

CITY OF MODESTO

MEMORANDUM

To: All City Employees

From: Greg Nyhoff, City Manager

Re: Retirement and Voluntary Separation Incentive Programs for Eligible City Employees

Date: June 7, 2010

The City of Modesto announces two voluntary programs that will provide eligible employees with a cash incentive for either a voluntary separation or retirement from City service. This offer is contingent upon City Council approval at its June 22, 2010 meeting. This memorandum provides important information regarding eligibility for participation. All interested employees should review the information provided below as soon as possible.

ELIGIBILITY

Retirement and Voluntary Separation Incentives will be offered to employees in specific classifications as a means of reducing the number of employees to be laid off due to budget reductions. Therefore, classifications to be selected would be based on positions identified as current and anticipated budget reductions or impacted/affected by bumping rights. Only employees in identified classifications and who have completed at least five full years of continuous service in a regular position are eligible to participate.

PROCESS FOR APPROVAL

By 4:30 p.m. on June 22, 2010, interested employees should review this information and, if eligible, must notify the City's Human Resources Department by submitting the mandatory letter to retire or separate to Jill Peltier in Human Resources. Please note that employees may only elect to participate in one of these programs. All participation requests and applications will be reviewed by Human Resources to verify employment eligibility as set forth above. Any applicant who does not meet these requirements will be notified in writing.

Participation in the program will be subject to the approval of the City Manager based on the City's needs and objectives stated in the criteria below. The City Manager's decision is final and is not appealable. Once the City Manager has made this determination, participating employees will be notified and will be required to sign a Separation Agreement and Release of All Claims provided by the City.

Each application will be evaluated on a case by case basis, including but not limited to the following criteria: (1) current and anticipated budget reductions, (2) staffing needs to meet operational priorities, (3) impacts to service levels, (4) the number of employees in a given job classification that submit applications. Decisions will be based on seniority in any cases where the number of applicants exceeds the number of positions in that classification that Departments deem appropriate for long term vacancy, with the most senior having priority to participate in this program.

Employees who are approved will be prohibited from directly working full-time for the City in any capacity for twelve (12) months. This includes working as a regular employee, extra help, working retiree, independent contractor, consultant, or any other similar relationship. Some positions may be subject to rehire or backfill as temporary part-time only with City Manager approval on a case by case basis.

RETIREMENT INCENTIVE PROGRAM

Any eligible employee who has been approved by the City Manager to voluntarily retire from the City between June 30, 2010 and July 30, 2010 shall receive a cash incentive. The cash incentive is calculated based upon the employee's base salary and years of continuous service, with one (1) week's base pay per completed year of service, up to a maximum of \$30,000. A method of distribution for cash incentives will be determined on a unit by unit basis.

VOLUNTARY SEPARATION PROGRAM

Any eligible employee who has been approved by the City Manager to voluntarily resign from the City between June 30, 2010 and July 30, 2010 shall receive a cash incentive. The cash incentive is calculated based upon the employee's base salary and years of service, with one week's base pay per completed year of continuous service, up to a maximum of \$30,000. A method of distribution for cash incentives will be determined on a unit by unit basis. Employees who participate in this program may not re-apply for City employment within the 12 months following the effective date of their resignation and are not eligible for unemployment benefits.

Implementation Timeline

June 7 – June 22	Employees review materials and sign and submit letter of Separation/Retirement (with 45 day consideration per ADEA)
June 23 – June 29	City Manager confirms eligibility and notifies employees of approval/denial.
June 30 – July 7	Approved employees attend meeting with Human Resources and sign Agreement and Release

Separations/Retirements shall be effective no later than July 30, 2010.

If you have questions, please contact Jill Peltier at 577-5209 or Kimberly Murdaugh at 577-5409.