

## Board of County Commissioners Agenda Request 13

Date of Meeting: April 8, 2008

Date Submitted: April 2, 2008

To: Honorable Chairman and Members of the Board  
From: Parwez Alam, County Administrator  
Lillian Bennett, Human Resources Director  
Subject: Acceptance of the Status Report on the Voluntary Separation Incentive Program

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**Statement of Issue:**

This agenda item requests Board acceptance of a status report on the Voluntary Separation Incentive Program (VSIP).

**Background:**

At the March 11, 2008 Fiscal Year 2009 Budget Workshop, staff recommended, and the Board approved, a Voluntary Separation Incentive Program (VSIP) (Attachment #1). In addition, staff provided a revised Table #1 of eligible employees, VSIP costs and recurring savings of salaries and benefits (Attachment #2).

The primary objective of the VSIP is to create additional vacant positions (FTE's) throughout the organization that can eventually be eliminated to assist in meeting the estimated \$12.8 million needed in budget reductions. The VSIP could potentially accomplish this by providing incentives for employees to voluntarily terminate employment through resignation or retirement. The VSIP could also facilitate redeployment and reorganization of employees by filling critical vacant positions with employees from positions where programs and services may face budget reductions.

**Analysis:**

On March 17, 2008, Human Resources sent an announcement to all eligible employees providing information on the VSIP program, and invited them to attend educational sessions on March 19, 20, and 21. At the educational sessions, Human Resources staff explained the provisions of the program, answered any questions employees had, and provided available information on the Florida Retirement System (FRS) Financial Guidance Line, Ernst & Young Financial Planning Workbook, Pension Plan, Deferred Retirement Option Program (DROP), Investment Plan, and the opportunity to utilize the FRS 2<sup>nd</sup> Election option to change plans. Seventy-nine percent (79%) of all eligible employees attended. Attachment #3 provides a summary of attendance by Division. Additionally, staff contacted the representatives of the Constitutional Offices to determine the Offices' interest in offering the Program. At this time, only the Clerk of Courts and Supervisor of Elections showed interest in participating.

FRS/Ernst & Young will be on site on April 22, 23, and 24 to conduct group educational sessions with employees to assist in understanding the retirement options available under FRS, including whether or not to exercise the employees 2<sup>nd</sup> election for the Pension or Investment Plans, Financial Planning, Estate Planning, and Cash/Debt Management.

At this time, Human Resources has received 28 applications from employees who have expressed an interest in being considered for the program. This represents approximately 22% of the total 129 eligible employees. Applications have been received from employees in the following Divisions:

Table #1  
 Number of Applications Received

Division	Number of Applications
Tourist Development	1
Human Resources	1
GEM-Building Inspection	2
GEM-Development Services	1
Public Works-Engineering	3
Public Works-Fleet	2
Public Works-Parks & Recreation	3
Public Works-Operations	3
Public Works-Solid Waste	3
Management Services-Probation	1
Management Services-Facilities	2
Public Services-Library	4
Public Services-Volunteers	1
Public Services-Housing	1
Total	28

*Please note that applications have not been reviewed or approved for participation in VSIP.*

Employees will be notified if their application is approved or not approved. Those approved will be sent a written Agreement/Release. Employees will have 45 days to review and submit the signed Agreement to Human Resources. Once the employee signs the Agreement/Release, the employee will have an additional 7 days to revoke the Agreement/Release. The employee must leave employment no later than September 30, 2008.

The following chart shows the cost impact and recurring savings if all of the employees who submitted applications are approved to leave employment under the VSIP.

Table #2  
 Estimated Cost Impact of VSIP (Board Only)

Categories of Employees Offered VSIP	Number of Employee Applications Received	Cost of Financial Incentive	County 50% Cost of Medical Insurance	Total Cost of VSIP	Recurring Savings of Salaries & Benefits
DROP end date in 2011-2013	5	\$156,032	\$32,821	\$188,853	\$406,135
DROP end date in 2009-2010	4	\$100,000	\$26,921	\$126,921	\$253,553
Re-employed Retirees	4	\$90,522	\$19,192	\$109,714	\$169,465
30+ years of service	3	\$75,000	\$21,357	\$96,357	\$149,118
25-29 years of	3	\$75,000	\$15,197	\$90,197	\$150,875

service					
20-24 years of service	8	\$204,356	\$60,003	\$264,360	\$485,347
19 years of service	1	\$25,000	\$3,734	\$28,734	\$56,266
Total	28	\$725,910	\$179,225	\$905,136	\$1,670,759

At the educational meetings, employees expressed concerns regarding the possibility of a reduction in force (layoff). Staff explained that further analysis and Board direction on the estimated impact of budget reductions to employees, if any, would be provided at the June 18-20, 2008 Budget Workshops.

**Options:**

1. Accept the status report on the Voluntary Separation Incentive Program.
2. Do not accept the status report on the Voluntary Separation Incentive Program.
3. Board Direction.

**Recommendation:**

Option #1.

**Attachments:**

1. March 11, 2008 Budget Discussion Item and Program Description of Board Adoption of a Voluntary Separation Incentive Program & Approval of Revisions to Section XII- "Separations" of the Leon County Personnel Policies and Procedures Manual (without attachments)
2. Revised Table #1-Additional Information for March 11, 2008 Workshop.
3. Eligible Employee Attendance at Educational Sessions by Division