the decision will favor the employee with the most seniority.

The application period shall be May 3, 2010, through June 8, 2010. Separations must occur before or on December 31, 2010. See Exhibit A for additional details.



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FISCAL IMPACT

The VSP will require an investment of approximately \$400,000 in one-time funding to implement the program. The benefit of the program is a realigned business model that results in long-term recurring cost savings. It is anticipated that these savings will exceed the \$400,000 one-time investment in FY 2010/11.

Staff will present the FY 2010/11 Library Budget based on assumptions about the VSP slots anticipated to be accepted. Staff will present the actual results of the program as a component of the September Final Budget actions, based on the actual number of VSP applications accepted.

ATTACHMENTS

Exhibit A: Voluntary Separation Program Rules and Procedures

Exhibit B: Voluntary Separation Program Agreement

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Sacramento Public Library
Voluntary Separation Program
Rules and Procedures

The following rules and procedures shall govern the application for and implementation of the Voluntary Separation Program (VSP):

1. Information will be distributed to Department Managers, Supervisors and Staff by e-mail and a letter mailed to all full time employees on April 30, 2010.
2. The Department of Human Resources is designated to administer the Program.
3. The open window period for participation is May 3, 2010, to and including June 8, 2010 (five weeks).
4. Participation is voluntary. Full-time career employees with ten (10) years of continuous service or more are eligible for the Program. Employees with twenty (20) years of service will be reviewed first, and any additional applications will be considered if needed.
5. The Library Director or designee may approve individual applications before the end of the application period of June 8, 2010.
6. Employees may request to participate in the program. Participation is initiated by submitting a completed Employee Request Form and received by Human Resources **5:00 p.m. June 8, 2010**. The form is available on SPL@, Human Resources Page, Voluntary Separation Program tab.
7. Employees who have submitted an application to participate may withdraw their application by submitting a written request to withdraw. Complete and submit the Request to Withdraw Application for Voluntary Separation Program Participation form to Human Resources prior to the Library Director's approval of the application or prior to the employee's signature on the Agreement.
8. The Library Director or designee is the final authority in approving participants that have applied for the Program. The Human Resources Department will notify selected applicants of the approval or denial of their requests in writing (including the date of separation), calculate the years of service, salary, and severance benefit applicable.
9. The Human Resources Department will have the employee sign the necessary agreement, which includes waiver and release forms.
10. Employees may revoke the agreement within seven (7) days from the date the employee signed the Agreement.
11. After the revocation period expires, the Human Resources Department will notify Payroll of the benefit due to the employee and the date it is to be paid.
12. The severance benefit for approved participants shall be calculated based on full-time continuous Library service (including prior contiguous City or County service prior to the Library JPA forming), rounded to the nearest year, times the weekly base salary up to a maximum of \$1,000 per week, (excluding premium pay such as shift differential, out of class pay, overtime and the like), up to a maximum of \$20,000 per person.
13. Any payment under the Program shall not be included as compensation for purposes of PERS reporting or service credit. The severance benefit cannot be deposited in deferred compensation according to ICMA-RC and IRS Regulations on Severance Pay.
14. Employees who are approved for the Voluntary Separation Program must leave Library employment by the date specified in the approval letter provided by the Human Resources Department as stated in #8 above, and no later than December 31, 2010.
15. In the event there are more employees applying for the Program than the number of voluntary separation slots available, ties or excess requests shall be solved in favor of the employee with the most seniority, utilizing the service date identified in #12 above.

16. Employees who have previously announced retirement are not eligible to participate in the Program.
17. Employees who accept severance pay through this Program may not be eligible for unemployment insurance, are not eligible for recall rights, and waive any reemployment rights with the Library.
18. Upon acceptance of the severance payment offer under this Program, the employee agrees to sever any and all rights to Library employment, including but not limited to: seniority, layoff, bumping and/or recall rights, and any appeal rights to any loss of property rights. This severance waiver shall be effective upon receipt and acceptance of the severance payment. The severance of employment under this Program is not a disciplinary action.

All Voluntary Separation Program forms are located on SPL@, HR Page, Voluntary Separation Program tab.

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