Summary and Fiscal Note

1. Legislation Summary

Department: City Budget Office

Title: An ordinance relating to City employment; establishing a voluntary early separation program for eligible City employees; adding a new Section 4.36.400 to the Seattle Municipal Code; and ratifying and confirming certain prior acts.

Background: Many public and private entities have offered early retirement/separation programs to their employees to allow flexibility for eligible employees and reducing long-term costs to the employer.

This legislation authorizes the Seattle Human Resources Director, in collaboration with the Executive Director of the Seattle City Employees' Retirement System, Director of Finance, Director of Finance and Administrative Services, and City Budget Director, to design and offer an early retirement/separation program to City employees that are not temporary employees or City department heads.

The legislation requires that details of any program be made available to potential eligible employees at least 30 days before the end of enrollment and contains the following information:

- Which City employees are eligible for the program;

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- When and how City employees can opt in to the program;
- What benefit is offered to participants;
- How participants' health insurance and other City benefits will be impacted; and
- How participants' rights to potential unemployment benefits might be impacted pursuant to RCW 50.20.055(3).

Summary Attachments:

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2. Capital Improvement Program (CIP)

Does this legislation create, fund, or amend a CIP Project?

☐ Yes

☒ No

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3. Summary of Financial Implications

Does this legislation have financial impacts to the City?

☐ Yes

☒ No

This legislation does not have direct financial impacts to the City as it authorizes, but does not require, the City to offer some employees an early separation/retirement benefit.

If the City moves forward with offering an early separation/retirement program, there will be costs associated with offering and administering the program, as well as potential

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reductions in long-term costs to the City if positions vacated by early separated employees remain vacant.

3d. Other Financial Impacts

a. Does this legislation create any other financial impacts for The City of Seattle, such as direct or indirect costs, one-time or ongoing, that aren't mentioned above? If yes, please explain these impacts.

As mentioned above, if the City moves forward with offering an early separation/retirement program, there will be one-time costs associated with offering and administering the program, as well as potential reductions in long-term costs to the City if positions vacated by early separated employees remain vacant.

b. If the legislation has costs that can be covered within the current budget, explain how. Does the department have extra resources in its budget to handle these costs? Or does the department need to shift resources away from other work to handle these costs?

N/A

c. What financial costs or other impacts might happen if this legislation is not implemented?

N/A

d. How might this legislation affect other City departments besides the one that proposed it?

In addition to the work required of the Seattle City Employees' Retirement System, Office of City Finance, Seattle Department of Human Resources, Department of Finance and Administrative Services and City Budget Office, a voluntary separation program could be offered to City employees of other or all City departments.

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4. Other Impacts

a. Does this legislation require a public hearing?

☐ Yes

☒ No

b. Does this legislation require a notice to be published in The Daily Journal of Commerce and/or The Seattle Times?

☐ Yes

☒ No

c. Does this legislation affect a piece of property?

No.

d. Race and Social Justice Initiative impacts:

1. How does this legislation affect vulnerable or historically disadvantaged communities? How did you come to this conclusion? Please consider both impacts within City government (like employees and internal programs) and in the broader community.

Retirement-eligible City employees trend to be more white and more male than the average City employee. A voluntary separation program would likely make most sense to retirement-eligible employees and may result in a more diverse workforce. Additionally, to the extent that a voluntary separation program can avoid future layoffs, it may preserve employment for newer City employees, who tend to be more diverse.

2. Please attach any Racial Equity Toolkits or other racial equity analyses used to develop or assess this legislation.

N/A

3. What is the Language Access Plan for communicating with the public about this legislation?

The City will use established communication pathways to contact eligible employees if a voluntary separation program is instituted.

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e. Climate change impacts:

1. Emissions: Will this legislation significantly increase or decrease carbon emissions? Attach any studies or materials that inform your answer.

No.

2. Resiliency: Will this legislation make Seattle more or less able to adapt to climate change? If it reduces resiliency, explain what can be done to lessen the impact.

No.

f. If this legislation creates a new program or expands an existing one, what are the long-term, measurable goals? How will this legislation help achieve those goals? What methods will be used to track progress?

N/A

g. Does this legislation create a non-utility CIP that involves shared funding with a non-City partner or organization?

No.

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